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ABN 78 116 931 705

2020 Annual Report

Kasbah Resources

CORPORATE DIRECTORY

Directors
Evan Spencer, Executive Chairman
Ashvin Seetulsingh, Non-executive Director
Nicholas Slade, Non-Executive Director
Kate Southwell, Non-Executive Director

Company Secretary
Pradeep Subramaniam

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South Melbourne VIC 3205

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Link Market Services Limited
Tower 4, 727 Collins Street
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Auditors
HLB Mann Judd (WA Partneship
Level 4, 130 Stirling Street
Perth WA 6000

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CHAIRMAN'S LETTER

Evan Spencer
Executive Chairman

Dear Shareholders,

Firstly, on behalf of your board, I would like to thank you, our shareholders for your overwhelming support to delist the company's securities from the ASX. The ASX listing was no longer beneficial to the Company's prospects and in many ways prohibitive in our efforts to realise shareholder value. Despite the delisting we remain committed to transparent and regular communication and disclosure, and I encourage all our shareholders to subscribe to the mailing list on the Company's website (www.kasbahresources.com) to ensure that you are kept informed of our developments and activities.

The delisting in itself will not fundamentally change the position of the Company or the need to secure additional funding, but it opens up further opportunities to realise value on your behalf either through the continued development of the Achmmach Tin Project and/or through a corporate transaction which reflects the inherent value of our projects. Fundamentally, the Achmmach Tin Project is the most advanced greenfield tin project in the world, and we believe there is significant further value to unlock. There is no better long term, stable and high-quality tin supply than the Achmmach Tin Project.

It has been a challenging year for everyone, and Kasbah has been no exception. Earlier in the 2019/2020 financial year, as we were advancing the financing for the development of the Achmmach Tin Project, the tin price suffered a significant decline, primarily on the back of global trade wars impacting tin demand. The Company responded to the sustained weak tin price environment which saw the LME tin prices dipping below US$16,000/t by slowing down its project financing activities. In early 2020, the COVID-19 global pandemic caused major disruptions to global markets, resulting in tin prices dipping further, to below US$13,000/t, a level not seen since 2009. While our project economics are strong, we need to invest when the economic conditions are right. The ongoing uncertainty around the supply demand dynamics of the tin market justifies the Company's decision to slow things down, conserve cash and prepare to act when conditions are conducive.

CHAIRMAN'S LETTER

Although COVID-19 has impacted activities with travel restrictions as well as precautionary measures undertaken, we have made progress on several project optimisation initiatives. These have shown there is opportunity for a larger scale mine which could potentially significantly increase mine life and tin output whilst still maintaining a high grade of tin. The Company also completed a small drilling program of the Sidi Addi trend (a parallel structure to the main Meknes trend) which proved the geological continuity. Whilst further drilling will be required to define a JORC resource, it gives us confidence that the parallel structure exists and allows for further resource conversion opportunities. With the Meknes trend open at depth and along strike, the potential for Sidi Addi to mimic the known mineralisation of the Meknes trend, and the other regional tenements including the Bou El Jaj prospect, the Company has a significant package of tin prospects to further extend its resource base and establish a major tin district in Morocco.

Importantly, we are also pleased to report that the Achmmach Tin Project's Environmental and Social Impact Assessment, a key permit to operate, was extended for a further five years. The renewal of the ESIA secures the tenure of the mining license and confirms the project's continued support from local government bodies and our host community.

We have continued to support our joint venture partners in the Achmmach Tin Project, Toyota Tsusho Corporation and Nittetsu Mining Co Ltd, who are leading the efforts to agree a Japanese financing package with a Japanese ECA guarantor. This process has been slow with the ECA reviewing its internal procedures and eventually changing its regulations in relation to its investment criterion. The debt terms of this Japanese package are undoubtedly attractive, however, the overall package remains in discussions to ensure that there is no erosion of value for Kasbah and its shareholders.

From an interim funding perspective, in October 2019, we successfully secured an additional $1.3 million through an increase of the existing convertible loan from our largest shareholder, Pala Investments Limited (Pala). We have recently in November 2020 also successfully agreed with Pala to provide a bridge loan of $410,000 and to extend the maturity date of the convertible loan to April 30, 2021. The additional funding from Pala will provide time for the Company to actively seek other forms of funding from existing and new investors in order to support its future funding requirements and strategic objectives.

Finally, the Company made several personnel changes during the year, both at the board and management level. I would like to extend my thanks and appreciation to all of them for their efforts and continued support of the Company. At the same time, I would also like to extend a warm welcome to Mr Ashvin Seetulsingh, Mr Nicholas Slade and Ms Kate Southwell, who joined as non-executive directors during the year. We are proud to operate with a lean but effective team and we are committed to achieving success for the Company and our shareholders.

OPERATIONS REVIEW

1. ACHMMACH TIN PROJECT

FY2020 was a challenging year for the industry and the Company and the Achmmach Tin Project was no exception. The second half of 2019 saw LME tin price significant decline, primarily on the back of global trade wars impacting tin demand. Project financing activities that were ongoing were slowed down as the Company responded to the sustained weak tin price environment which saw the LME tin prices dipping below US$16,000/t.

In early 2020, the COVID-19 global pandemic caused major disruptions to global markets, resulting in tin prices dipping further, to below US$13,000/t, a level not seen since 2009. While we were able to undertake certain project optimisation initiatives remotely, the COVID-19 pandemic disrupted some of these activities as international and local travel in Morocco were restricted to curb the spread of the virus. The Company has complied with all regulations imposed and will the safety of our staff and local community remains the priority, before we recommence any on-site activities.

The most advanced greenfield tin project in the world

- Post tax NPV of US$98.1 million, with a 23% IRR using a tin price of US$21,000 per tonne and an 8% real discount rate
- Capital cost estimated at US$96.4 million
- C1 cash cost of US$9,176/tonne and All In Sustaining Cost (AISC) of US$11,435/tonne of tin (1st quartile cost producer)
- Initial 10-year mine life via underground mining operation - orebody open along strike and at depth providing excellent near mine exploration potential
- 120,000 m of drilling - 14.9 Mt Measured and Indicated Resource (JORC)
- Ore Sorting and high pressure grinding rolls (HPGR) technology increase tin recovery, lower= environmental footprint and result in better investor returns
- Front End Engineering Design and Independent Technical Expert's Report completed
- Overall tin recovery of 77%, with annual tin production of approximately 4,500 tonnes of tin in concentrate, averaging 60% tin

(2018 Definitive Feasibility Study - 16 July 2018)

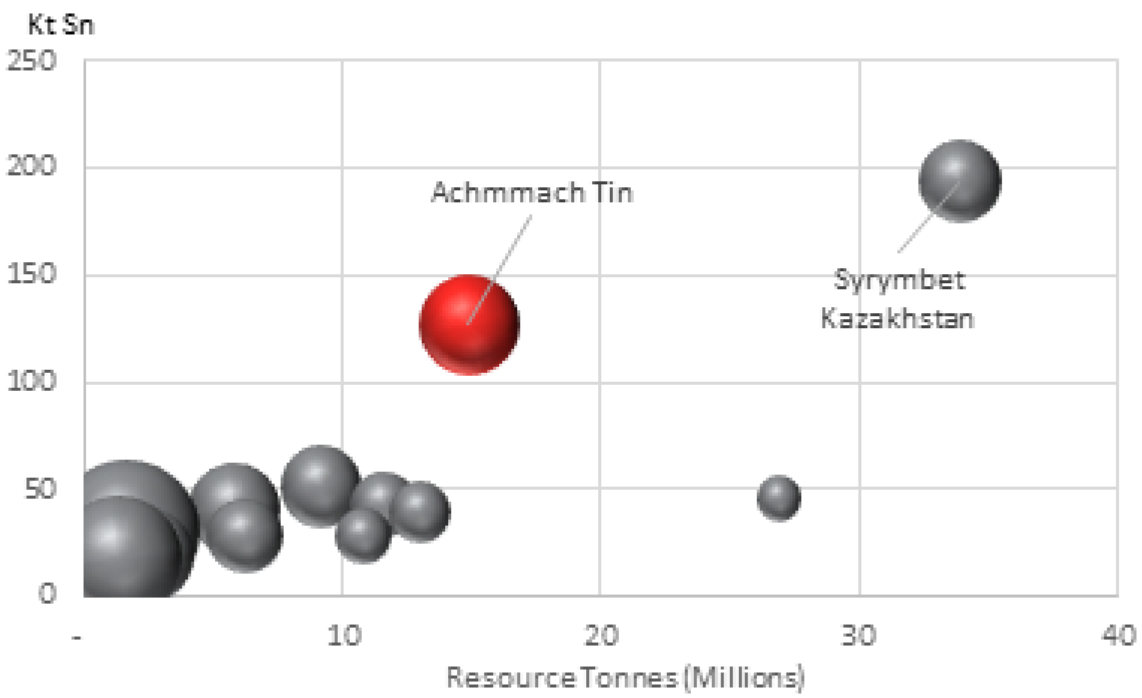
OPERATIONS REVIEW

Long term, stable supply and high-quality tin project

The Achmmach Tin Project has a 14.9 Mt Measured and Indicated Resource. The project stands out as the best long term, stable supply and high-quality tin project in comparison to current greenfield projects. With the ore body open along strike and at depth, a highly prospective parallel trend where continuity of mineralisation has been established and regional tin prospects within 25km of the proposed processing facility, the there is significant potential for the project to have a longer mine life and a much larger scale.

Renewal of Environmental and Social Impact Assessment

During the year, the Group successfully renewed the Environmental and Social Impact Assessment (ESIA) for the Achmmach Tin Project for a further five-year period to July 2024. The Achmmach Tin Project's ESIA was initially granted in December 2014 following lengthy engagement with the government and the local community. The ESIA is a critical permit required to operate and sets out the fundamental environmental and social compliance framework. The renewal further confirms the Company's compliance with Moroccan environmental and regulatory requirements and reaffirms the Moroccan authorities support for the project

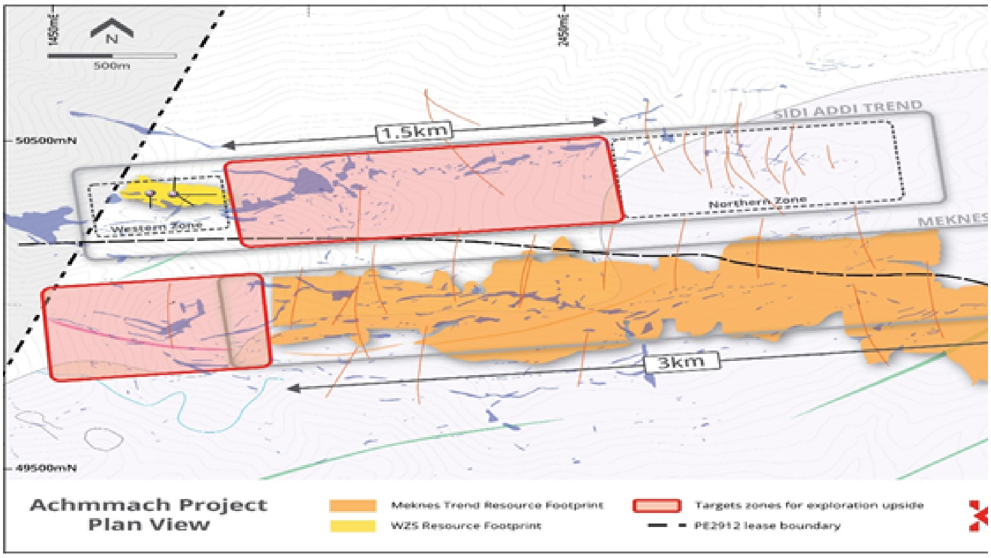


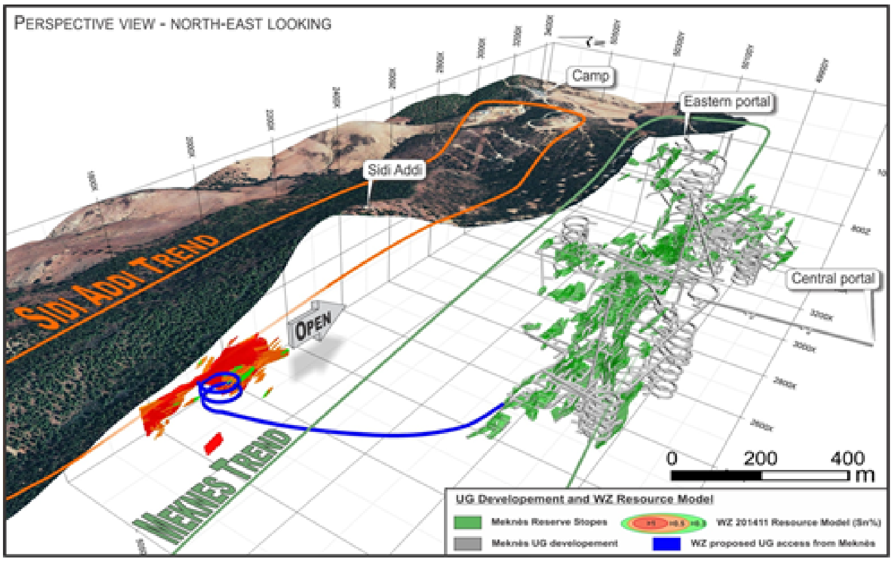
OPERATIONS REVIEW

2. EXPLORATION

Near mine extensional - significant upside

A drilling program was designed to test the continuity of tin mineralisation on the ˜1.2 km of untested Sidi Addi strike, which runs parallel to the main Meknes Trend. At present, the Achmmach Tin Project has measured and indicated resource of 4.9 million tonnes at 0.85% Sn of which 14.6 million onnes at 0.85% Sn is hosted on the Meknes Trend and 0.34 million tonnes at 1.25% is hosted on the Sidi Addi Trend.





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OPERATIONS REVIEW

3. TIN MARKET

Volatility amplified by the pandemic

The longer-term prospects and narrative of the tin market has remained broadly consistent. Tin is predicted to be the metal most impacted by the development of future technologies. Tin's extensive use in solders makes it the metal that glues the technology revolution, and new applications such as in emerging lithium ion batteries tend to grow as technology advances and diversifies. The impending revolution towards clean energy and advanced robotics is expected to result is a significant increase in demand supply on the backdrop of declining tin supply as existing producers come to the end of mine life. With significant under-investment in tin exploration over the last 10-15 years, the increase in tin demand is expected to raise tin prices as the market imbalance grows.

However, the global trade wars affecting key semi-conductor markets which was further exacerbated by the COVID-19 global pandemic resulted in a weak tin price environment for most of the financial year. Ongoing tensions between the United States and China as well as Japan and South Korea had a large impact on tin demand particularly in 2019 which resulted in tin prices declining to under US$16,000/t in September 2019.

The seasonal increase in tin prices following the Chinese lunar new year was abruptly ended with the declaration of COVID-19 as global pandemic. The market reaction was volatile with prices declining to under US$13,000/t. Since then the sharp decline, the tin price saw gradual increases as producers and smelters curtailed operations to manage the spread the virus, eventually hitting US$17,000/t towards the end of the financial year.

OPERATIONS REVIEW

Post financial year end, as markets stabilised and economies re-opened, the tin price has been threading a narrow vein of between US$17,000/t – US$18,500/t. The Company believes there remains volatility in the supply-demand dynamics in the short term as markets re-adjust to a COVID normal economy and environment. Nevertheless, the gradual increase seen June 2020 is expected to continue in the short term with the medium term prices eventually reflecting the increase demand from the growing EV/PHEV, clean energy and advanced robotic/computing industries.

3. CORPORATE

Transition to an unlisted public company

On 30 June 2020, the Company announced its intention to be removed from the official list of the ASX (Official List), following an in-principle application made to the ASX. The delisting was proposed as a means to address, amongst others:

- the large disparity between project valuation of US$98.1 million (on a 100% basis) and market capitalisation over an extended period of time
- fundraising difficulties on the back of the low share price
- lack of liquidity of its listed securities which was not proving value to shareholders
- high listing costs without the benefits of a public listing
- unlocking value which was not being reflected in the market capitalisation

The ASX prescribed certain conditions for the delisting including that it be approved by a special resolution of shareholders (i.e. >75% in favour) and that the removal from the Official List will take place no earlier than one month after shareholder approval.

A general meeting of shareholders was held virtually on 21 August 2020, where more than 95% of voting shareholders supported the delisting proposal. Following shareholder approval, and in accordance with he conditions prescribed, the Company's securities remain listed on the ASX until it was removed from the Official List on 22 September 2020.

Following the Company's delisting from the Official List, the ASX Listing Rules no longer apply to the Company. However, in the interest of transparency, the Company discloses the below summarised information in relation to its director and employee remuneration.

	2020 $	2019 $
Short-term employee benefits	551,263	1,011,788
Post-employment benefits	53,449	73,130
Long term employment benefits	20,242	6,977
Share based payments	480,771	710,933
Terminations	202,692	220,431
	1,298,417	**2,023,259**

OPERATIONS REVIEW

	Year	Short-term Director fees	Short-term Committee fees	Post Employment Superannuation	Long-term	Share based payments Rights	Total
Name		**$**	**$**	**$**	**$**	**$**	**$**
Non-executive Directors							
Ashvin Seetulsingh – Non-executive Director (i)	**2020**	**-**	**-**	**-**	**-**	**25,902**	**25,902**
Nicholas Slade – Non-executive Director (i)	**2020**	**-**	**-**	**-**	**-**	**25,902**	**25,902**
Kate Southwell – Non-executive Director (ii)	**2020**	**-**	**-**	**-**	**-**	**-**	**-**
John Gooding – Non-executive Chairman (iii) (vii)	**2020**	**-**	**-**	**-**	**-**	**38,191**	**38,191**
	2019	41,096	1,142	4,013	-	54,934	101,185
Graham Ehm – Non-executive Director (iv) (vii)	**2020**	**-**	**-**	**-**	**-**	**27,604**	**27,604**
	2019	-	-	-	-	63,646	63,646
Martyn Buttenshaw – Non-executive Director (iv) (vii)	**2020**	**-**	**-**	**-**	**-**	**26,515**	**26,515**
	2019	-	-	-	-	58,485	58,485
Phil Baker – Non-executive Director (v)	**2020**	**15,916**	**-**	**1,512**	**-**	**-**	**17,428**
	2019	9,132	761	940	-	-	10,833
Graham Freestone – Non-executive Director (vii)	2019	20,548	1,712	2,115	-	26,160	50,535
Hedley Widdup – Non-executive Director (viii)	2019	5,000	208	-	-	-	5,208
Total	**2020**	**15,916**	**-**	**1,512**	**-**	**144,114**	**161,542**
Total	2019	75,776	3,823	7,068	-	203,225	289,892

(i) Appointed 24 January 2020. Mr Seetulsingh and Mr Slade's remuneration from 24 January 2020 to 30 June 2020 was entirely in the form of NED Share Rights
(ii) Appointed 23 November 2020
(iii) Resigned 31 December 2019
(iv) Resigned 24 January 2020
(v) Appointed 1 May 2019. Resigned 7 October 2019
(vi) Resigned 31 July 2018. Fees for Mr Widdup's services as Non-executive Director were paid to Lion Manager Pty Ltd
(vii) From January 2019, Mr Gooding, Mr Ehm, Mr Buttenshaw and Mr Freestone (until his resignation on 7 March 2019), elected to take their entire remuneration in NED Share Rights.

	Year	Short-term Salaries	Short-term STI Bonus	Post Employment Superannuation	Long-term Long Service Leave	Share based payments Rights	Termination Benefits	Total
Name		$	$	$	$	$	$	$
Key Management Personnel								
Evan Spencer – Executive Chairman/CEO (i)	2020	311,180	-	19,252	6,681	171,499	-	508,612
	2019	329,119	-	20,531	4,857	163,910	-	518,417
Pradeep Subramaniam – CFO & Company Secretary (ii)	2020	80,895	-	7,685	797	6,487	-	95,864
Keith Pollocks - CFO & Company Secretary (iii)	2020	143,272	-	25,000	2,764	158,671	202,692	532,399
	2019	309,469	-	20,531	3,032	140,798	-	473,830
Russell Clark - Chief Executive Officer (iv)	2019	293,601	-	25,000	(912)	203,000	220,431	741,120
Total	2020	535,347	-	51,937	10,242	336,657	202,692	1,136,875
Total	2019	932,189	-	66,062	6,977	507,708	220,431	1,733,367

(i) Appointed Chief Executive Officer 1 April 2019 and Executive Chairman from 31 December 2019
(ii) Appointed Chief Financial Officer and Company Secretary from 13 December 2019. Previously Group Financial Controller
(iii) Resigned 13 December 2019. Termination benefits include payment of unused leave entitlements of $48,018
(iv) Resigned 31 March 2019. Termination benefits include payment of unused leave entitlements of $21,948
(v) Negative Long-term long service leave accruals represent reversal of previously accrued Long Service Leave entitlements on termination of employment.
(vi) The cost of performance rights assumes 100% vesting of rights, determined for accounting purposes when the rights were granted. The cost above has not been adjusted for likelihood of the rights vesting subsequent to grant date.

Kasbah Resources Limited

Financial Report 30 June 2020

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as "the Group") consisting of Kasbah Resources Limited ("Kasbah" or the "Company") and the entities it controlled for the year ended 30 June 2020.

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 (appointed 31 December 2019)
- Ashvin Seetulsingh (appointed 24 January 2020)
- Nicholas Slade (appointed 24 January 2020)
- Kate Southwell (appointed 23 November 2020)
- Phil Baker (resigned on 7 October 2019)
- John Gooding (resigned on 31 December 2019)
- Graham Ehm (resigned on 24 January 2020)
- Martyn Buttenshaw (resigned on 24 January 2020)

Principal Activities

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

Dividends – Kasbah Resources Limited

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 on pages 3 - 8.

The consolidated loss after income tax for the financial year was $4,271,721 (2019: loss of $7,211,020). Included in the consolidated loss after income tax were exploration and evaluation expenditure of $1,085,382 (2019: $1,752,477), employee benefits expenses of $578,047 (2019: $1,368,115), share based payment expenses of $594,268 (2019: $694,421) and interest and borrowing costs of $1,138,407 (2019: $702,283).

Since September 2019, following a significant decline in tin prices, the consolidated entity has been focussed on minimising expenditure and cash conservation as it aims to navigate the challenging economic conditions which was further exacerbated by the Covid-19 global pandemic.

The exploration and evaluation costs were lower than the previous year following the completion of the Achmmach Tin Project 2018 Definitive Feasibility Study (2018 DFS), Front End Engineering and Design (FEED) and Independent Technical Specialist Report (ITSR) in FY2019. In addition to wages, camp maintenance and annual permitting costs, expenses in the current financial year mainly consisted of the small scale drilling program undertaken on the Sidi Addi Trend, a parallel structure to the main Meknes Trend, mine optimisation initiatives as well as cost incurred in relation to the successful renewal for a further five years of the Achmmach Tin Project's Environmental and Social Impact Assessment.

Employee benefits expense were significantly lower compared to the previous year as the Company restructured its workforce as it aimed to minimise corporate overheads. There were no changes to the number of employees in Morocco as in country activities have remained largely unchanged, although the pandemic has slowed activities as the Moroccan government imposed certain restrictions to contain the spread of the virus.

Interest and borrowing costs were significantly higher than the previous year as the Company the loan amount increased by $1,300,000 following shareholder approval at the 2019 Annual General Meeting. Pursuant to the terms of the convertible loan agreement, there was a 2% extension fee totalling $114,400 and a step up in the interest rate to 15%. The increased facility was drawn down in two tranches, December and June.

The cash position of the Group as at 30 June 2020 was $692,465 (2019: $1,916,223). The Group incurred net operating cash outflows of $3,035,748 (2019: $6,363,226). Total net cash inflows from financing activities were $1,786,927 (2019: $5,249,811). During the year, the Company refinanced the convertible loan with Pala Investments Limited, which provided additional funding of $1,300,000. The cash contribution of the non-controlling interest's portion of project costs was $493,195 (2019: $939,768).

FY2020 saw a number of personnel changes within the Company. Mr Phil Baker resigned as non-executive director on 7 October 2019. Mr Keith Pollocks resigned as Chief Financial Officer and Company Secretary on 13 December 2019 and was replaced by Mr Pradeep Subramaniam. Mr John Gooding retired as Chairman and was replaced by Mr Evan Spencer, who is now the Executive Chairman. Mr Graham Ehm and Mr Martyn Buttenshaw resigned on 24 January 2020 and were replaced by Mr Ashvin Seetulsingh and Mr Nicholas Slade as non-executive directors. Ms Kate Southwell joined as non-executive director on 23 November 2020.

Matters Subsequent to the End of the Financial Year

On 30 June 2020, the Group announced that it had lodged a formal request with the Australian Securities Exchange (ASX) to be removed from the official list of the ASX (Official List) following an in-principle application made by the Company under ASX Listing Rule 17.11. On 6 July 2020, the ASX approved its request to be removed from the Official List subject to certain conditions, including approval of a special resolution of Kasbah shareholders. The special resolution was put to a virtual general meeting of shareholders on 21 August 2020, where shareholders voted in favour of the proposed delisting. The removal of the Company from the Official List was finalised on 22 September 2020.

On 1 October 2020, the Company changed its registered addressed and principal place of business to Leydin Freyer, Level 4, 100 Albert Road, South Melbourne VIC 3205.

On 9 October 2020, the Group relinquished its interest in PR2137997 and PR2137999 (collectively the Zaer permits) as it elected not to renew these permits.

On 23 November 2020, the Company appointed Ms Kate Southwell as non-executive director.

On 27 November 2020, the Company entered a bridge loan facility with Pala Investments Limited totalling $410,000. The maturity of the convertible loan was also extended to 30 April 2021 to facilitate the Company sourcing other forms of funding.

Likely Developments and Expected Results of Operations

While good progress has been made on technical and financial fronts to make the Achmmach Tin Project ready for construction, the weakness in the tin market has prompted the Group to limit expenditure and focus on keeping its permits in good standing. The Group remains positive on progressing financing options to bring Achmmach into production under conducive tin and capital market environments. The Group also continues to evaluate other strategic options available to the Company.

Environmental Regulation

In the course of its normal exploration activities the Group adheres to environmental regulations imposed upon it by the various regulatory authorities. The Group has complied with all material environmental requirements to the date of this report. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. Due to the location of the Group's projects in Morocco the Directors have assessed that there are no current reporting requirements under the Act, but this may change in the future. The Group is not aware of any matter that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

Information on Directors

Mr Evan Spencer, BAppSc (Geo), MMinEcons, GradDip (Mining Engineering)
Executive Chairman (appointed on 31 December 2019)
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. 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. 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.

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.

Mr Ashvin Seetulsingh, MA, LLM
Non-executive Director (appointed on 24 January 2020)
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.

Mr Nicholas Slade, BEng MSc ACSM FIMMM CEng FAusIMM CP (Mining)
Non-executive Director (appointed on 24 January 2020)
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). 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.

Ms Kate Southwell, BA Law

Non-executive Director (appointed on 23 November 2020)

Kate is a senior legal 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 Senior Legal 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.

Mr Phil Baker, CPA, BBus, PGDipBA, MAICD

Independent Non-executive Director (resigned on 7 October 2019)

Mr John Gooding, Assoc Dip. Mining Eng, FIE Aust, F.Aus. IMM, MAICD

Independent Non-executive Chairman (resigned on 31 December 2019)

Mr Graham Ehm, BSc (Metallurgy)

Independent Non-executive Director (resigned on 24 January 2020)

Mr Martyn Buttenshaw, MBA, MEng

Non-executive Director (resigned on 24 January 2020)

Company Secretary

Mr Pradeep Subramaniam, BCom, CA

Company Secretary (appointed on 13 December 2019)

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.

Mr Keith Pollocks, BBus (Econs, Acc), MCommerce, CPA, MCT

Company Secretary (resigned on 13 December 2019)

Directors' Meetings

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2020, and the numbers of meetings attended by each Director were:

Name of Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Evan Spencer	3	3	n/a*	n/a*	n/a*	n/a*
Ashvin Seetulsingh	3	3	n/a*	n/a*	n/a*	n/a*
Nicholas Slade	3	3	n/a*	n/a*	n/a*	n/a*
Kate Southwell	n/a	n/a	n/a*	n/a*	n/a*	n/a*
John Gooding	3	3	1	1	1	1
Graham Ehm	2	3	1	1	1	1
Martyn Buttenshaw	3	3	n/a	n/a	n/a	n/a
Phil Baker	2	2	1	1	1	1

**Following changes to the composition of the Board in January 2020, it was resolved that the functions on the Audit Committee and Remuneration Committee will be absorbed by the Board of Directors.*

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

Interests in Shares, Options and Non-executive Directors Share Rights of the Company and Related Bodies Corporate

At the date of this report, shares, options and non-executive director share 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	-	-	6,798,900
Ashvin Seetulsingh	834,615	-	2,139,733	-
Nicholas Slade	-	-	2,139,733	-
Kate Southwell	-	-	-	-

Shares Under Option

There were no unissued ordinary shares of Kasbah Resources Limited under option at the date of this report.

Shares Issued on the Exercise of Options

There were no ordinary shares of Kasbah Resources Limited issued during the year ended 30 June 2020 and up to the date of this report on the exercise of options granted to shareholders and employees.

Indemnity and Insurance of Officers

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

Indemnity and Insurance of Auditor

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

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

Proceedings on behalf of the Company

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

Non-Audit Services

The Board of Directors review 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.

Officers of the company who are former audit partners of HLB Mann Judd

There are no officers of the company who are former audit partners of HLB Mann Judd.

Directors' Report

Auditor's Independence Declaration

The copy of the auditor's independence declaration as required under sections 307C of the *Corporations Act 2001* is set out on page 16.

Auditor

HLB Mann Judd continue in office in accordance with section 327 of the *Corporations Act 2001*.

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

On behalf of the directors

Evan Spencer
Executive Chairman
30 November 2020
Melbourne

Ashvin Seetulsingh
Director
30 November 2020
Melbourne

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 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in 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**
30 November 2020	**Partner**

hlb.com.au

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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Note	Consolidated	
		2020	**2019**
		$	**$**
Revenue from continuing operations	2	99,354	10,219
Exploration and evaluation expenditure		1,085,382	1,752,477
Project financing expenses		17,851	958,221
Employee benefits expenses		578,047	1,368,115
Share based payment expense		594,268	694,421
Accounting and corporate fees		359,968	505,153
Occupancy expenses	3	98,105	117,012
Administration expenses		224,056	255,962
Marketing and investor relations		17,862	466,734
Transaction fees and other associated costs		-	(259,620)
Interest and borrowing costs		1,138,407	702,283
Non-recoverable Moroccan TVA expense	3	231,606	621,862
Depreciation and amortisation expenses	3	17,404	18,228
Foreign exchange losses		8,119	20,391
(Loss) from continuing operations before tax expense		**(4,271,721)**	**(7,211,020)**
Income tax benefit/(expense)	4	-	-
(Loss) after tax from continuing operations		**(4,271,721)**	**(7,211,020)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference on foreign operations		88,856	234,795
Total comprehensive loss for the year		**(4,182,865)**	**(6,976,225)**

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Note	Consolidated	
		2020	**2019**
		$	**$**
Total loss for the year is attributable to:			
Non-controlling interest		(297,138)	(781,300)
Owners of Kasbah Resources Limited		(3,974,583)	(6,429,720)
		(4,271,721)	**(7,211,020)**
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(280,422)	(720,306)
Owners of Kasbah Resources Limited		(3,902,443)	(6,255,919)
		(4,182,865)	**(6,976,225)**

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

Consolidated Statement of Financial Position
as at 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Current Assets			
Cash and cash equivalents	5	692,465	1,916,223
Trade and other receivables	6	288,842	345,445
Non-current assets classified as held for sale	7	1	1
Total Current Assets		981,308	2,261,669
Non-current Assets			
Property, plant and equipment		9,257	26,562
Exploration and evaluation expenditure	8	6,166,538	6,086,786
Total Non-current Assets		6,175,795	6,113,348
TOTAL ASSETS		**7,157,103**	**8,375,017**
Current Liabilities			
Trade and other payables	9	445,065	970,334
Borrowings	10	7,735,987	5,305,666
Total Current Liabilities		8,181,052	6,276,000
Non-current Liabilities			
Employee entitlements		18,880	12,911
Total Non-current Liabilities		18,880	12,911
TOTAL LIABILITIES		**8,199,932**	**6,288,911**
NET ASSETS/(LIABILITIES)		**(1,042,829)**	**2,086,106**
Equity			
Issued capital	11	74,444,397	74,233,355
Accumulated losses		(105,961,640)	(102,120,587)
Reserves	12	29,284,118	29,662,282
Parent entity interest		(1,533,125)	1,775,050
Non-controlling interest	13	490,296	311,056
TOTAL EQUITY/(DEFICIENCY)		**(1,042,829)**	**2,086,106**

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

Consolidated Statement of Changes in Equity
for the year ended 30 June 2020

Consolidated	Issued Capital $	Accumulated Losses $	Share Based Payments Reserves $	Foreign Currency Reserve $	Other Reserves $	Convertible Loan Equity Reserve $	Subtotal $	Non-controlling Interest $	Total $
Balance 1 July 2018	**71,729,616**	**(95,690,867)**	**3,846,668**	**(895,792)**	**25,873,350**	**-**	**4,862,975**	**67,042**	**4,930,017**
Loss for the period	-	(6,429,720)	-	-	-	-	(6,429,720)	(781,300)	(7,211,020)
Other comprehensive income									
Foreign currency translation differences	-	-	-	173,801	-	-	173,801	60,994	234,795
Total comprehensive loss for the period	**-**	**(6,429,720)**	**-**	**173,801**	**-**	**-**	**(6,255,919)**	**(720,306)**	**(6,976,225)**
Transactions with owners in their capacity as owners									
Share based payments	-	-	694,421	-	-	-	694,421	-	694,421
Issue of fully paid ordinary shares	2,811,333	-	(163,696)	-	-	-	2,647,637	-	2,647,637
Share issue costs	(307,594)	-	-	-	-	-	(307,594)	-	(307,594)
Convertible loan equity feature	-	-	-	-	-	133,531	133,531	-	133,531
Non-controlling interest contributed assets	-	-	-	-	-	-	-	964,320	964,320
Balance 30 June 2019	**74,233,355**	**(102,120,587)**	**4,377,393**	**(721,991)**	**25,873,350**	**133,531**	**1,775,050**	**311,056**	**2,086,107**
Balance 1 July 2019	**74,233,355**	**(102,120,587)**	**4,377,393**	**(721,991)**	**25,873,350**	**133,531**	**1,775,050**	**311,056**	**2,086,107**
Loss for the period	-	(3,974,583)	-	-	-	-	(3,9374,583)	(297,138)	(4,271,721)
Other comprehensive income									
Foreign currency translation differences	-	-	-	72,139	-	-	72,139	16,717	88,856
Total comprehensive loss for the period	**-**	**(3,974,583)**	**-**	**72,139**	**-**	**-**	**(3,902,444)**	**(280,421)**	**(4,182,865)**
Transactions with owners in their capacity as owners									
Share based payments	-	-	594,268	-	-	-	594,268	-	594,268
Derecognition of convertible loan equity reserve due to modification	-	133,531	-	-	-	(133,531)	-	-	-
Issue of fully paid ordinary shares	211,042	-	(211,042)	-	-	-	-	-	-
Non-controlling interest contributed assets	-	-	-	-	-	-	-	459,661	459,661
Balance 30 June 2020	**74,444,397**	**(105,961,640)**	**4,760,619**	**(649,852)**	**25,873,350**	**-**	**(1,533,125)**	**490,296**	**(1,042,829)**

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

Consolidated Statement of Cash Flows
for the year ended 30 June 2020

	Note	Consolidated	
		2020	2019
		$	$
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,321,877)	(2,686,615)
Payments for exploration and evaluation		(1,777,156)	(3,283,996)
Interest received		1,763	13,199
Receipts from other income		61,522	-
Interest paid		-	(405,814)
Net cash outflow from operating activities	5a	**(3,035,748)**	**(6,363,226)**
Cash flows from investing activities			
Refund of security deposits and bonds		3,679	3,477
Payments for plant and equipment		-	(3,440)
Net cash inflow from investing activities		**3,679**	**37**
Cash flow from financing activities			
Proceeds from share issues		-	2,652,183
Share issue costs		(6,268)	(312,140)
Proceeds from borrowings	5b	1,300,000	5,500,000
Repayment of Borrowing	5b	-	(3,530,000)
Proceeds from non-controlling interests		493,195	939,768
Net cash inflow from financing activities		**1,786,927**	**5,249,811**
Net decrease in cash held		(1,245,142)	(1,113,378)
Cash at the beginning of the financial year		1,916,223	3,016,898
Effect of exchange rate fluctuations on cash held in foreign currencies		21,384	12,703
Cash at the end of the financial year	5	**692,465**	**1,916,223**

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

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

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

The financial statements are presented in Australian dollars.

Compliance with IFRS

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

Historical Cost Convention

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

Going Concern

For the year ended 30 June 2020 the consolidated entity recorded a loss of $4,271,721 (2019: $7,211,020) and had net cash outflows from operating activities of $3,035,748 (2019: $6,363,226). As at 30 June 2020, the consolidated entity has a net working capital deficit of $7,199,744 (2019: working capital deficit of $4,014,331) and net liabilities of $1,042,829 (2019: net assets of 2,086,106).

The Group released the Achmmach Tin Project 2018 Definitive Feasibility Study (2018 DFS) in July 2018 and subsequently completed Front End Engineering and Design (FEED) and the Independent Technical Specialist Report (ITSR). Following completion of the 2018 DFS, the Group commenced the process to secure project financing for the construction of the Achmmach Tin Project. However, this process has been delayed due to a weak tin price environment followed by the Covid-19 global pandemic.

The Group has a convertible loan with Pala Investments Limited (Pala) with a maturity of 31 December 2020, which has been extended to 30 April 2021. In addition, the Group has entered a short-term bridge loan facility with Pala to meet its short-term funding obligations. Funding requirements past 30 April 2021 are expected to be met through a capital raise from new or existing shareholders, corporate transactions or through a refinancing and extension of the existing convertible loan facility. The ability of the consolidated entity to continue as a going concern will be dependent on the ability of the Group to achieve such an interim funding debt or equity solution and the continued support of Pala Investments Limited.

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 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.

BASIS OF PREPARATION (continued)

Critical Accounting Judgements, Estimates and Assumptions

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

- Note 4 – Taxation
- Note 8 – Recoverability of Exploration and Evaluation Expenditure
- Note 20 – Share Based Payments

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kasbah Resources Limited (the Company) or (Parent Entity) as at 30 June 2020 and the results of all subsidiaries for the year then ended.

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

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

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

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

Accounting Policies

Refer to Note 22 for further information on the Group's accounting policies.

2. REVENUE AND OTHER INCOME

	Consolidated	
	2020	2019
	$	$
Revenue from continuing operations:		
Interest revenue	1,524	10,219
Consulting income	89,054	-
Others	8,776	-
	99,354	10,219

3. EXPENSES

	Consolidated	
	2020	2019
	$	$
Loss before income tax includes the following items:		
Rental expenses (outside the scope of AASB16)	98,105	117,012
Superannuation expense	64,554	102,621
Impairment of non-recoverable Moroccan TVA	231,606	621,862
Depreciation and amortisation:		
- Plant and equipment	17,404	18,209
- Computer software	-	19
	17,404	18,228

4. INCOME TAX EXPENSE

	Consolidated 2020 $	Consolidated 2019 $
a) Income tax expense (benefit)		
Current tax expenses (benefit)	-	-
Deferred tax expenses (benefit)	-	-
	-	-
b) Reconciliation of the prima facie tax loss from ordinary activities before income tax to income tax expense (benefit):		
Profit/(Loss) before income tax expense	(4,271,721)	(7,211,020)
Tax at the tax rate 27.5% (2019: 27.5%)	(1,174,723)	(1,983,031)
Tax effect of amounts not deductible (taxable) in calculating taxable income:		
- Non-deductible expenses	622,821	505,047
- Benefits of deferred tax assets not previously recognised	(183,873)	-
- Deferred tax assets not recognised on tax losses and temporary difference	549,166	1,032,864
- Tax rate differential	186,609	445,120
Income tax expense (benefit)	-	-
c) Deferred tax assets		
Temporary differences	127	193
	127	193
Deferred tax liabilities		
Temporary differences	(127)	(193)
	(127)	(193)
Net deferred tax assets (liabilities)	-	-

INCOME TAX EXPENSE (continued)

d) Deferred tax assets not recognised

	Consolidated 2020 $	Consolidated 2019 $
Deferred tax assets have not been recognised in relation to the following matters:		
Temporary differences	1,299,971	913,889
Tax losses	10,640,893	10,933,676
	11,940,864	11,847,565

Significant accounting judgement

Tax Losses

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

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

Taxes

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

Notes to the Consolidated Financial Statements

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	2020	2019
	$	$
Cash at bank and on hand	667,465	1,891,223
Short-term deposits at call	25,000	25,000
	692,465	**1,916,223**

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

	Consolidated	
	2020	2019
	$	$
Loss after income tax	(4,271,721)	(7,211,020)
Adjustments for:		
- Depreciation	17,404	18,228
- Share based payment expense	594,268	694,421
- Borrowing costs	296,998	50,933
- Net exchange differences	984	12,910
Change in operating assets and liabilities		
- (Increase) / decrease in trade and other receivables	56,603	(8,340)
- Increase/(decrease) in trade and other payables	(498,088)	(86,836)
- Increase/(decrease) in interest accruals	767,804	166,478
Net cash utilised in operating activities	**(3,035,748)**	**(6,363,226)**

b) Changes in liabilities arising from financing activities

	Consolidated		
	Convertible Loan	Shareholder Loan	Total
	$	$	$
Balance as at 1 July 2019	5,305,666	-	5,305,666
Net cash from financing activities	1,300,000	-	1,300,000
Accrued interest	833,323	-	833,323
Amortisation of arrangement fee	163,467	-	163,467
Derecognition of convertible loan equity	133,531		
Balance as at 30 June 2020	**7,735,987**	**-**	**7,602,456**

CASH AND CASH EQUIVALENTS (continued)

	Consolidated		
	Convertible Loan	Shareholder Loan	Total
	$	$	$
Balance as at 1 July 2018	-	3,209,727	3,209,727
Net cash from financing activities	5,000,000	500,000	5,500,000
Net cash (used in) financing activities	-	(3,530,000)	(3,530,000)
Accrued interest	388,264	184,027	572,291
Payment of interest (cash flows from operating activities)	-	(405,814)	(405,814)
Amortisation of arrangement fee	50,933	42,060	92,993
Convertible loan equity feature	(133,531)	-	(133,531)
Balance as at 30 June 2019	**5,305,666**	**-**	**5,305,666**

6. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2020	2019
	$	$
Current:		
Trade and other receivables (i)	196,593	228,741
Prepayments	92,249	116,704
	288,842	**345,445**

(i) As at 30 June 2020 the trade debtors of the Group were nil (2019: nil). No trade and other receivables balances were past their due date at 30 June 2020 (2019: nil) and hence no impairment has been recognised. Refer Note 14 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.

7. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated	
	2020 $	2019 $
Current:		
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.

8. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2020 $	2019 $
Costs carried forward in respect of areas of interest in:		
Balance at beginning of year	6,086,786	5,814,769
Movement due to foreign exchange	79,752	272,017
Total exploration and evaluation expenditure	**6,166,538**	**6,086,786**

Exploration and Evaluation Expenditure

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.

EXPLORATION AND EVALUATION EXPENDITURE (continued)

Significant accounting judgement

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

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.

9. TRADE AND OTHER PAYABLES

	Consolidated	
	2020	**2019**
	$	**$**
Current:		
Trade payables	134,407	252,995
Employee entitlements	124,683	136,907
Other payables and accruals	185,975	580,432
	445,065	**970,334**

Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in Note 14.

10. Borrowings

	Consolidated	
	2020	**2019**
	$	**$**
Current:		
Convertible loan – secured	7,735,987	5,305,666

On 20 December 2018, following approval by shareholders at the Annual General Meeting, the Company drew down $5,000,000 under the Convertible Loan Agreement with Pala Investments Limited. The convertible loan is secured against the assets of Kasbah Resources Limited other than Kasbah's interest in the Atlas Tin Project joint venture (which requires the consent of the other joint venture parties pursuant to the terms of the Atlas Tin Shareholders Agreement), with interest charged at 12% per annum. Maturity of the convertible loan was 31 December 2019, subject to a Kasbah option to extend the maturity to 31 December 2020 for a 2% extension fee and a step up in the interest rate to 15%. The equity component of the convertible loan of $133,531 is recognised within Other Reserves. Arrangement fees of $100,000 was capitalised and incurs interest at 12% per annum. Arrangement fees are amortised over the period of the loan.

Borrowings (continued)

Kasbah exercised its option to extend the maturity and capitalised the extension fee of $114,400. In addition, following shareholder approval on 26 November 2019, the convertible loan facility was increased by $1,300,000 to be drawn down in two tranches. Both tranches were subsequently drawn down. The increased facility incurs interest at 15% per annum.

Subsequent to the end of the financial year, on 27 November 2020, the maturity of the convertible loan was extended to 30 April 2021.

11. ISSUED CAPITAL

	Consolidated		Consolidated	
	2020	2019	2020	2019
	Number of Shares	Number of Shares	$	$
Issued and Paid-up Capital				
Ordinary shares, fully paid	135,379,952	133,238,371	74,444,397	74,233,355
Movements in ordinary share capital:				
Balance at the beginning of the financial year	133,238,371	1,045,079,742	74,233,355	71,729,616
Share purchase plan at 1.1 cents (December 2018)	-	11,818,165	-	130,000
Less share issue costs	-	-	-	(39,336)
Shares issued as part of NED Share Rights Scheme (December 2018)	-	3,144,653	-	50,000
10 to 1 share consolidation (December 2018)	-	(954,038,011)	-	-
Shares issued as part of NED Share Rights Scheme (February 2019)	-	568,256	-	100,000
Non-renounceable rights issue at 9.5 cents (March 2019)	-	26,501,441	-	2,517,637
Less share issue costs	-		-	(268,258)
Shares issued as part of NED Share Rights Scheme (April 2019)	-	164,125	-	13,696
Shares issued as part of NED Share Rights Scheme (January 2020)	2,141,581	-	211,042	-
Issued capital at end of period	**135,379,952**	**133,238,371**	**74,444,397**	**74,233,355**

ISSUED CAPITAL (continued)

Terms and Conditions

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

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

Performance rights and NED share rights have no voting rights and upon vesting, each right is converted to an ordinary share. Options have no voting rights and upon exercise each option is converted to an ordinary share.

Capital 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.

12. RESERVES

Nature and purpose of reserves

i) Share based payment reserve
The share-based payment reserve is used to recognise the fair value of options issued but not exercised, and the fair value of share rights issued under the NED Share Rights Plan and the Long-Term Incentive Plan.

ii) Foreign Currency Translation Reserve
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 22(d).

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

iv) Convertible Loan – Equity Reserve
This reserve is used to recognise the equity component (conversion rights) of the convertible loan issued.

13. EQUITY – NON-CONTROLLING INTEREST

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

	Consolidated	
	2020	**2019**
	$	**$**
Nittetsu Mining Co. Ltd (NMC) – 5% NCI		
Opening Balance – NCI	(863,230)	(912,033)
Funds received from NMC	93,388	192,864
Share of Comprehensive Loss for the year	(224,338)	(144,061)
	(994,180)	(863,230)
Toyota Tsusho Corporation (TTC) – 20% NCI		
Opening Balance – NCI	1,174,286	979,075
Funds received from TTC	366,274	771,456
Share of Comprehensive Loss for the year	(56,084)	(576,245)
	1,484,476	1,174,286
Total Non-Controlling Interest	**490,296**	**311,056**

14. FINANCIAL INSTRUMENTS

	Consolidated	
	2020	**2019**
	$	**$**
Financial assets		
Cash and cash equivalents	692,465	1,916,223
Trade and other receivables	288,842	345,445
Non-current assets classified as held for sale	1	1
Financial liabilities		
Trade and other payables	445,065	970,334
Borrowings – secured	7,735,987	5,305,666

FINANCIAL INSTRUMENTS (continued)

Overview

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

- Credit Risk
- Liquidity Risk
- Market Risk

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

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

Credit Risk

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

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

Other Receivables

The Group operates in the mining exploration 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.

FINANCIAL INSTRUMENTS (continued)

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

		Carrying Amount $	6 Mths or less $	6-12 Mths $	1-2 Years $	2-5 Years $	More than 5 years $
Consolidated 30 June 2020							
Trade and other payables	0%	445,065	445,065	-	-	-	-
Convertible loan- Secured	15%	7,735,987	8,093,706				
		8,181,052	**8,538,771**	**-**	**-**	**-**	**-**
Consolidated 30 June 2019							
Trade and other payables	0%	970,334	970,334	-	-	-	-
Convertible loan- Secured	12%	5,305,666	5,728,767				
		6,276,000	**6,699,101**	**-**	**-**	**-**	**-**

Market Risk

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

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Foreign Currency Exchange Rate Risk Management

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Consolidated			
	Assets		Liabilities	
	2020 $	2019 $	2020 $	2019 $
United States Dollars	34,679	-	(22,039)	-
Swiss Franc	-	-	-	(4,748)

FINANCIAL INSTRUMENTS (continued)

The sensitivity analyses below detail the Group's sensitivity to an increase/decrease in the Australian dollar against the United States dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, including external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower and adjusts their translation balance date for a 500-basis point change in foreign currency rates.

At balance date, if foreign exchange rates had been 500 basis point higher or lower and all other variables were held constant, the Group's profit or loss would increase/decrease by $602 (2019: $2,374).

The Group's sensitivity to foreign exchange has not changed significantly from the prior year.

Interest Rate Risk Management

The Group is exposed to interest rate risk. The Group's exposure to market interest rates relate primarily to cash and cash equivalents held in Australian financial institutions. At 30 June 2020 all cash and cash equivalents in Australia were held with two financial institutions.

	Consolidated	
	2020	**2019**
	$	**$**
Cash and cash equivalents	667,465	1,891,223
Short term cash deposits	25,000	25,000
	692,465	**1,916,223**

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 100-basis point 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 100 basis points higher or lower and all other variables were held constant, the Group's profit or loss would increase/decrease by $152 (2019: $1,022).

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

Net Fair Values of Financial Assets and Liabilities

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

15. REMUNERATION OF AUDITORS

	Consolidated	
	2020	**2019**
	$	**$**
Audit Services:		
- Auditors of the Company – HLB Mann Judd	33,000	33,000
- Remuneration of other auditor for subsidiaries	26,369	23,064
Total remuneration for Audit services	**59,369**	**56,064**
Amounts received, or due and receivable, for taxation and other services provided by:		
- Affiliated companies to HLB Mann Judd	-	-

16. COMMITMENTS AND CONTINGENCIES

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

Under the terms of the agreement with 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$302,668 as at 30 June 2020) 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.

17. RELATED PARTY DISCLOSURES

a) Remuneration of Key Management Personnel

Remuneration of Directors and other Key Management Personnel:

	Consolidated	
	2020	**2019**
	$	**$**
Short-term employee benefits	551,263	1,011,788
Post-employment benefits	53,449	73,130
Long term employment benefits	20,242	6,977
Share based payments	480,771	710,933
Terminations	202,692	220,431
	1,298,417	**2,023,259**

b) Transactions with Directors' related entities

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

c) Borrowings

The Company has a convertible loan from its shareholder Pala Investments Limited. Details on the convertible loan are disclosed in Note 10.

18. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Kasbah Resources Limited, as at 30 June 2019. The information presented has been prepared using consistent accounting policies as presented in Note 22.

	Parent	
	2020	**2019**
	$	**$**
Current Assets	679,748	1,596,584
Non-current Assets	6,187,988	6,124,757
Total Assets	**6,867,736**	**7,721,341**
Current Liabilities	7,891,685	5,622,325
Non-current Liabilities	18,880	12,910
Total Liabilities	**7,910,565**	**5,635,235**
Contributed Equity	74,444,397	74,233,355
Accumulated Losses	(80,247,845)	(76,658,173)
Reserves	4,760,619	4,510,924
Total Equity/(Deficiency)	**(909,298)**	**2,086,106**
Profit / (Loss) for the Year	(3,723,203)	(6,012,468)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the Year	**(3,723,203)**	**(6,012,468)**

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

There are no contingent liabilities of the parent entity.

There are no contractual commitments of the parent entity.

19. INTERESTS IN SUBSIDIARIES

	Interest Held	
	2020	2019
	%	%
a) Particulars in relation to controlled entities		
Parent Entity		
Kasbah Resources Limited		
Controlled Entities		
Atlas Tin SAS	75	75
Hamada Minerals SARLAU	100	100
Sahara Exploration SARLAU	100	100
Meseta Exploration SARLAU	100	100

The above controlled entities are incorporated in the Kingdom of Morocco. All shares are fully paid ordinary shares

b) Particulars in relation to controlled entities

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

	Atlas Tin SAS	
	2020	2019
Summarised statement of financial position	$	$
Current Assets	1,112,238	1,869,179
Non-current Assets	6,069,397	5,992,306
Total Assets	**7,181,635**	**7,861,485**
Current Liabilities	383,344	1,187,973
Non-current Liabilities	-	-
Total Liabilities	**383,344**	**1,187,973**
Net Assets	**6,798,291**	**6,673,512**

INTERESTS IN SUBSIDIARIES (continued)

	Atlas Tin SAS	
Summarised statement of profit or loss and other comprehensive income	**2020** **$**	**2019** **$**
Revenue	-	-
Expenses	(1,843,767)	(4,392,472)
Other Comprehensive Income	88,856	243,795
Total Comprehensive Loss for the Year	**(1,754,911)**	**(4,148,677)**
Summarised statement of cash flows		
Net cash used in operating activities	(2,643,426)	(3,917,776)
Net cash used from investing activities	2,833	(20,564)
Net cash used in financing activities	1,884,502	3,846,071
Net increase / (decrease) in cash and cash equivalents	(756,091)	(92,269)
Other financial information		
Profit attributable to non-controlling interests	(280,422)	(720,306)
Accumulated non-controlling interests at the end of report period	490,296	311,056

20. SHARE BASED PAYMENTS

NON-EXECUTIVE DIRECTOR SHARE RIGHTS PLAN

	Grant Date	Number Granted^	Vesting and Exercise Date	Value per Share Right $^	Value of Share Rights $
John Gooding	21 December 2018	94,388	21 December 2019	0.098	9,250
	11 January 2019	763,050	11 January 2020	0.099	75,542
Graham Ehm	21 December 2018	676,021	21 December 2019	0.098	66,250
Martyn Buttenshaw	21 December 2018	204,082	21 December 2019	0.098	20,000
	11 January 2019	404,040	11 January 2020	0.099	40,000
Ashvin Seetulsingh	5 March 2020	2,139,733	5 March 2021	0.012	25,891
Nicholas Slade	5 March 2020	2,139,733	5 March 2021	0.012	25,891

^Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

2,141,581 NED Share Rights awarded to Mr John Gooding, Mr Graham Ehm and Mr Martyn Buttenshaw vested during the year and were exercised. Pursuant to the terms of the plan, these shares were placed in a trading restriction for a minimum of 12 months up to a maximum of 15 years, at the election of the respective non-executive director. The trading restrictions were lifted from the date of their respective resignations as directors of the Company.

The number of NED Share Rights grated 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 the 5-Day volume weighted average price (VWAP) before the grant date.

The NED Share Rights granted to Mr Ashvin Seetulsingh and Mr Nicholas Slade were for their respective director fee for the period 24 January 2020 to 30 June 2020. Pursuant to the terms of the plan, a minimum 12 months vesting period applies.

SHARE BASED PAYMENTS (continued)

LONG TERM INCENTIVE PLAN

	Grant Date	Number Granted	Vesting Date	Value per Performance Right $	Value of Performance Rights $
Evan Spencer	7 December 2017	1,283,019	1 July 2020	0.159	204,000
	8 November 2018	1,500,858	1 July 2021	0.140	210,120
	2 September 2019	4,015,023	1 July 2022	0.050	200,750
Russell Clark	7 December 2017	1,886,793	1 July 2020	0.159	300,000
	8 November 2018	2,207,145	1 July 2021	0.140	309,000
Keith Pollocks	7 December 2017	1,169,814	1 July 2020	0.159	186,000
	8 November 2018	1,414,287	1 July 2021	0.140	198,000
	2 September 2019	3,680,436	1 July 2022	0.050	184,020
Pradeep	8 November 2018	189,816	1 July 2021	0.140	26,570
Subramaniam	2 September 2019	493,959	1 July 2022	0.050	24,700

^Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

The Performance Rights issued to Mr Russell Clark and Mr Keith Pollocks totalling 10,358,477 Performance Rights were voluntarily forfeited by the recipients during the year.

The Performance Rights issued will vest subject to the satisfaction of the vesting conditions outlined below:

- The Company's relative share price benchmarked against the S&P/ASX Small Ordinaries Resources Index over the 3-year period from the year of issue;
- The Company's absolute share price growth over the 3-year period to from the year of issue;
- Achmmach Tin Project's development progress (schedule and costs) against the approved project implementation plan; and
- In calculating the value of these share-based payments, the Group has made assumptions on the probability that these vesting conditions will be met. If the vesting conditions are assessed as at 30 June 2020, none of the vesting conditions have been met and therefore the performance rights will lapse.

Subsequent to the end of the financial year, the Company delisted from the ASX, thereby rendering the vesting conditions related to the share price inoperable. Pursuant to the terms of the plan, the Board has discretion to amend the terms of the securities, including the vesting conditions.

SHARE BASED PAYMENTS (continued)

INCENTIVE OPTION SCHEME

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

Number Granted^	Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price of Options^ $	Value per Option at Grant Date^ $	Value of Options at Grant Date $	Vested (%)
Evan Spencer							
150,000	4 May 2017	4 May 2018	4 May 2020	0.33	0.13	19,267	100
150,000	4 May 2017	4 May 2019	4 May 2020	0.33	0.13	19,267	100
Keith Pollocks							
150,000	25 July 2017	25 July 2018	25 July 2020	0.22	0.06	9,117	100
150,000	25 July 2017	25 July 2019	25 July 2020	0.22	0.06	9,117	100

^Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

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

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Number of Options Granted during the Year^		Number of Options Vested during the Year^	
	2020	2019	2020	2019
Evan Spencer	-	-	-	150,000
Keith Pollocks	-	-	-	150,000

^Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

Fair values at grant date are determined using a Black-Scholes option pricing model that considers 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.

Grant	4 May 2017	25 July 2017
Share price	$0.21	$0.14
Exercise price	$0.33	$0.22
Expected volatility	114.32%	82.97%
Expiry date	4 May 2020	25 July 2020
Expected dividend	Nil	Nil
Risk free interest rate	1.87%	1.94%

^Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

SHARE BASED PAYMENTS (continued)

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 the year	Vested and exercisable at the end of year	Vested and un-exercisable at the end of year
NON-EXECUTIVE DIRECTOR SHARE RIGHTS PLAN									
21 December 2018	n/a	n/a	974,491	-	(974,491)	-	-	-	-
22 January 2019	n/a	n/a	1,167,090	-	(1,167,090)	-	-	-	-
5 March 2020	n/a	n/a	-	4,279,466	-	-	4,279,466	-	-
Total			**2,141,581**	**4,279,466**	**(2,141,581)**	**-**	**4,279,466**	**-**	**-**
LONG TERM INCENTIVE PLAN									
7 December 2017	n/a	n/a	4,339,626	-	-	(3,056,607)	1,283,019	-	-
8 November 2018	n/a	n/a	5,312,108	-	-	(3,621,434)	1,690,674	-	-
2 September 2019	n/a	n/a	-	8,189,418	-	(3,680,436)	4,508,982	-	-
Total			**9,651,734**	**8,189,418**	**-**	**(10,358,477)**	**7,482,675**	**-**	**-**
INCENTIVE OPTION SCHEME									
4 May 2017	4 May 2020	$0.33	150,000	-	-	(150,000)	-	-	-
25 July 2017	25 July 2020	$0.22	300,000	-	-	(300,000)	-	-	-
Total			**450,000**	**-**	**-**	**(450,000)**	**-**	**-**	**-**

^Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

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.

SHARE BASED PAYMENTS (continued)

The options outstanding at 30 June 2020 had a weighted average exercise price of nil (2019: $0.28) and a weighted average remaining life of nil years (2019: 0.96 years).

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

	2020 Number of Options^	2020 Weighted Average Price^ $	2019 Number of Options^	2019 Weighted Average Price^ $
Outstanding at the beginning of the year	600,000	0.28	600,000	0.28
Granted	-	-	-	-
Exercised	-	-	-	-
Expired / Cancelled	(600,000)	0.28	-	-
Outstanding at Year End	**-**	**-**	**600,000**	**0.28**
Exercisable at Year End	**-**	**-**	**450,000**	**0.29**

^Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

21. EVENTS SUBSEQUENT TO REPORTING DATE

On 30 June 2020, the Group announced that it had lodged a formal request with the Australian Securities Exchange (ASX) to be removed from the official list of the ASX (Official List) following an in-principle application made by the Company under ASX Listing Rule 17.11. On 6 July 2020, the ASX approved its request to be removed from the Official List subject to certain conditions, including approval of a special resolution of Kasbah shareholders. The special resolution was put to a virtual general meeting of shareholders on 21 August 2020, where shareholders voted in favour of the proposed delisting. The removal of the Company from the Official List was finalised on 22 September 2020.

On 1 October 2020, the Company changed its registered addressed and principal place of business to Leydin Freyer, Level 4, 100 Albert Road, South Melbourne VIC 3205.

On 9 October 2020, the Group relinquished its interest in PR2137997 and PR2137999 (collectively the Zaer permits) as it elected not to renew these permits.

On 23 November 2020, the Company appointed Ms Kate Southwell as non-executive director.

On 27 November 2020, the Company entered a bridge loan facility with Pala Investments Limited totalling $410,000. The maturity of the convertible loan was also extended to 30 April 2021 to facilitate the Company sourcing other forms of funding.

22. OTHER ACCOUNTING POLICIES

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

Financial Statement Presentations

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

Accounting Policies

a) Income Tax

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

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

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

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

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

b) Trade and Other Payables

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

c) Financial Instruments Recognition

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

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.

OTHER ACCOUNTING POLICIES (continued)

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

Financial Liabilities

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

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

Fair Value

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

d) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transactions and Balances

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

Group Companies

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

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

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

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

OTHER ACCOUNTING POLICIES (continued)

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

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

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.

f) Parent Entity Financial Information

Financial information for the parent entity, Kasbah Resources Limited, is disclosed in Note 20 and has been prepared on the same basis as the consolidated financial statements.

g) Borrowing Costs

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

h) Comparative Figures

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

i) Share Based Payments

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

j) Adoption of New and Revised Standards

Standards and Interpretations applicable to 30 June 2020

In the period ended 30 June 2020, the Group has reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. As a result of this review, the Group has initially applied AASB 16 Leases from 1 July 2019.

AASB 16 'Leases'

AASB 16 replaces the current AASB 17 Leases standard. AASB 16 removes the classification of leases as either operating leases or finance leases- for the lessee - effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense. The Group has lease arrangements for office premises which did not result in a material impact as a result of adopting AASB 16 Leases.

Standards and Interpretations in issue not yet adopted.

The Group has also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 30 June 2020. As a result of this review the Group have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group.

Directors' Declaration

In the director's opinion:

1. The attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the international Accounting Standards Board as described in Note 1 to the financial statements;
3. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
4. on the basis of the matters set out under the heading "Going Concern" in the basis of preparation, 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

Ashvin Seetulsingh
Director

Dated: this day 30th of November 2020

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Kasbah Resources Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of of Kasbah Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of 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 2020 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 1 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.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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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 2020, 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
30 November 2020

Kasbah Resources