KASBAH RESOURCES LIMITED

ACN 116 931 705

Condensed Consolidated Interim Financial Report

For the Half Year Ended

31 December 2021

Corporate Directory

Directors

Evan James Spencer (Executive Chairman)
Kapil Ashvin Seetulsingh (Non-executive Director)
Nicholas Michael Slade (Non-executive Director)
Katie Laura Southwell (Non-executive Director)

Company Secretary

Pradeep Subramaniam

Principal Registered Office in Australia

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Web: www.kasbahresources.com

Share Registry

Link Market Services Limited
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Telephone: +61 1300 554 474

Auditors

HLB Mann Judd (WA) Partnership
Level 4
130 Stirling Street
Perth WA 6000

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Directors Report

Your Directors present the Condensed Consolidated Interim Financial Report (“financial statements”) on the consolidated entity (referred to hereafter as the “Group”) consisting of Kasbah Resources Limited (“Company”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

DIRECTORS

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

- Mr Evan Spencer
- Mr Ashvin Seetulsingh
- Mr Nicholas Slade
- Ms Kate Southwell

REVIEW OF OPERATIONS

Operating Results

Loss after tax from continuing operations for the half-year ended 31 December 2021 was $1,304,743 (2020: $951,973). The loss after tax was derived after exploration and evaluation expenditure of $435,233 (2020: $227,513), employee benefit expenses of $69,660 (2020: $168,234), share based payments expense of $148,383 (2020: $41,330) and business development activities of $408,289 (2020: nil). There was no interest on borrowings following the settlement of debts in June 2021 (2020: $357,719). As disclosed in the 30 June 2021 Annual Report, exploration and evaluation expenditure is expensed as incurred except for the acquisition of exploration properties, which is capitalised and carried forward. The cash balance at 31 December 2021 was $1,428,873 (30 June 2021: $2,729,192). The Group incurred net operating cash outflows for the half year of $1,620,456 (2020: $553,489). There were limited investing and financing activities other than the cash contribution of the non-controlling interest’s potion of project costs.

The Company undertook a number of technical workstreams during the period whilst maintaining a disciplined approach with established pandemic protocols, with the safety of our employees and host community a priority. In addition to completing the Sidi Addi drilling (predominantly completed in June 2021), the Company has continued to optimise the Achmmach Tin Project by commencing a dry stack tailings study and a high-level proof of concept for a in-country downstream processing facility. A dry stack tailing system is expected to be a more environmentally efficient system with significant reduction in water consumption expected. In addition, a dry stack tailing system will better support Achmmach’ s potential to be a multi-decade tin mine.

As the Company progresses towards development, it aims to optimise the project to increase tin output, increase capital efficiency and minimise its environmental footprint, exceeding local regulatory requirements. Whilst the Achmmach Tin Project has excellent Environmental, Social and Governance (ESG) credentials through the philosophy adopted in the 2018 Definitive Feasibility Study, it aims to continuously improve its credentials by leveraging the strategic initiatives of the Moroccan government such as investment in renewable energy and ambitious targets.

Subsequent to the end of the half year period, the Achmmach Tin Project’s mining license, the license d’exploitation No.332912 was renewed for a further 10-year period to 17 January 2032. The renewal of the mining license as well as the renewal of the Environmental and Social Impact Assessment in 2019, means the

Company's key permits to operate have secured tenured and provide the confidence for further investment and a development decision in due course.

The tin market has continued its strong performance throughout the whole year, steadily increasing from US$32,594/t at the start of the period to US$39,615/t on 31 December 2021. Subsequent to the end of the period, the tin price continued to climb reaching a high US$50,050/t. Spot price on 22 March 2022 was US$41,500/t. The consensus long term average tin price has also increased, now averaging approximately US$30,000/t. At the new long term average tin price, the Achmmach Tin Projects NPV based on the 2018 Definitive Feasibility Study would be approximately US$300 million, with the Company's 75% interest valued at approximately A$320 million. Whilst the tin price environment continues to be strong, the Company continues to monitor the impact of the pandemic on large scale project construction in the region, particularly around travel restrictions and readiness of key supply chain players to facilitate the development of the project.

The Company continues to be prudent with its expenditure and has continued to maintain low levels of corporate overhead costs, with a minimal headcount and non-executive directors remunerated in shares. The Company progressed its business development activities as it continues its strategic process to protect and maximise shareholder value. This includes evaluation of opportunities for alternative funding options for development and construction, including project finance and other strategic combinations.

The Company did not incur and interest and borrowing costs during the period following the exercise of the previous convertible loan in March 2021 followed by the repayment of all its residual debt in June 2021. Subsequent to the end of the period, the Company secured a $1,500,000 financing facility from Pala Investments Ltd to provide additional liquidity to progress the planned technical and strategic workstreams in 2022.

EVENTS SUBSEQUENT TO BALANCE DATE

On 19 January 2022, the Group successfully renewed the mining license of the Achmmach Tin Project, the license d'exploitation No.332912, for a further 10-year period to 17 January 2032. Following the renewal of the mining license as well as the Environmental and Social Impact Assessment in 2019 for a further 5-year period, the Achmmach Tin Project is well placed to advance towards development with the key permits secured.

On 26 January 2022, the Company secured a $1,500,000 financing facility from Pala Investments Ltd to provide additional liquidity to progress the planned technical and strategic workstreams in 2022.

On 7 February 2022, the Company's wholly owned subsidiary, Meseta Exploration s.a.r.l, a dormant entity, was voluntarily liquidated as part of streamlining the group structure.

No other events or circumstances have arisen since 31 December 2021 that would require disclosure in this financial report.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. This Independence Declaration is set out on page 4 and forms part of this Directors' Report for the half year ended 31 December 2021.

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

Evan Spencer	**Ashvin Seetulsingh**
Executive Chairman	Non-Executive Director

Melbourne, 24 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Kasbah Resources Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

Perth, Western Australia	**B G McVeigh**
24 March 2022	**Partner**

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2021

		Consolidated	
		31 December 2021	31 December 2020
	Notes	$	$
Revenue from continuing operations	2	84	49,787
Exploration and evaluation expenditure		(435,233)	(227,513)
Employee benefits expenses		(69,660)	(168,234)
Employee share-based payment expense		(148,383)	(41,330)
Accounting and corporate fees		(79,080)	(59,549)
Occupancy expense		(8,753)	(25,782)
Administration expenses		(61,323)	(66,816)
Business development expenses		(408,289)	-
Interest and borrowing costs		-	(357,719)
Non-recoverable Moroccan VAT expense		(92,648)	(41,895)
Depreciation and amortisation expenses		(1,810)	(6,405)
Gain on sale of property, plant and equipment		9,177	-
Foreign exchange (losses)/ gains		(8,825)	(6,517)
(Loss) from continuing operations before tax expense		(1,304,743)	(951,973)
Income tax benefit / (expense)		-	-
(Loss) after tax from continuing operations		(1,304,743)	(951,973)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation difference on foreign operations		18,514	(140,537)
Total comprehensive loss for the period		**(1,286,229)**	**(1,092,510)**

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2021

		Consolidated	
		31 December 2021	**31 December 2020**
	Notes	**$**	**$**
Total loss for the year is attributable to:			
Non-controlling interest		(111,640)	(81,635)
Owners of Kasbah Resources Limited		(1,193,103)	(870,338)
		(1,304,743)	**(951,973)**
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(110,026)	(141,485)
Owners of Kasbah Resources Limited		(1,176,203)	(951,025)
		(1,286,229)	**(1,092,510)**

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position
As at 31 December 2021

		Consolidated	
		31 December 2021	30 June 2021
	Notes	$	$
Current Assets			
Cash and cash equivalents		1,428,873	2,729,192
Trade and other receivables	3	182,075	136,975
Non-current assets classified as held for sale		1	1
Total Current Assets		1,610,949	2,866,168
Non-Current Assets			
Property, plant and equipment		39,503	2,190
Exploration and evaluation expenditure		6,125,795	6,112,342
Total Non-Current Assets		6,165,298	6,114,532
Total Assets		**7,776,247**	**8,980,700**
Current Liabilities			
Trade and other payables	4	768,916	1,220,823
Total Current Liabilities		768,916	1,220,823
Non-Current Liabilities			
Employee entitlements		12,169	22,820
Total Non-Current Liabilities		12,169	22,820
Total Liabilities		**781,085**	**1,243,643**
NET ASSETS		**6,995,162**	**7,737,057**
Equity			
Issued capital	5	85,838,999	85,838,999
Accumulated losses		(105,062,391)	(103,869,288)
Reserves		25,592,689	25,427,406
Parent entity interest		6,369,297	7,397,117
Non-controlling interest	6	625,865	339,940
TOTAL EQUITY		**6,995,162**	**7,737,057**

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

Condensed Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2021

Consolidated	Issued Capital $	Accumulated Losses $	Share Based Payments Reserves $	Foreign Currency Translation Reserves $	Other Reserves $	Sub-Total $	Non-controlling Interest $	Total $
Balance 1 July 2020	**74,444,397**	**(105,961,640)**	**4,760,619**	**(649,852)**	**25,873,350**	**(1,533,125)**	**490,296**	**(1,042,829)**
Loss for the period	-	(870,338)	-	-	-	(870,338)	(81,635)	(951,973)
Other comprehensive income								
Foreign currency translation differences	-	-	-	(80,687)	-	(80,687)	(59,850)	(140,537)
Total comprehensive loss for the period	**-**	**(870,338)**	**-**	**(80,687)**	**-**	**(951,025)**	**(141,485)**	**(1,092,510)**
Transactions with owners in their capacity as owners								
Share based payments	-	-	41,330	-	-	41,330	-	41,330
Transactions with non-controlling interests	-	-	-	-	-	-	75,604	75,604
Balance 31 December 2020	**74,444,397**	**(106,831,978)**	**4,801,949**	**(730,539)**	**25,873,350**	**(2,442,820)**	**424,415**	**(2,018,405)**

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

Condensed Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2021

Consolidated	Issued Capital	Accumulated Losses	Share Based Payments Reserves	Foreign Currency Translation Reserves	Other Reserves	Sub-Total	Non-controlling Interest	Total
	$	$	$	$	$	$	$	$
Balance 1 July 2021	**85,838,999**	**(103,869,288)**	**216,960**	**(662,904)**	**25,873,350**	**7,397,117**	**339,940**	**7,737,057**
Loss for the period	-	(1,193,103)	-	-	-	(1,193,103)	(111,640)	(1,304,743)
Other comprehensive income								
Foreign currency translation differences	-	-	-	16,900	-	16,900	1,614	18,514
Total comprehensive loss for the period	**-**	**(1,193,103)**	**-**	**16,900**	**-**	**(1,176,203)**	**(110,026)**	**(1,286,229)**
Transactions with owners in their capacity as owners								
Share based payments	-	-	148,383	-	-	148,383	-	148,383
Transactions with non-controlling interests	-	-	-	-	-	-	395,951	395,951
Balance 31 December 2021	**85,838,999**	**(105,062,391)**	**365,343**	**(646,004)**	**25,873,350**	**6,369,297**	**625,865**	**6,995,162**

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

Condensed Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2021

	Consolidated	
	31 December 2021 $	31 December 2020 $
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,235,176)	(279,767)
Payments for exploration and evaluation	(385,364)	(323,872)
Interest received	84	650
Receipts from other income	-	49,500
Net cash outflow from operating activities	(1,620,456)	(553,489)
Cash flows from investing activities		
Refunds for security deposits and bonds	-	53,746
Purchase of property, plant and equipment	(39,733)	-
Proceeds from sale of property, plant and equipment	9,177	-
Net cash inflow/(outflow) from investing activities	(30,556)	53,746
Cash flow from financing activities		
Proceeds from non-controlling interest	353,919	82,790
Net cash inflow from financing activities	353,919	82,790
Net decrease in cash held	(1,297,093)	(416,953)
Cash at the beginning of the period	2,729,192	692,465
Effect of exchange rate fluctuations on cash held in foreign currencies	(3,226)	39,544
Cash at the end of the period	1,428,873	315,056

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

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These condensed consolidated interim financial report ('financial statements') is a general-purpose financial report and has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including *AASB 134 Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 *'Interim Financial Reporting'*.

The financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Company is a for-profit entity.

The financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2021 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consisted with those of the previous financial year and corresponding half-year, except for the impact of the new Standards and Interpretations effective 1 July 2021 disclosed below. These accounting policies are consisted with the Australian Accounting Standards and with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments, if applicable. Cost is based on the fair value of the consideration given in exchange for assets.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2021
In the period ended 31 December 2021, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. There are no material impact of the new and revised Standards and Interpretations on the Group.

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 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting estimates and judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

Going concern

For the half year ended 31 December 2021 the consolidated entity recorded a loss of $1,304,743 (2020: loss of $951,973) and had net cash outflows from operating activities of $1,620,456 (2020: $553,489). As at 31 December 2021, the consolidated entity and has a net working capital surplus of $842,033 (30 June 2021: working capital surplus of $1,645,345) and net assets of $6,995,162 (30 June 2021: net assets of $7,737,057).

The Group plans to undertake further exploration and evaluation activities and strategic workstreams as it aims to protect and realise value for its shareholders. Whilst the Group is funded for the immediate period with existing cash reserves and a financing facility, further activities and repayment of any drawdown of the loan will need to be funded through refinancing, new debt or equity.

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 able to realise its assets and discharge its liabilities in the normal course of business. At this stage there are reasonable grounds to believe funding will be available for the Company to continue as a going concern.

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

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

Notes to the Financial Statements

2. REVENUE AND OTHER INCOME

	Consolidated	
	31 December 2021 $	31 December 2020 $
Interest revenue	84	287
Government subsidies	-	49,500
	84	49,787

3. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2021 $	30 June 2021 $
Current		
Other receivables	104,878	59,987
Prepayments	77,197	76,988
	182,075	136,975

4. TRADE AND OTHER PAYABLES

	Consolidated	
	31 December 2021 $	30 June 2021 $
Current		
Trade payables	294,843	233,573
Other payables and accruals	313,994	150,887
Employee entitlements	160,079	836,363
	768,916	1,220,823

5. ISSUED CAPITAL

	Consolidated		Consolidated	
	31 December 2021 Number of Shares	30 June 2021 Number of Shares	31 December 2021 $	30 June 2021 $
Issued and Paid-up Capital				
Ordinary shares, fully paid	325,652,826	325,652,826	85,838,999	85,838,999
Balance at the beginning of the financial period/year	325,652,826	135,379,952	85,838,999	74,444,397
Shares issued as part of NED Share Rights Scheme (Mar 2021)	-	4,279,466	-	51,803
Shares issued pursuant to exercise of convertible Loan (Mar 2021)	-	161,944,953	-	8,097,248
Shares issued as part of NED Share Rights Scheme (Mar 2021) (i)	-	1,586,314	-	111,042
Shares issued as part of Long-Term Incentive Plan Scheme (Mar 2021) (i)	-	462,141	-	22,003
Share placement @ 0.15 (June 2021) (ii)	-	22,000,000	-	3,300,000
Share issue costs		-		(187,494)
Issued capital at end of period	325,652,826	325,652,826	85,838,999	85,838,999

(i) Following receipt of the Share Conversion Notice on 18 March 2021, a change of control event was triggered resulting in the vesting of 1,586,314 NED Share Rights and 462,141 Performance Rights.

(ii) The proceeds from the share placement were used to settle the short-term shareholder bridging loan of $410,000, accrued interest totalling $219,768, share issue costs totalling $54,957 and business development related expenses totalling $37,086. Net proceeds remitted were $2,578,189.

6. EQUITY – NON-CONTROLLING INTEREST

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

	Consolidated	
	31 December 2021 $	**31 December 2020 $**
Nittetsu Mining Co. Ltd (NMC) – 5% NCI		
Opening Balance – NCI	(1,024,251)	(994,180)
Funds received from NMC	79,190	15,121
Share of Comprehensive Loss for the year	(22,005)	(28,297)
	(967,066)	(1,007,356)
Toyota Tsusho Corporation (TTC) – 20% NCI		
Opening Balance – NCI	1,364,191	1,484,476
Funds received from TTC	316,761	60,483
Share of Comprehensive Loss for the year	(88,021)	(113,188)
	1,592,931	1,431,771
Total Non-controlling Interest	**625,865**	**424,415**

7. SHARE BASED PAYMENTS

The following share-based payment arrangements were entered into during the period:

Non-executive Director Share Rights Plan (NED Share Rights)

	Grant Date	Number	Vesting Date	Value per Share Right	Value of Share Rights
Ashvin Seetulsingh	1 September 2021	400,000	31 August 2022	$0.15	$60,000
Nick Slade	1 September 2021	400,000	31 August 2022	$0.15	$60,000
Kate Southwell	1 September 2021	400,000	31 August 2022	$0.15	$60,000

The number of NED Share Rights granted was based on each director's election to salary sacrifice all or part of their remuneration. The value of the NED Share Rights were calculated based on the latest available marker price, being the issue of shares in June 2021.

The NED Share Rights granted were for director fees for the period 1 April 2021 to 31 March 2022. Pursuant to the terms of the plan, a minimum 12 months vesting period applies.

8. RELATED PARTY TRANSACTIONS

During the period, 1,200,000 NED Share Rights valued at $180,000 were issued to non-executive directors in-lieu of directors' fee for services rendered for the period 1 April 2021 to 31 March 2022. The cost is amortised over the service period (Refer to Note 7).

The Company has a technical services agreement with Noetic Mining Solutions, for which Mr Nick Slade is the principal. During the period, the Company incurred $24,542 on services by Noetic Mining Solutions.

9. SUBSEQUENT EVENTS AFTER BALANCE DATE

On 19 January 2022, the Group successfully renewed the mining license of the Achmmach Tin Project, the license d'exploitation No.332912, for a further 10-year period to 17 January 2032. Following the renewal of the mining license as well as the Environmental and Social Impact Assessment in 2019 for a further 5-year period, the Achmmach Tin Project is well placed to advance towards development with the key permits secured.

On 26 January 2022, the Company secured a $1,500,000 financing facility from Pala Investments Ltd to provide additional liquidity to progress the planned technical and strategic workstreams in 2022.

On 7 February 2022, the Company's wholly owned subsidiary, Meseta Exploration s.a.r.l, a dormant entity, was voluntarily liquidated as part of streamlining the group structure.

No other events or circumstances have arisen since 31 December 2021 that would require disclosure in this financial report.

10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There have been no changes in contingent liabilities or contingent assets since 30 June 2021.

11. FINANCIAL INSTRUMENTS

The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to the previous reporting period.

The carrying amounts of the current receivables and current payables are considered to be a reasonable approximation of their fair value.

Directors Declaration

In the Directors' opinion:

a) The accompanying financial statements and notes set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

   ii. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

   and

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Evan Spencer	Ashvin Seetulsingh
Executive Chairman	Non-Executive Director

Melbourne, 24 March 2022

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Kasbah Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 conclusion is not modified in respect of this matter.

Responsibility of the directors for the 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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HLB MANN JUDD
ADVISORY AND ACCOUNTING

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
24 March 2022