



**KASBAH RESOURCES LIMITED**

**ACN 116 931 705**

**Interim  
Financial Report**

**For the Half Year Ended**

**31 December 2016**

# Corporate Directory

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## Directors

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John Gooding (Non-executive Chairman)  
Graham Freestone (Non-executive Director)  
Stephen Gill (Non-executive Director)  
Hedley Widdup (Non-executive Director)

## Chief Executive Officer

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Richard Hedstrom

## Company Secretary

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Trevor O'Connor

## Principal Registered Office in Australia

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11 Moreau Mews  
Applecross WA 6153

Telephone: +61 8 9463 6651  
Facsimile: +61 8 9463 6652  
E-mail: [info@kasbahresources.com](mailto:info@kasbahresources.com)  
Web: [www.kasbahresources.com](http://www.kasbahresources.com)

## Stock Exchange Listing

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

## Share Registry

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Link Market Services Limited  
Level 4  
152 St Georges Terrace  
Perth WA 6000  
Telephone: +61 1300 554 474

## Bankers

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Westpac Banking Corporation  
1257 – 1261 Hay Street  
West Perth WA 6005

## Auditors

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HLB Mann Judd  
Level 4  
130 Stirling Street  
Perth WA 6000

Telephone: +61 8 6382 4600  
Facsimile: +61 8 6382 4601

## Solicitors

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In Australia

Steinepreis Paganin  
Lawyers & Consultants  
Level 4  
The Read Buildings  
16 Milligan Street  
Perth WA 6000  
Telephone: +61 8 9321 4000  
Facsimile: +61 8 9321 4333

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# Directors Report

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Your Directors present their report on the consolidated entity (referred to hereafter as the “Group”) consisting of Kasbah Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

## DIRECTORS

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

- John Gooding (appointed on 8 February 2017)
- Graham Freestone (appointed on 8 February 2017)
- Stephen Gill (appointed on 19 December 2016)
- Hedley Widdup (Alternate Director for Mike Brook 8 February 2017 to 26 February 2017, appointed as Non-executive director in his own right on 27 February 2017)
- Mike Brook (resigned on 27 February 2017)
- Gabrielle Moeller (resigned on 8 February 2017)
- Wayne Bramwell (resigned on 8 February 2017)
- Rod Marston (resigned on 19 December 2016)
- Ian McCubbing (resigned on 19 December 2016)
- Giles Robbins (resigned on 19 December 2016)
- David Sher (Alternate Director for Giles Robbins – appointment term 9 August 2016 to 5 September 2016)

## REVIEW AND RESULTS OF OPERATIONS

### Operating Results

Net operating loss after tax for the half-year ended 31 December 2016 was \$2,856,016 (2015: \$1,614,291) after transaction and other associated costs relating to the Scheme of Arrangement between Kasbah Resources Limited and Asian Mineral Resources Limited of \$1,199,421 (2015: \$0), exploration and evaluation costs of \$419,715 (2015: \$739,508), Moroccan VAT impairment expense of \$73,944 (2015: \$99,074) and allowing for non-cash costs of \$0 (2015: \$1,944) for option based payment expense. As disclosed in the 30 June 2016 Financial Statements exploration and evaluation expenditure is expensed as incurred except for the acquisition of exploration properties, which is capitalised and carried forward. Employee benefits expenses increased primarily due to a redundancy payment to the previous Managing Director.

### Review of Operations and Changes in State of Affairs

During the half-year ended 31 December 2016, the Company completed the Small Start Option Definitive Feasibility Study (SSO DFS) for the Achmmach Tin Project. 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). The SSO DFS has maintained competitive all-in sustaining costs and at current LME tin prices generates positive substantial returns. This study will be reviewed in the second half of the current financial year to prepare the project for a decision to commit to the development of the mine

## Directors Report

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during calendar year 2017. As a consequence of this review the Rights Issue that was originally announced to be completed in March 2017 will be deferred and is now likely to take place during the June 2017 quarter.

Also during the half year, the Company entered into a Scheme Implementation Agreement (SIA) with Asian Mineral Resources Limited (AMR, TSX-V: ASN) pursuant to which AMR would, 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.

After a Scheme meeting on 23 November 2016 where a majority of Kasbah shareholders had voted in favour of the Scheme, a third party identified a fundamental flaw in the valuation methodology applied by the independent expert BDO Corporate Finance (WA) Pty Ltd (BDO).

This fundamental error by BDO affected BDO's valuation of the Scheme consideration and would have changed their opinion of the scheme to 'not fair, but reasonable' for Kasbah shareholders. Accordingly, on 9 December 2016, Kasbah notified the market that the condition precedent requiring approval of the Scheme by the Federal Court of Australia was incapable of being satisfied in relation to the Scheme approved by Shareholders on 23 November 2016.

On 19 December 2016 Kasbah announced that it had signed a deed of termination with AMR in respect of the Scheme and that all discussions in respect to the proposed merger are now concluded.

On 19 December 2016 the Company announced a share placement to Pala Investments Limited (Pala) to raise \$3,729,609 before costs. Pala is an experienced investor in the mining sector with a strong track record of success and value creation. Further to the completion of the share placement to Pala, the Board of the Company was restructured to re-orientate the Board capabilities with respect to project financing and development to position the Company to quickly advance the Achmmach Tin Project to first production.

During the half year the Company drew down in full a \$1,000,000 loan facility from Pala. In December 2016, Kasbah announced that Pala had agreed to extend the maturity of the loan, at no penalty, from 10 August 2017 to 31 December 2017. Additionally Kasbah, at its election, can extend the maturity for a further 6 months (to 30 June 2018) with the payment of a fee equaling 3% of the outstanding commitment at that time.

In February 2017 the Company announced it had changed auditors to HLB Mann Judd.

Also in February 2017 the Company has agreed a Services Agreement with Pala whereby Pala may, if requested by the Company, provide services, at no fee, to the Company, in support of the existing Achmmach Project or any further additional operations.

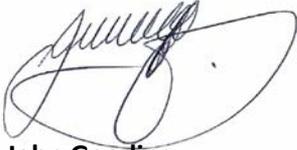
# Directors Report

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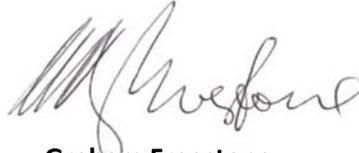
## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of Directors and on behalf of the Directors by:



**John Gooding**  
Non-executive Chairman



**Graham Freestone**  
Non-executive Director

Applecross, 9 March 2017

# Auditor's Independence Declaration

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Accountants | Business and Financial Advisers

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Kasbah Resources Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'B G McVeigh'.

Perth, Western Australia  
9 March 2017

B G McVeigh  
Partner

HLB Mann Judd (WA Partnership) ABN 22 183 232 714

Level 4, 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533.

Email: [hib@hlbwa.com.au](mailto:hib@hlbwa.com.au) | Website: <http://www.hlb.com.au>

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  HLB International, a worldwide organisation of accounting firms and business advisers.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## For The Half-Year Ended 31 December 2016

	Note	Half-year	
		2016	2015
		\$	\$
Revenue from continuing operations	3	6,580	33,840
Other Income		-	500
Exploration and evaluation expenditure		419,715	739,508
Impairment expense		73,944	99,074
Employee option based payment expense		-	1,944
Transaction fees and other associated costs		1,199,421	-
Accounting and corporate fees		105,573	98,514
Employee benefits expenses		841,025	443,802
Interest and borrowing costs		37,466	-
Occupancy expense		24,812	29,760
Administration expenses		76,279	111,798
Depreciation and amortisation expenses		66,096	122,771
Foreign exchange losses / (gains)		10,621	(6,074)
Other expenses from ordinary activities		7,644	7,534
(Loss) from continuing operations before tax expense		(2,856,016)	(1,614,291)
Income tax benefit / (expense)		-	-
(Loss) after tax from continuing operations		(2,856,016)	(1,614,291)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation difference on foreign operations		(26,460)	155,200
<b>Total comprehensive loss for the period</b>		<b>(2,882,476)</b>	<b>(1,459,091)</b>

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## For The Half-Year Ended 31 December 2016

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	Half-year	
	2016	2015
Note	\$	\$
Total loss for the year is attributable to:		
Non-controlling interest	(121,020)	(153,773)
Owners of Kasbah Resources Limited	(2,734,996)	(1,460,518)
	<b>(2,856,016)</b>	<b>(1,614,291)</b>
Total comprehensive loss for the year is attributable to:		
Non-controlling interest	(128,761)	(116,746)
Owners of Kasbah Resources Limited	(2,753,715)	(1,342,345)
	<b>(2,882,476)</b>	<b>(1,459,091)</b>
Loss per share for the year attributable to the members of Kasbah Resources Limited:		
Basic (loss) per share (cents per share)	(0.49)	(0.26)
Diluted (loss) per share (cents per share)	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 31 December 2016

	Note	31 December 2016 \$	30 June 2016 \$
<b>Current Assets</b>			
Cash and cash equivalents		4,113,165	1,170,691
Trade and other receivables		141,475	154,054
Non-current assets classified as held for sale		1	1
<b>Total Current Assets</b>		<b>4,254,641</b>	<b>1,324,746</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		84,266	151,826
Exploration and evaluation expenditure		5,604,540	5,617,412
<b>Total Non-Current Assets</b>		<b>5,688,806</b>	<b>5,769,238</b>
<b>Total Assets</b>		<b>9,943,447</b>	<b>7,093,984</b>
<b>Current Liabilities</b>			
Trade and other payables	4	1,743,393	742,040
Loan – unsecured	5	1,006,774	-
<b>Total Current Liabilities</b>		<b>2,750,167</b>	<b>742,040</b>
<b>Non-Current Liabilities</b>			
Employee entitlements		80,350	69,953
<b>Total Non-Current Liabilities</b>		<b>80,350</b>	<b>69,953</b>
<b>Total Liabilities</b>		<b>2,830,517</b>	<b>811,993</b>
<b>NET ASSETS</b>		<b>7,112,930</b>	<b>6,281,991</b>
<b>Equity</b>			
Issued capital	6	66,915,503	63,293,010
Reserves		28,434,297	28,453,016
Accumulated losses		(87,836,515)	(85,101,519)
Parent Entity Interest		7,513,286	6,644,507
Non-Controlling Interest	7	(400,355)	(362,516)
<b>TOTAL EQUITY</b>		<b>7,112,930</b>	<b>6,281,991</b>

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

# Consolidated Statement of Changes In Equity

## For The Half Year Ended 31 December 2016

Consolidated	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserves \$	Foreign Currency Translation Reserves \$	Other Reserves \$	Sub-Total \$	Non- controlling Interest \$	Total \$
<b>Balance 1 July 2015</b>	<b>63,293,010</b>	<b>(82,079,062)</b>	<b>3,492,343</b>	<b>(1,057,986)</b>	<b>25,873,350</b>	<b>9,521,655</b>	<b>(475,964)</b>	<b>9,045,691</b>
Loss for the period	-	(1,460,518)	-	-	-	(1,460,518)	(153,773)	(1,614,291)
<b>Other comprehensive income</b>								
Foreign currency translation differences	-	-	-	118,173	-	118,173	37,027	155,200
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(1,460,518)</b>	<b>-</b>	<b>118,173</b>	<b>-</b>	<b>(1,342,345)</b>	<b>(116,746)</b>	<b>(1,459,091)</b>
<b>Transactions with owners in their capacity as owners</b>								
Share based payments	-	-	1,944	-	-	1,944	-	1,944
Issue of fully paid shares	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-	207,004	207,004
<b>Balance 31 December 2015</b>	<b>63,293,010</b>	<b>(83,539,580)</b>	<b>3,494,287</b>	<b>(939,813)</b>	<b>25,873,350</b>	<b>8,181,255</b>	<b>(385,706)</b>	<b>7,795,549</b>
<b>Balance 1 July 2016</b>	<b>63,293,010</b>	<b>(85,101,519)</b>	<b>3,494,287</b>	<b>(914,621)</b>	<b>25,873,350</b>	<b>6,644,507</b>	<b>(362,516)</b>	<b>6,281,991</b>
Loss for the period	-	(2,734,996)	-	-	-	(2,734,996)	(121,020)	(2,856,016)
<b>Other comprehensive income</b>								
Foreign currency translation differences	-	-	-	(18,719)	-	(18,719)	(7,741)	(26,460)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(2,734,996)</b>	<b>-</b>	<b>(18,719)</b>	<b>-</b>	<b>(2,753,715)</b>	<b>(128,761)</b>	<b>(2,882,476)</b>
<b>Transactions with owners in their capacity as owners</b>								
Share based payments	-	-	-	-	-	-	-	-
Issue of fully paid shares	3,729,609	-	-	-	-	3,729,609	-	3,729,609
Share issue costs	(107,116)	-	-	-	-	(107,116)	-	(107,116)
Transactions with non-controlling interests	-	-	-	-	-	-	90,922	90,922
<b>Balance 31 December 2016</b>	<b>66,915,503</b>	<b>(87,836,515)</b>	<b>3,494,287</b>	<b>(933,340)</b>	<b>25,873,350</b>	<b>7,513,285</b>	<b>(400,355)</b>	<b>7,112,930</b>

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

# Consolidated Statement of Cash Flows

## For The Half Year Ended 31 December 2016

	Note	Half year	
		2016	2015
		\$	\$
<b>Cash flows from operating activities</b>			
Cash paid to suppliers and employees		(1,199,744)	(702,490)
Payments for exploration and evaluation		(620,986)	(1,157,388)
Interest received		5,360	36,055
<b>Net cash outflow from operating activities</b>		<b>(1,815,370)</b>	<b>(1,823,822)</b>
<b>Cash flows from investing activities</b>			
Payments for security deposits and bonds		-	(9,137)
Refund of security deposits and bonds		-	44,206
Acquisition of plant and equipment		-	(5,127)
Proceeds from sale of plant and equipment		-	500
<b>Net cash inflow / (outflow) from investing activities</b>		<b>-</b>	<b>30,442</b>
<b>Cash flow from financing activities</b>			
Proceeds from share issues		3,729,609	-
Share issue costs		(45,346)	(23,096)
Share issue costs – subsidiary		-	(74,082)
Proceeds from borrowings		1,000,000	-
Borrowing costs		(30,000)	-
Proceeds from non-controlling interest		109,496	416,492
<b>Net cash inflow from financing activities</b>		<b>4,763,759</b>	<b>319,315</b>
Net increase/(decrease) in cash held		2,948,389	(1,474,006)
Cash at the beginning of the period		1,170,691	4,087,244
Effect of exchange rate fluctuations on cash held in foreign currencies		(5,915)	23,610
<b>Cash at the end of the period</b>		<b>4,113,165</b>	<b>2,636,788</b>

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

# Notes to the Consolidated Financial Statements

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## 1. SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Preparation**

These consolidated half-year financial statements have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, and the Corporations Act 2001.

The consolidated half-year financial statements do not include all notes of the type normally included within annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. The half-year financial statements should be read in conjunction with the Annual Financial Statements of Kasbah Resources Limited as at 30 June 2016.

The consolidated half-year financial statements have been prepared on a going concern basis.

### **Accounting Policies**

#### **a) New, Revised or Amending Accounting Standards and Interpretations Adopted**

The accounting policies applied by the Group in these half-year financial statements are consistent with the financial statements for the year ended 30 June 2016 and corresponding interim reporting period.

The Group 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 Group.

Any new, revised or amending accounting standards or interpretations that are not yet mandatory for 31 December 2016 have not been early adopted. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

It is also recommended the half-year financial statements be considered together with any public announcements made by Kasbah Resources Limited during the half-year ended 31 December 2016 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

# Notes to the Consolidated Financial Statements

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## 2. SEGMENT INFORMATION

### (a) Description of segments

The Board has determined that the Company has one reportable segment, being mineral exploration and development. As the Company is focused on mineral exploration and the development of the Achhmach Tin Project, the Board monitors the Company based on actual versus budgeted exploration and feasibility 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.

### (b) Segment Information provided to the Board:

	Consolidated	
	Half-year 2016	Half-year 2015
	\$	\$
Revenue from external customers	-	-
Reportable segment loss	(621,816)	(1,147,565)
Reportable segment assets	5,778,859	7,753,911
Reportable segment liabilities	(166,172)	(1,592,327)

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#### A reconciliation of reportable segment loss to operating loss before income tax is as follows:

Total loss for reportable segment	(621,816)	(1,147,565)
Unallocated		
Corporate expenses	(2,240,780)	(500,566)
Interest revenue	6,580	33,840
Loss before income tax from continuing operations	(2,856,016)	(1,614,291)

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## Notes to the Consolidated Financial Statements

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### 3. REVENUE AND OTHER INCOME

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
Interest revenue	6,580	33,840

### 4. TRADE AND OTHER PAYABLES

	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
<b>Current</b>		
Trade payables	576,247	154,776
Other payables and accruals	1,167,146	587,264
	<u>1,743,393</u>	<u>742,040</u>

Included in the total Trade and Other Payables balance of \$1,743,393 are transaction fees and other associated costs relating to the failed Scheme of Arrangement between Kasbah Resources Limited and Asian Mineral Resources Limited of \$721,471 (2016: nil).

# Notes to the Consolidated Financial Statements

## 5. LOAN - UNSECURED

	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
<b>Current</b>		
Loan – Pala Investments Limited	1,006,774	-

The loan from Pala Investments Limited was drawn down in two tranches of \$500,000 in August 2016 and November 2016 to provide working capital for the Company. The loan is unsecured with interest charged at 12% per annum. Repayment of the loan was due on or before 10 August 2017 however during the half year the repayment date has been extended to 31 December 2017 and the Company now also has an option to further extend the loan to 30 June 2018 with the payment of an extension fee.

## 6. CONTRIBUTED EQUITY

	Consolidated		Consolidated	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	Number of Shares	Number of Shares	\$	\$
<b>Issued and Paid-up Capital</b>				
Ordinary shares, fully paid	556,005,435	556,005,435	63,293,010	63,293,010
<b>Movements in ordinary share capital</b>				
Balance at the beginning of the financial year	556,005,435	556,005,435	63,293,010	63,293,010
Share placement at \$0.027 (Dec 2016)	138,133,684	-	3,729,609	-
Less share issue costs	-	-	(107,116)	-
<b>Issued capital at end of period</b>	694,139,119	556,005,435	66,915,503	63,293,010

## Notes to the Consolidated Financial Statements

### 7. EQUITY – NON-CONTROLLING INTEREST

The non-controlling interest arises from a 25% shareholding in the subsidiary company (Atlas Tin SAS) by two Japanese companies, Nittetsu Mining Co. Ltd (NMC) and Toyota Tsusho Corporation (TTC).

	<b>Consolidated</b>	
	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>\$</b>	<b>\$</b>
<b>Nittetsu Mining Co. Ltd (NMC) – 5% NCI</b>		
Opening Balance – NCI	(997,921)	(1,021,490)
Funds received from NMC	18,190	42,048
Share of Comprehensive Loss for the year	(25,752)	(23,349)
	<b>(1,005,483)</b>	<b>(1,002,791)</b>
<b>Toyota Tsusho Corporation (TTC) – 20% NCI</b>		
Opening Balance – NCI	635,405	545,526
Funds received from TTC	72,732	164,956
Share of Comprehensive Loss for the year	(103,009)	(93,397)
	<b>605,128</b>	<b>617,085</b>
<b>Total Non-Controlling Interest</b>	<b>(400,355)</b>	<b>(385,706)</b>

### 8. SUBSEQUENT EVENTS AFTER BALANCE DATE

No events or circumstances have arisen since 31 December 2016 that would require disclosure in this financial report.

### 9. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There have been no changes in contingent liabilities or contingent assets since 30 June 2016.

# Directors Declaration

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In the Director's opinion:

- a) The financial statements and notes set out on pages 6 to 15 are in accordance with the *Corporations Act 2001*, including:
- i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
- and
- b) There are reasonable grounds to believe that Kasbah Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Gooding  
**Non-executive Chairman**



Graham Freestone  
**Non-executive Director**

Applecross, 9 March 2017

# Independent Auditor's Review Report

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Accountants | Business and Financial Advisers

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kasbah Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Kasbah Resources Limited ("the company") which comprises the consolidated balance sheet as at 31 December 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

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

HLB Mann Judd (WA Partnership) ABN 22 183 282 714

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# Independent Auditor's Review Report

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## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kasbah Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'B G McVeigh'.

B G McVeigh  
Partner

Perth, Western Australia  
9 March 2017