Kasbah Resources Limited

ACN 116 931 705

Annual Report - 30 June 2022

Directors	Evan Spencer (Executive Chairman) Ashvin Seetulsingh (Non-executive Director) Nicholas Slade (Non-executive Director) Kate Southwell (Non-executive Director)
Company secretary and CFO	Pradeep Subramaniam
Registered office and principal place of business	Level 4, 100 Albert Road South Melbourne VIC 3205
Website Email Telephone	www.kasbahresources.com info@kasbahresources.com +61 (3) 9482 2223
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Kasbah Resources Limited
Chairman's letter
30 June 2022

Dear Shareholders,

It is my pleasure to provide you an update on Kasbah Resources Limited's activities over the last year. Over the last 12 months, despite the restrictions imposed as a result of the Covid-19 pandemic, the Company was focussed on assessing various strategic transactions and opportunities, as well as continuing with the ongoing optimisation initiatives, as we continue to build on the strong foundations of the 2018 Achmmach Tin Project feasibility study ("Achmmach Feasibility Study").

As previously disclosed, the Company undertook a strategic process to evaluate various potential transactions to derive a positive outcome for our shareholders and fund the development of the Achmmach tin project. We were encouraged by the level of interest shown by third parties in the project, however, for a variety of reasons the strategic process did not ultimately materialise into a consummated transaction. Nevertheless, it was positive that no fundamental technical, legal or commercial issues were raised by the various interested parties following their extensive due diligence. This confirms that the Achmmach Feasibility Study is of significant strategic value, technically robust and financially viable, and that the project is build ready when funding permits.

During this time the Company has continued to optimise the project to further increase confidence in technical aspects of Achmmach, enhance the production profile and improve its ESG credentials, as we aim to build a first-class modern tin producer fit for purpose in today's evolving world. To that effect, we have increased our JORC compliant Measured and Indicated category tonnage by 53%, which underpins a potential multi-decade tin operation. Furthermore, we have taken forward study work to evaluate using dry stack for tailings management. We intend to undertake further work to assimilate dry stack tailings management into the Achmmach project. Finally, we have completed a study to assess the potential of an electric arc furnace (EAC) tin smelter associated with the Achmmach project. We believe there are notable potential benefits for the project, our host country and community, and from an environmental perspective, of developing a local smelter to treat Achmmach and third-party tin concentrates to produce tin ingots or powders to feed into the Western markets. We also intend to explore the potential for on-site renewable energy generation and storage, innovative concepts to improve water efficiency, and opportunities to lower our carbon footprint.

Importantly and fundamental to our operations, we have successfully renewed the Achmmach mining licence for a further 10 years to 2032. The renewal of the mining license, and the renewal of the Environmental and Social Impact Assessment during 2019 to 2024, is a testament to the Company's compliance with all of its obligations and commitments.

Over the coming year, we intend to complete a number of other optimisation initiatives which we anticipate will further strengthen the Achmmach project with increased confidence and attractiveness to investors, as well as improve its bankability as we look towards project construction. These initiatives are currently being finalised and in due course, the Company will present them to shareholders.

The strategic process undertaken during the year justified our collective decision to delist from the ASX in 2020 as the valuations considered were multiples of the then listed market capitalisation. These solid foundations also provide us with the ability to the basis of securing a liquidity event in the near term, either through a corporate transaction or a public market transaction. The Company will therefore be taking steps in the coming months to secure further funding to progress the Achmmach Tin Project and to secure a positive outcome for shareholders.

Evan Spencer
Executive Chairman

ACHMMACH TIN PROJECT

The Achmmach Tin Project ("Achmmach") is considered the most advanced greenfield tin project in the world. Achmmach is a globally strategic, development ready tin project located in a safe, secure, non-conflict and mining friendly jurisdiction. The project is a large-scale, high-grade tin asset with a JORC resource of 22.4 million tonnes @ 0.7% Sn for 156,000 tonnes of contained tin. Throughout its exploration history, more than 120,000 meters of drilling has been completed and the 2018 Achmmach Tin Project Feasibility Study ("Achmmach Feasibility Study") and subsequent Front End Engineering Design and Independent Technical Specialist Report confirmed its technical and financial viability.

Since 2018, the Company has built on the solid foundations on the Achmmach Feasibility Study and continued optimising various aspects of the projects.

1. Resource Upgrade – Building a multi-decade tin mining operation

   Over 2020/2021, the Company reviewed the applied cut-off grade and determined that the applied cut-off grade was reasonably representing the economic cut-off grade and so the resource potential of Achmmach. Consequently, a breakeven cut-off grade was selected based on the Achmmach Feasibility Study. The revised cut-off grade resulted in a Mineral Resource Estimate of 22.4 million tonnes @ 0.7 % Sn for 156,000 tonnes of contained tin at the Meknes Trend, with an effective date of 5 July 2021. This represents a 53% increase in the Measured and Indicated category tonnage and a 27% increase in Measured and Indicated category contained tin. In addition, the parallel Sidi Addi Trend's Western Zone has a Measured and Indicated resources of 340,000 tonnes @ 0.85% for approximately 3,000 tonnes of contained tin.

	Mt	Grade (% Sn)	Contained Tin
2021 Mineral Resource Statement[1] @ 0.35% Cut-off Grade (Sn price assumption: US$21,000/t)*			
Measured	1.9	0.89%	17.5
Indicated	20.5	0.68%	138.5
Inferred	-	-	-
Total M&I	**22.4**	**0.7%**	**156.0**
2013 Mineral Resource Statement[2] @ 0.5% Cut-off Grade (Sn price assumption: US$23,000/t)			
Measured	1.6	1.00%	16.1
Indicated	13.0	0.80%	107.0
Inferred	-	-	-
Total M&I	**14.6**	**0.85%**	**123.1**

   **This table excludes the Western Zone Mineral Resource Estimate[3], where the cut-off grade was not revised. The Western Zone has a M&I resource of 340kt @ 0.85%Sn.*

   Following on from the larger JORC resource, the Company has been studying the potential for longer mine life in excess of the 10 years estimated in the 2018 DFS. The 2021 Mineral Resource reduces the risk profile of mining as it provides for better continuity of the economic mineralisation in the orebody, which makes mining more straight forward.

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[1] 2021 Meknes Trend Mineral Resource Estimate effective from 5 July 2021
[2] 2013 Meknes Trend Mineral Resource Estimate effective from 10 September 2013
[3] 2014 Western Zone Mineral Resource Estimate effective from 25 November 2014

2. Mining Lease – Long tenured, renewed till 2032

   The Company successfully renewed its mining lease for the Achmmach Tin Project for a further 10 years to January 2032. The successful renewal of the mining lease follows the Company's conscious efforts to meet all of its statutory obligations, including investing in excess of $80 million in the project. Our investment to date has significantly de-risked the project and Achmmach is considered the most advanced build-ready greenfield tin project in the world.

   With the renewal of the mining lease in 2022 (to 2032), and the renewal of the Environmental and Social Impact Assessment in 2019 (to 2024), the Company now has secured the material permits for development of the project. Other operating permits, including the permit to construct, will be required ahead of development. However, these are considered administrative in nature and expected to be issued on application

3. Modern ESG Focussed Tin Operations – Developing a vertically integrated regional tin hub

   During the year the Company completed two studies with the potential to add significant value to the project.

   a. Pre-Feasibility Study on Dry Stack Tailings

      In keeping up with current trends in environmental practices, the Company is finalising a Pre-Feasibility Study for a dry stack tailing system for Achmmach demonstrates this could provide substantial benefits to the project. A dry stack tailing system is expected to be a more environmentally efficient system with significant reduction in water consumption expected. In addition, a dry stack tailing system will better support Achmmach's potential to be a multi-decade tin mine.

      The study confirmed that the Achmmach tailings was suitable for dry stack tailings in terms of its consolidation and stability. In addition, initial capital and operating costs estimates (at a PFS level) provide encouragement that it would be an effective alternative to a downstream processing facility.

      The Company is now reviewing the results and evaluating the next steps, including completing a definitive feasibility of the dry stack study and its impact on the broader mining and processing strategy at Achmmach.

   b. Proof of Concept for a Downstream Tin Processing Facility

      The Company completed a proof-of-concept study was undertaken to assess the economic potential for a small tin smelter in Morocco. Whilst a range of technology were considered, a DC electric arc furnace producing final tin products (ingots and powders) was selected as the most appropriate furnace technology for Achmmach. The Company is of the view that a Moroccan tin smelter could be highly beneficial due to its ability to access renewable, low-cost energy and labour, thereby producing a more environmentally efficient end product. The study confirmed that with the potential premiums available on tin powders and ingots (versus tin concentrate sales), a small smelter could be financially beneficial to the project given a relatively low construction capex.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Kasbah Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

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:

Evan Spencer (Executive Chairman)
Ashvin Seetulsingh (Non-executive Director)
Nicholas Slade (Non-executive Director)
Kate Southwell (Non-executive Director)

Principal activities
The principal activity of the Company during the year was the evaluation of its flagship Achmmach Tin Project in Morocco, including advancing technical and financing activities.

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

Review of operations

A full review of the operations is set out in the Operations Review section of the Annual Report.

The consolidated loss after income tax for the financial year was $2,421,791 (2021: loss of $2,735,473). Included in the consolidated loss after income tax were exploration and evaluation expenditure of $879,617 (2021: $898,143), employee benefits expenses of $126,683 (2021: $274,882), share based payment expenses of $251,767 (2021: $191,401), business development expenses of $580,343 (2021: $189,689) and interest and borrowing costs of $26,804 (2021: $781,319). Over the last two financial years, the Group has conscientiously reduced its overhead expenditure as it managed through a depressed tin price cycle and the global pandemic to reposition the Company with a low cost base, ahead of taking the next steps.

The exploration and evaluation costs were broadly in line with the prior year as the Company continued with its investment in the Achmmach Tin Project with ongoing optimisation activities, improving the technical feasibility and bankability of the project. The Group successfully completed a resource upgrade with cut-off grade, which reflected the breakeven costs of the 2018 DFS resulting in an expanded resource of 22.4 million tonnes @ 0.7% Sn at the Meknes Trend. The expanded resource has the potential to now support a longer mine life, with work being undertaken to review its mining strategy in light of the larger resource. During the year, the Group advanced a number of other technical workstreams, including progressing a study on dry stack tailings system as well as a downstream tin processing facility. The dry stack tailings management system study is currently being finalised and supports an opportunity to introduce a tailings management system with a considerably lower environmental footprint as well as a potential to support a multi-decade tin mining operation. A proof of concept (POC) on a downstream processing facility was completed. The POC study concluded that there was a financial and operational benefit to a downstream processing facility and further studies will be required before a final decision will be made.

Employee benefits expenses were significantly lower compared to the previous year as the Company continue its restructure of its workforce as it aimed to minimise corporate overheads. As a result of the restructure, Executive Chairman reduced his hours and amended his remuneration terms in order to minimise cash expenditure. Subsequent to the end of the financial year, the Executive Chairman has been re-engaged in a full-time role, as the Company executes a technical workplan progressing towards development of Achmmach and increases focus on financing and strategic opportunities. The Moroccan workforce have remained unchanged as the Group maintains its commitment to the development of the Achmmach Tin Project. Share based payment expenses were higher as the NED Share Rights for director remuneration for the period 1 April 2021 to 30 June 2021 were issued during the year and the expiry of certain Performance Rights was extended to 1 July 2023.

During the year, $580,343 was incurred on business development activities as the Group undertook a strategic process, including mandating external advisors, to explore alternative funding options and strategic partnerships for development and construction The process reiterated our confidence in the project as the discussions confirmed the technical feasibility and financial viability of the project. Nevertheless, these discussions did not result in a consummated transaction.

In the previous year, the Group eliminated its debt by repaying the convertible loan and the short-term bridging loan. In January 2022, the Group agreed a $1.5 million unsecured loan facility with Pala Investments to support the business development activities and working capital. The first tranche of $400,000 of the loan was not drawn down till June 2022, thereby incurring minimal interest expense during the year.

The cash position of the Group as at 30 June 2022 was $852,144 (2021: $2,729,192). The Group incurred net operating cash outflows of $2,646,358 (2021: $1,040,505), of which $879,617 (2021: $591,385) directly related to exploration and evaluation activities. Total net cash inflows from financing activities were $791,209 (2021: $3,003,233), consisting of an unsecured shareholder loan of $256,875 ($400,000 principal less fees and payments made on behalf) and cash contribution of the non-controlling interest's portion of project costs of $534,334 (2021: $147,581).

As at 30 June 2022, the consolidated entity has a net working capital deficit of $20,678 (2021: working capital surplus of $1,645,345) and net assets of $5,935,133 (2021: net assets of $7,737,057).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
Subsequent to the end of the year, Executive Chairman, Evan Spencer, re-assumed a full-time role as the Company plans for a significant technical workplan as it progresses towards financing and development. Mr Spencer's remuneration returns to the pre-pandemic level of $360,000 per annum, During the pandemic, in response to a quieter period for the Company, Mr Spencer agreed to a nominal fee of $25,000 per annum.

On 2 September 2022, the Company issued 1,200,000 million ordinary shares to non-executive directors following vesting of Non-executive Director Share Rights in lieu of cash for the period 1 April 2021 to 31 March 2022, which were granted in September 2021. The Non-executive Director Share Rights were issued at an issue price of $0.15.

No other matter or circumstance has arisen since 30 June 2022 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.

Likely developments and expected results of operations
The Group continues to progress on technical and financial fronts to make Achmmach ready for construction. During the year, the tin price experienced considerable volatility, the Group has been cautious on progressing development, particularly due to labour and supply chain constraints linked to the global Covid-19 pandemic. The Group remains motivated to bring Achmmach into production under supportive tin prices, global geo-political stability and subject to the availability of attractive financing terms. The Group also continues to evaluate other strategic options available to the Group and has engaged in various discussions with third parties with respect to the Achmmach Tin Project and potential strategic combinations. Subsequent to the end of the financial year, the tin price declined believed in response to geo-political issues in Europe impacting demand of semi-conductors and the broader inflationary challenges impacting the global economy. The Group is evaluating its strategy to advance the development of the project, including potential strategic partnerships, alternative financing structures and potential public market transactions, etc.

Environmental regulation
In the course of its normal exploration activities the Group adheres to environmental regulations imposed upon it by the various regulatory authorities. With the Environmental and Social Impact Assessment for Achmmach in place until 2024, the Company can continue improving its environmental credentials and positive community relations as it seeks to optimize the viability and long-term sustainable development of Achmmach. 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 under the Act, but this may change in the future and as part of its ESG optimization will seek to improve disclosure on ESG matters, including emissions. The Group is not aware of any matter that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

Information on directors

Name:	Mr Evan Spencer
Title:	Executive Chairman
Qualifications:	BAppSc (Geo), MMinEcons, GradDip (Mining Engineering)
Experience and expertise:	Evan is a highly experienced mining executive and has held a wide range of executive, senior management and operational roles in mining, both domestically and internationally over 25 years. Evan has held senior roles in Barrick Gold, Kagara, Goldfields of South Africa, Aditya Birla Minerals and GBF Mining Contractors. In addition, Evan has worked on asset integration in Saudi Arabia, lead the strategic development and implementation of Barrick's Kalgoorlie assets further lead the strategic direction for Barrick's Papua New Guinea assets in the Ramu Valley. Prior to joining Kasbah, he was the Chief Executive of Asian Mineral Resources. Evan brings extensive technical and strategic leadership skills and experience to the Kasbah Management team, having guided Asian Mineral Resources through the completion of construction, permitting and commissioning of the Ban Phuc operations in Vietnam. Evan is currently the Chief Operating Officer of St Barbara Limited. Evan holds a Master of Mineral Economics, a Bachelor of Applied Science Geology (Hons), completed post-graduate studies in mine engineering, business, economics and frontline management. Mr Spencer also holds a W.A. First Class Managers Certificate.
Name:	Mr Ashvin Seetulsingh
Title:	Non-executive Director
Qualifications:	MA, LLM
Experience and expertise:	Ashvin is a corporate lawyer and was a partner with global law firm Clifford Chance, in London and previously in Hong Kong. Ashvin has over 19 years' experience in the planning and successful execution of M&A, financing and joint venture transactions for blue-chip clients across the energy, natural resources and infrastructure sectors in markets spanning Africa, Asia, Europe, the Middle East and Australia. His cross-border transactional expertise, in particular in relation to projects in Africa, will be an invaluable asset to the Company at this stage of its development.
Name:	Mr Nicholas Slade
Title:	Non-executive Director
Qualifications:	BEng MSc ACSM FIMMM CEng FAusIMM CP (Mining)
Experience and expertise:	Nick has 25 years' experience as an international mining professional in both management and technical roles, spanning various operating companies, consulting and project development roles. Nick has significant experience in hard rock base metal mining having managed underground mining operations and has also had leading roles in conducting due diligence for equity and offtake interests, and overall project management/technical leadership of mining projects/studies. Nick is the Principal Engineer and Director of the Noetic Mining Solutions Ltd (an independent mining consultancy) and also employed as the Head of Technical at Ecora Resources PLC. Prior to this Nick has held roles including Vice-President Technical & Operations with Pala Investments, Chief Mining Engineer – Underground with commodities trader Trafigura, Vice-President Golder PasteTec Consulting (subsidiary of Golder Associates) and held operations management and technical roles in Xstrata (now Glencore). Nick is a Fellow of the IMMM; a Chartered Engineer; and a Fellow of the AusIMM (CP), has also authored and reviewed a range of papers in various fields of his experience and is a co-editor of the AusIMM Mine Manager's Handbook and a co-author of the AusIMM's Mineral Consultants' Handbook. Nick also holds a Queensland First Class Metaliferous Underground Mine Manager's certificate, a BEng in Mineral Surveying & Resource Management and a MSc in Mining Engineering from the Camborne School of Mines, UK.

Name:	Ms Kate Southwell
Title:	Non-executive Director
Qualifications:	BA Law
Experience and expertise:	Kate is a senior legal and sustainability executive with over 14 years' experience as a legal and strategic adviser on M&A, financing and corporate governance matters in the mining and resources sector. Kate has had leading roles for major mining companies, including Nyrstar, managing complex development and financing projects. She is currently General Counsel at Pala Investments Ltd, a mining investment fund based in Zug, Switzerland, and manages due diligence, compliance, contentious matters and alternative financing, including streams, royalties and mezzanine finance, for several portfolio companies. Kate is currently a director of Nevada Copper (TSX:NCU). Kate holds a BA in Law with French (First Class), is admitted to practice in England and is a member of the New York Bar. She is a member of the IBA Mining Committee and holds the CFA Certificate in ESG Investing, is a regular speaker on M&A and corporate matters at industry events and is passionate about improving diversity and sustainability in the mining sector.

Company secretary and CFO
Mr Pradeep Subramaniam, BCom, CA
Pradeep is a Chartered Accountant with broad financial and commercial experience across a number of industries. He began his career in the Assurance practice of PricewaterhouseCoopers (PwC) where he worked with a wide range of companies in the energy and resources sector with a special interest in junior resource companies. Prior to joining Kasbah, Pradeep was a Senior Manager with PwC Australia. He has also worked for Syrah Resources Limited and New Gold Inc's Peak Gold Mine in Cobar, NSW.

Pradeep's experience includes a variety of senior finance roles where he has led and managed teams and engaged with a variety of stakeholders both in Australia and internationally. He brings a range of expertise in the areas of due diligence, strategy, corporate governance, international financial reporting and statutory compliance. Pradeep is currently also the Chief Financial Officer and Company Secretary of ASX-listed Falcon Metals Limited.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Attended	Held
Evan Spencer	7	7
Ashvin Seetulsingh	7	7
Nicholas Slade	7	7
Kate Southwell	7	7

Held: represents the number of meetings held during the time the director held office.

Interests in Shares, Options, Non-executive Directors Share Rights and Performance Rights of the Company and Related Bodies Corporate
At the date of this report, shares, options, non-executive director share rights and performance rights granted to Directors of the Company and the entities it controls are:

	Fully Paid Ordinary Shares Number	Options Number	NED Share Rights Number	Performance Rights Number
Evan Spencer	91,019	-	-	4,015,023
Ashvin Seetulsingh	4,017,205	-	400,000	-
Nicholas Slade	3,182,590	-	400,000	-
Kate Southwell	700,600	-	400,000	-
	7,991,414	-	1,200,000	4,015,023

Shares issued on the exercise of options
There were no ordinary shares of Kasbah Resources Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of Kasbah Resources Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

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.

Non-Audit Services
The Board of Directors reviews any non-audit services to be provided to ensure they are compatible with the general standard for independence of auditors imposed by the *Corporations Act 2001*.

During the year, the auditors did not provide any non-audit services to the Group.

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 immediately after this directors' report.

Auditor
HLB Mann Judd (WA Partnership) continues in office in accordance with section 327 of the Corporations Act 2001. There are no officers of the company who are former audit partners of HLB Mann Judd.

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

On behalf of the directors

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Evan Spencer
Executive Chairman
31 October 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Kasbah Resources Limited for the year ended 30 June 2022, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**B G McVeigh**
31 October 2022	**Partner**

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Kasbah Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Revenue from continuing operations	4	6,103	68,005
Expenses			
Exploration and evaluation expenditure		(879,617)	(898,143)
Business development expenses		(580,343)	(189,689)
Share based payment expenses		(251,767)	(191,401)
Accounting and corporate fees		(200,049)	(186,573)
Non-recoverable Moroccan TVA expenses	5	(262,800)	(71,967)
Employee benefits expenses		(126,683)	(274,882)
Administration expenses		(110,501)	(124,148)
Occupancy expenses	5	(16,896)	(39,235)
Impairment of other receivables		-	(34,678)
Depreciation and amortisation expenses	5	(6,218)	(7,027)
Foreign exchange gain/(loss)		33,784	(4,416)
Finance costs		(26,804)	(781,319)
Loss before income tax expense		(2,421,791)	(2,735,473)
Income tax expense	6	-	-
Loss after income tax expense for the year		(2,421,791)	(2,735,473)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(166,234)	(33,377)
Other comprehensive loss for the year, net of tax		(166,234)	(33,377)
Total comprehensive loss for the year		(2,588,025)	(2,768,850)
Loss for the year is attributable to:			
Non-controlling interest		(275,297)	(277,613)
Owners of Kasbah Resources Limited		(2,146,494)	(2,457,860)
		(2,421,791)	(2,735,473)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(320,076)	(297,937)
Owners of Kasbah Resources Limited		(2,267,949)	(2,470,913)
		(2,588,025)	(2,768,850)

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

Kasbah Resources Limited
Statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Assets			
Current assets			
Cash and cash equivalents	7	852,144	2,729,192
Trade and other receivables	8	96,627	59,987
Prepayments		76,602	76,988
Non-Current assets classified as held for sale	9	1	1
Total current assets		1,025,374	2,866,168
Non-current assets			
Property, plant and equipment	10	33,924	2,190
Exploration and evaluation expenditure	11	5,938,805	6,112,342
Total non-current assets		5,972,729	6,114,532
Total assets		6,998,103	8,980,700
Liabilities			
Current liabilities			
Trade and other payables	12	508,084	1,069,936
Borrowings	13	426,804	-
Employee benefits	14	111,164	150,887
Total current liabilities		1,046,052	1,220,823
Non-current liabilities			
Employee benefits	14	16,918	22,820
Total non-current liabilities		16,918	22,820
Total liabilities		1,062,970	1,243,643
Net assets		5,935,133	7,737,057
Equity			
Issued capital	15	85,838,999	85,838,999
Reserves	16	25,394,291	25,427,406
Accumulated losses		(105,852,355)	(103,869,288)
Equity attributable to the owners of Kasbah Resources Limited		5,380,935	7,397,117
Non-controlling interest	17	554,198	339,940
Total equity		5,935,133	7,737,057

The above statement of financial position should be read in conjunction with the accompanying notes

Kasbah Resources Limited
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued Capital $	Share Based Payment Reserves $	Foreign Currency Reserve $	Other Reserves $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
Balance at 1 July 2020	74,444,397	4,760,619	(649,851)	25,873,350	(105,961,640)	490,296	(1,042,829)
Loss after income tax expense for the year	-	-	-	-	(2,457,860)	(277,613)	(2,735,473)
Other comprehensive loss for the year, net of tax	-	-	(13,053)	-	-	(20,324)	(33,377)
Total comprehensive loss for the year	-	-	(13,053)	-	(2,457,860)	(297,937)	(2,768,850)
Transactions with owners in their capacity as owners:							
Issue of fully paid ordinary shares	11,582,096	(184,848)	-	-	-	-	11,397,248
Share issue costs	(187,494)	-	-	-	-	-	(187,494)
Share-based payments (note 29)	-	191,401	-	-	-	-	191,401
Reclassification of lapsed share-based payments	-	(4,550,212)	-	-	4,550,212	-	-
Non-controlling interest contributed assets	-	-	-	-	-	147,581	147,581
Balance at 30 June 2021	85,838,999	216,960	(662,904)	25,873,350	(103,869,288)	339,940	7,737,057

Consolidated	Issued Capital $	Share Based Payment Reserves $	Foreign currency Reserves $	Other Reserved $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
Balance at 1 July 2021	85,838,999	216,960	(662,904)	25,873,350	(103,869,288)	339,940	7,737,057
Loss after income tax expense for the year	-	-	-	-	(2,146,494)	(275,297)	(2,421,791)
Other comprehensive loss for the year, net of tax	-	-	(121,455)	-	-	(44,779)	(166,234)
Total comprehensive loss for the year	-	-	(121,455)	-	(2,146,494)	(320,076)	(2,588,025)
Transactions with owners in their capacity as owners:							
Share-based payments (note 29)	-	251,767	-	-	-	-	251,767
Non-controlling interest contributed assets	-	-	-	-	-	534,334	534,334
Performance rights lapsed	-	(163,427)	-	-	163,427	-	-
Balance at 30 June 2022	85,838,999	305,300	(784,359)	25,873,350	(105,852,355)	554,198	5,935,133

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

Kasbah Resources Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,772,844)	(297,819)
Payments for exploration and evaluation		(879,617)	(591,385)
Interest received		151	867
Receipt from other revenue		5,952	67,600
Interest and other finance costs paid		-	(219,768)
Net cash used in operating activities	27	(2,646,358)	(1,040,505)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(37,952)	-
Proceeds from release of security deposits		-	86,004
Net cash (used in)/from investing activities		(37,952)	86,004
Cash flows from financing activities			
Proceeds from issue of shares	15	-	2,578,189
Share issue costs		-	(132,537)
Proceeds from borrowings	28	256,875	410,000
Proceeds from non-controlling interest	17	534,334	147,581
Net cash from financing activities		791,209	3,003,233
Net increase/(decrease) in cash and cash equivalents		(1,893,101)	2,048,732
Cash and cash equivalents at the beginning of the financial year		2,729,192	692,465
Effects of exchange rate changes on cash and cash equivalents		16,053	(12,005)
Cash and cash equivalents at the end of the financial year	7	852,144	2,729,192

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

Note 1. General information

The consolidated financial statements cover Kasbah Resources Limited as a consolidated entity ("the consolidated entity") consisting of Kasbah Resources Limited and the entities it controlled at the end of, or during, the year. The consolidated financial statements are presented in Australian dollars, which is Kasbah Resources Limited's functional and presentation currency.

Kasbah Resources Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 100 Albert Road
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the consolidated financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 October 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

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

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

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

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Going concern
For the year ended 30 June 2022 the consolidated entity recorded a loss of $2,421,791 (2021: $2,735,473) and had net cash outflows from operating activities of $2,646,358 (2021: $1,040,505). As at 30 June 2022, the consolidated entity has a net working capital deficit of $20,678 (2021: working capital surplus of $1,645,345) and net assets of $5,935,133 (2021: $7,737,057).

The consolidated entity plans to undertake further exploration and evaluation activities to meet its obligations and improve the technical feasibility and bankability of the Achmmach Tin Project. Whilst the consolidated entity is funded for the immediate period, additional funding required is expected to be met through capital or debt raised from new or existing shareholders or through a corporate transaction. The ability of the consolidated entity to continue as a going concern will be dependent on the ability of the consolidated entity to achieve such a debt, equity or a successful corporate transaction.

The consolidated entity also has a shareholder loan with Pala Investments Limited (“Pala”) with a maturity date of 31 December 2022. The ability of the consolidated entity to continue as a going concern will be dependent on the ability of the consolidated entity to extend the maturity of the loan and the continued support, in the absence of other funding alternatives. Pala have indicated their willingness to extend the maturity if other funding alternatives do not materialise ahead of maturity.

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, whether it will be unable to realise its assets and discharge its liabilities in the normal course of business.

The annual report has 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.

Should the consolidated 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. 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.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kasbah Resources Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Kasbah Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Note 2. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Kasbah Resources Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars 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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 2. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts known to be uncollectable are written off when identified. An allowance for credit losses 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.

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.
An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.
Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 2. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5 years
Motor Vehicles	5 years
Computer equipment	5 years
Office furniture and fixtures	4 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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

When commercial production is achieved, 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.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity 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.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or 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, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Note 2. Significant accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

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.

GST/VAT which is deemed non-recoverable from the relevant tax authority is expensed in the period in which the expense is incurred or asset purchased.

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.

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 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations. The consolidated entity has determined that there is no material impact of the standards and interpretations in issue not yet adopted on the consolidated entity.

Note 3. 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. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs
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.
The recoupment of cost carried forward in relation to the areas of interest in exploration and evaluation phase is dependent on the successful development and commercial exploration or sale of the respective areas.

Note 4. Revenue from continuing operations

	Consolidated 2022 $	Consolidated 2021 $
Interest income	151	406
Other revenue	5,952	67,599
Revenue from continuing operations	6,103	68,005

Note 5. Expenses

	Consolidated 2022 $	Consolidated 2021 $
Loss before income tax includes the following specific expenses:		
Rental expenses (outside the scope of AASB16)	16,896	39,235
Superannuation expense	22,748	16,738
Impairment of non-recoverable Moroccan TVA	262,800	71,967
Impairment of other receivables	-	34,678
Withholding tax on interest	-	200,290
Depreciation and amortisation - Plant and equipment	6,218	7,027

Note 6. Income tax expense

	Consolidated 2022 $	Consolidated 2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,421,791)	(2,735,473)
Tax at the statutory tax rate of 25% (2021: 26%)	(605,448)	(711,223)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	150,164	180,443
Benefits of deferred tax assets not previously recognised	195,822	569,069
Deferred tax assets not recognised on tax losses and temporary difference	185,805	(209,208)
	(73,656)	(170,919)
Difference in overseas tax rates	73,656	170,919
Income tax expense	-	-

	Consolidated 2022 $	Consolidated 2021 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Temporary differences	776,647	1,557,636
Tax losses	3,218,998	3,150,843
Total deferred tax assets not recognised	3,995,645	4,708,479

Note 6. Income tax expense (continued)

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 7. Cash and cash equivalents

	Consolidated	
	2022	**2021**
	$	**$**
Current assets		
Cash at bank	827,144	2,704,192
Cash on deposit	25,000	25,000
	852,144	2,729,192

Note 8. Trade and other receivables

	Consolidated	
	2022	**2021**
	$	**$**
Current assets		
Other receivables	96,627	59,987

There were no expected credit loss to other receivables as at 30 June 2022. As at 30 June 2021, other receivables totalling $34,678 were past their due date and had been impaired in full. Refer note 19 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.

Note 9. Non-Current assets classified as held for sale

	Consolidated	
	2022	**2021**
	$	**$**
Tamlalt permits held for sale	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 review available strategic options, including the divestment of the Tamlalt exploration permits. As it is highly probable the asset will be realised through a sale or engagement with a third party for development, rather than continuing use, the asset was reclassified as a non-current asset held for sale.

Note 10. Property, plant and equipment

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Plant and equipment - at cost	1,681,935	1,724,836
Less: Accumulated depreciation	(1,681,335)	(1,723,381)
	600	1,455
Motor vehicles - at cost	150,664	160,151
Less: Accumulated depreciation	(117,629)	(160,151)
	33,035	-
Computer equipment - at cost	57,084	57,084
Less: Accumulated depreciation	(57,084)	(57,084)
	-	-
Office equipment - at cost	55,057	55,547
Less: Accumulated depreciation	(54,768)	(54,812)
	289	735
	33,924	2,190

Note 11. Exploration and evaluation expenditure

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Exploration and evaluation expenditure	5,938,805	6,112,342

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2022 $	2021 $
Opening balance	6,112,342	6,166,538
Foreign exchange movement	(173,537)	(54,196)
Closing balance	5,938,805	6,112,342

Exploration and evaluation expenditure has been carried forward as that expenditure is expected to be recouped through successful development and exploration of areas of interest, or alternatively, by sale.

Note 12. Trade and other payables

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Trade payables	204,972	233,573
Other payables and accruals	303,112	836,363
	508,084	1,069,936

Refer to note 19 for further information on financial instruments.

Note 13. Borrowings

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Loan from Pala Investment Limited.	426,804	-

Refer to note 19 for further information on financial instruments.

On 25 January 2022, the Company entered into a loan agreement with Pala Investments Limited. The loan is unsecured, with a maximum facility amount of $1,500,000, at interest rate of 15%, and repayable on 31 December 2022. At 30 June 2022, $400,000 of the total facility was utilised. The Company capitalised the arrangement fee of $22,941 and accrued interest of $3,863 as at 30 June 2022.

Note 14. Employee benefits

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Annual leave	111,164	150,887
Non-current liabilities		
Long service leave	16,918	22,820
	128,082	173,707

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 15. Issued capital

	Consolidated 2022 Shares	Consolidated 2021 Shares	Consolidated 2022 $	Consolidated 2021 $
Ordinary shares - fully paid	325,652,826	325,652,826	85,838,999	85,838,999

Note 15. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2020	135,379,952		74,444,397
Shares issued as part of NED Share Rights Scheme (March 2021)	18 March 2021	4,279,466	$0.01	51,803
Shares issued pursuant to Conversion of Convertible Loan @ 0.05 (March 2021)		161,944,953	$0.05	8,097,248
Shares issued as part of NED Share Rights Scheme (March 2021) (i)	18 March 2021	1,586,314	$0.07	111,042
Shares issued as Long-Term Incentive Plan Scheme (March 2021) (i)	18 March 2021	462,141	$0.05	22,003
Share placement @ 0.15 (June 2021) (ii)		22,000,000	$0.15	3,300,000
Share issue costs		-		(187,494)
Balance	30 June 2021	325,652,826		85,838,999
Balance	30 June 2022	325,652,826		85,838,999

(i) Following receipt of the Share Conversion Notice on 18 March 2021, a change of control event was triggered resulting in the vesting of 1,586,314 NED share rights and 462,141 performance rights.
(ii) The proceeds from the share placement were used to settle the short-term shareholder bridging loan of $410,000, accrued interest totalling $219,768, share issue costs totalling $54,957 and business development related expenses totalling $37,086. Net proceeds remitted were $2,578,189.

Ordinary shares
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.

Performance rights and NED share rights
Performance rights and NED share rights have no voting rights and upon vesting, each right is converted to an ordinary share. Further details disclosed in note 29.

Capital risk management
The Board's policy is to maintain a 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.

The capital risk management policy remains unchanged from the 2021 Annual Report.

Note 16. Reserves

	Consolidated 2022 $	Consolidated 2021 $
Foreign currency reserve	(784,359)	(662,904)
Share-based payments reserve	305,300	216,960
Other reserves	25,873,350	25,873,350
	25,394,291	25,427,406

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

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

Note 17. Non-controlling interest

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

	Consolidated 2022 $	Consolidated 2021 $
Nittetsu Mining Co. Ltd (NMC) – 5% NCI		
Opening Balance – NCI	(1,024,251)	(994,180)
Funds received from NMC	106,867	29,517
Share of Comprehensive Loss for the year	(64,015)	(59,588)
	(981,399)	(1,024,251)

	Consolidated 2022 $	Consolidated 2021 $
Toyota Tsusho Corporation (TTC) – 20% NCI		
Opening Balance – NCI	1,364,191	1,484,476
Funds received from TTC	427,467	118,064
Share of Comprehensive Loss for the year	(256,061)	(238,349)
	1,535,597	1,364,191

	Consolidated 2022 $	Consolidated 2021 $
Nittetsu Mining Co. Ltd (NMC) – 5% NCI	(981,399)	(1,024,251)
Toyota Tsusho Corporation (TTC) – 20% NCI	1,535,597	1,364,191
Total Non-controlling interest	554,198	339,940

Note 18. Dividends

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

Note 19. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity 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.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Below set out the financial assets and liabilities at each reporting date:

	Consolidated	
	2022 $	2021 $
Financial assets		
Cash and cash equivalents	852,144	2,729,192
Trade and other receivables	96,627	59,987
	948,771	2,789,179
Financial liabilities		
Trade and other payables	(508,084)	(1,069,936)
Borrowings	(426,804)	-
	(934,888)	(1,069,936)

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The consolidated entity is not exposed to any significant foreign exchange risk.

Interest rate risk
The consolidated entity's main interest rate risk arises from cash and cash equivalents and short-term cash deposits. Cash and cash equivalents and short-term cash deposits obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value interest rate risk. At 30 June 2022 and 30 June 2021 all cash and cash equivalents in Australia were held with a single financial institution.

Note 19. Financial instruments (continued)

As at the reporting date, the consolidated entity had the following variable rate cash and cash equivalents and short-term cash deposits:

	2022		2021	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Cash and cash equivalents	0%	827,144	0%	2,704,192
Short term cash deposits	0%	25,000	0%	25,000
Net exposure to cash flow interest rate risk		852,144		2,729,192

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

A 10% increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 10% higher or lower and all other variables were held constant, the Group's profit or loss would increase/decrease by $15 (2021: $250).

The Group's sensitivity to interest rate risk has not changed significantly from the prior year.

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 and development sector at this stage in its development and 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 cash 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 consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 19. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	508,084	-	-	-	508,084
Interest-bearing - fixed rate						
Shareholder loan	15.00%	426,804	-	-	-	426,804
Total non-derivatives		934,888	-	-	-	934,888

Consolidated - 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	1,069,936	-	-	-	1,069,936
Total non-derivatives		1,069,936	-	-	-	1,069,936

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 20. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2022 $	Consolidated 2021 $
Short-term employee benefits	256,499	221,189
Post-employment benefits	22,748	16,738
Long-term benefits	8,483	3,940
Share-based payments	251,767	191,401
	539,497	433,268

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd (WA Partnership), the auditor of the company, and its network firms:

	Consolidated	
	2022 $	2021 $
Audit services - HLB Mann Judd (WA Partnership)		
Audit or review of the financial statements	37,000	33,000
Audit services - network firms		
Audit or review of the financial statements	29,723	28,502
Other services - network firms		
Due diligence	1,783	-
	31,506	28,502

Note 22. Commitments and contingent liabilities

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 L'Office Nationale des Hydrocarbures et des Mines (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 Bou El Jaj tenements in Hamada Minerals SARLAU, a one-off payment of 2,000,000 Moroccan Dirhams (A$291,490 as at 30 June 2022) 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.

The Company has also engaged a financial adviser to support a review process of the Company's strategic options. The financial adviser is partly remunerated on a success fee basis. The payment is contingent upon successful outcomes for the Company.

The Company has no material commitments at 30 June 2022 (30 June 2021: nil).

Note 23. Related party transactions

Parent entity
Kasbah Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 25.

Key management personnel
Disclosures relating to key management personnel are set out in note 20.

Note 23. Related party transactions (continued)

Transactions with related parties
Transactions between parties are on normal commercial terms and conditions unless otherwise stated. No loans were provided to related parties during the year.

The Company has a technical services agreement with Noetic Mining Solutions, for which Mr Nick Slade is the principal. During the year, the Company incurred $23,885 (2021: $8,791) on services by Noetic Mining Solutions.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The Company had a shareholder loan from its shareholder Pala Investments Limited. Details on shareholder loan are disclosed in note 13.

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022 $	2021 $
Loss after income tax	(2,053,691)	(2,621,269)
Total comprehensive loss	(2,053,691)	(2,621,269)

Statement of financial position

	Parent	
	2022 $	2021 $
Total current assets	595,385	2,891,618
Total assets	6,623,782	8,286,182
Total current liabilities	671,731	526,305
Total liabilities	688,649	549,125
Equity		
Issued capital	85,838,999	85,838,999
Share-based payments reserve	305,300	216,960
Accumulated losses	(80,209,166)	(78,318,902)
Total equity	5,935,133	7,737,057

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Note 24. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Atlas Tin SAS	Kingdom of Morocco	75.00%	75.00%
Hamada Minerals SARLAU	Kingdom of Morocco	100.00%	100.00%
Sahara Exploration SARLAU	Kingdom of Morocco	100.00%	100.00%
Meseta Exploration SARLAU *	Kingdom of Morocco	-	100.00%

* On February 2022, the Company deregistered its wholly owned subsidiary Meseta Exploration SARLAU. There was no loss or gain on the deconsolidation of the subsidiary.

Note 25. Interests in subsidiaries (continued)

Summarised financial information
Summarised financial information of the largest subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

	Atlas Tin 2022 $	Atlas Tin 2021 $
Summarised statement of financial position		
Current assets	615,918	188,107
Non-current assets	5,875,809	6,014,780
Total assets	6,491,727	6,202,887
Current liabilities	652,215	903,091
Total liabilities	652,215	903,091
Net assets	5,839,512	5,299,796
Summarised statement of profit or loss and other comprehensive income		
Other income	7,739	-
Expenses	(1,454,872)	(2,025,787)
Loss before income tax expense	(1,447,133)	(2,025,787)
Income tax expense	-	-
Loss after income tax expense	(1,447,133)	(2,025,787)
Other comprehensive income	179116	81,295
Total comprehensive loss	(1,268,017)	(1,944,492)
Statement of cash flows		
Net cash used in operating activities	(1,720,574)	(819,887)
Net cash (used in)/from investing activities	(37,893)	54,285
Net cash from financing activities	2,088,100	610,519
Net increase/(decrease) in cash and cash equivalents	329,633	(155,083)
Other financial information		
Loss attributable to non-controlling interests	(320,076)	(297,937)
Accumulated non-controlling interests at the end of reporting period	554,198	339,940

Note 26. Events after the reporting period

Subsequent to the end of the year, Executive Chairman, Evan Spencer, re-assumed a full-time role as the Company plans for a significant technical workplan as it progresses towards financing and development. Mr Spencer's remuneration returns to the pre-pandemic level of $360,000 per annum, During the pandemic, in response to a quieter period for the Company, Mr Spencer agreed to a nominal fee of $25,000 per annum.

On 2 September 2022, the Company issued 1,200,000 million ordinary shares to non-executive directors following vesting of Non-executive Director Share Rights in lieu of cash for the period 1 April 2021 to 31 March 2022, which were granted in September 2021. The Non-executive Director Share Rights were issued at an issue price of $0.15.

No other matter or circumstance has arisen since 30 June 2022 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.

Note 27. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2022	**2021**
	$	**$**
Loss after income tax expense for the year	(2,421,791)	(2,735,473)
Adjustments for:		
Depreciation and amortisation	6,218	7,027
Impairment of other receivables	-	34,678
Share-based payments	251,767	191,401
Foreign exchange differences	(33,784)	35,692
Non-cash interest and borrowing costs	26,804	581,029
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(7,105)	151,867
Increase/(decrease) in trade and other payables	(468,467)	693,274
Net cash used in operating activities	(2,646,358)	(1,040,505)

Note 28. Changes in liabilities arising from financing activities

Consolidated	Convertible loan $	Shareholder loan $	Total $
Balance at 1 July 2020	7,735,987	-	7,735,987
Net cash from financing activities	-	410,000	410,000
Share placement proceeds applied against loan	-	(410,000)	(410,000)
Accrued finance costs	558,619	22,410	581,029
Converted to fully paid ordinary shares	(8,097,248)	-	(8,097,248)
Finance costs paid	(197,358)	(22,410)	(219,768)
Balance at 30 June 2021	-	-	-
Net cash from financing activities	-	256,875	256,875
Expenses payable to lender offset against loan	-	143,125	143,125
Accrued finance costs	-	26,804	26,804
Balance at 30 June 2022	-	426,804	426,804

Note 29. Share-based payments

Non-executive director share rights plan

Set out below are summaries of share rights granted under the plan:

	Grant date	Number granted	Vesting and exercise date	Fair value per share right $	Fair value $
As at 30 June 2022					
Ashvin Seetulsingh	01/09/2021	400,000	31/08/2022	$0.150	60,000
Nicholas Slade	01/09/2021	400,000	31/08/2022	$0.150	60,000
Kate Southwell	01/09/2021	400,000	31/08/2022	$0.150	60,000
Ashvin Seetulsingh	01/05/2022	400,000	30/04/2023	$0.150	60,000
Nicholas Slade	01/05/2022	400,000	30/04/2023	$0.150	60,000
Kate Southwell	01/05/2022	400,000	30/04/2023	$0.150	60,000

	Grant date	Number granted	Vesting and exercise date	Fair value per share right $	Fair value $
As at 30 June 2021					
Ashvin Seetulsingh	05/03/2020	2,139,733	05/03/2021	$0.012	25,891
Nicholas Slade	05/03/2020	2,139,733	05/03/2021	$0.012	25,891
Ashvin Seetulsingh	11/03/2021	642,857	18/03/2021	$0.070	45,000
Nicholas Slade	11/03/2021	642,857	18/03/2021	$0.070	45,000
Kate Southwell	11/03/2021	300,600	18/03/2021	$0.070	21,042

The number of NED Share Rights granted was based on each director's election to salary sacrifice all or part of their remuneration. The value of the NED Share Rights were calculated based on a management estimate of the linear increase in value of the Company's share price.

The directors fee for the period 1 April 2021 to 31 March 2022 was settled through the issue of 1,200,000 NED Share Rights on 2 September 2021. Pursuant to the terms of the plan, a minimum 12 months vesting period applied.

The directors fee for the period 1 April 2022 to 31 March 2023 was settled through the issue of 1,200,000 NED Share Rights on 1 May 2022. Pursuant to the terms of the plan, a minimum 12 months vesting period applied.

The NED Share Rights granted to Mr Ashvin Seetulsingh and Mr Nicholas Slade on 5 March 2020 were for their respective director fee for the period 1 July 2020 to 31 March 2021. The NED Share Rights granted to Ms Kate Southwell on 5 March 2020 were for her director fee for the period from her appointment to 31 March 2021. Pursuant to the terms of the plan, a minimum 12 months vesting period applied. However, a change of control event was triggered following the Share Conversion Notice received, for the conversion of the loan from Pala Investments Ltd which vested the rights on 18 March 2021.

The share-based payment expense for the year in relation to the non-executive directors share rights plan is $225,000.

Note 29. Share-based payments (Continued)

Long term incentive plan

Set out below are summaries of performance rights granted under the plan:

	Grant date	Number granted	Vesting and exercise date	Fair value per performance right $	Fair value $
As at 30 June 2022					
Evan Spencer	08/11/2018	1,500,058	01/07/2021	$0.014	210,120
Evan Spencer *	02/09/2019	4,015,023	01/07/2022	$0.050	200,750

	Grant date	Number granted	Vesting and exercise date	Fair value per Performance right $	Fair value $
As at 30 June 2021					
Evan Spencer	07/12/2017	1,283,019	01/07/2020	$0.015	204,000
Evan Spencer	08/11/2018	1,500,858	01/07/2021	$0.140	210,120
Evan Spencer	02/09/2019	4,015,023	01/07/2022	$0.050	200,750
Pradeep Subramaniam	08/11/2018	189,816	01/07/2021	$0.140	26,574
Pradeep Subramaniam	02/09/2019	493,959	01/07/2022	$0.050	24,700

* Subsequent to the year end, on 12 July 2022, pursuant to a resolution by the Board, expiry date of Evan Spencer's Performance Rights extended to 1 July 2023.

During the year ended 30 June 2021, following a change of control event triggered following the Share Conversion Notice received, 462,141 Performance Rights issued to Mr Pradeep Subramaniam vested and converted into fully paid ordinary shares, with the balance lapsing

The share-based payment expense for the year in relation to the long-term incentive plan is $26,767.

Details of share-based payments as at the beginning and end of the reporting periods and movements during the year are set out below:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Vested	Expired/ Forfeited/ other	Balance at the end of year
02/09/2021	31/8/2022	n/a	-	1,200,000	-	-	1,200,000
01/05/2022	30/4/2023	n/a	-	1,200,000	-	-	1,200,000
02/09/2019	1/7/2022	n/a	4,015,023	-	-	-	4,015,023
08/01/2018	1/7/2021	n/a	1,500,858	-	-	(1,500,858)	-

The Non-executive Director Share Rights Plan and Long-Term Incentive Plan have no expiry date as pursuant to the terms of the plans, the rights will automatically convert to shares on vesting and will be subject to the stipulated dealing restrictions.

As at 30 June 2022, none of the share rights and performances rights issued were vested and exercisable (2021: nil).

Kasbah Resources Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- 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;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;

- on the basis of the matters set out under the heading "Going Concern" in the basis of preparation; and

- 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

Evan Spencer
Executive Chairman
31 October 2022

INDEPENDENT AUDITOR'S REPORT
To the Members of Kasbah Resources Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kasbah Resources Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
31 October 2022