Kasbah Resources

2021 ANNUAL REPORT

ABN 78 116 931 705

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

Principal Registered Office in Australia

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South Melbourne VIC 3205

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Web:	www.kasbahresources.com

Share Registry

Link Market Services Limited
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Melbourne VIC 3008

Auditors

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

Telephone:	+61 8 9227 7500

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Chairman’s Letter

Dear Shareholders,

Approximately 18 months ago, your board undertook a review of our strategic options with the aim of protecting and eventually realising value for our shareholders. At the core of our strategy, was the Achmmach Tin Project, one of, if not the best greenfield tin project in the world and unlocking its value. However, the Company’s publicly listed shares were significantly undervalued, and it was prohibitive in us moving forward to realise shareholder value. Following many discussions and obtaining the appropriate advice, your Board recommended that shareholders vote in favour of delisting the company’s securities from the ASX. I would like to thank you again for your overwhelming support to delist the company from the ASX.

The Company’s focus over the last 18-24 months has been to optimise the project to make further incremental improvements on the definitive feasibility study, streamline and minimise its corporate overheads and ensure that all of our statutory obligations are met, and our licenses held in good standing. Overarching all our activities was improving and protecting shareholder value and improving the economics of the Achmmach Tin Project. I am pleased to report that we have made good progress on these core areas as detailed below.

The Company has also been wary of the Covid-19 global pandemic and the safety and security of our employees and our host community is of paramount importance. Consequently, we have taken a conscious effort till now, to minimise exposure at site. This has resulted in most of the optimisation activities being undertaken remotely. With the pandemic moving towards an endemic phase, and countries open up their borders, we look to complete these optimisation activities and move towards development in the near future.

The tin market has also seen a very strong recovery with the long-held supply demand predictions finally materialising. Tin prices at the beginning of the year were siting below US$17,000/tonne has steadily increased and has been consistently above US$30,000/tonne since May of this year. Since September we have seen another surge and spot prices currently sit around US$39,000/tonne. At current spot prices our 2018 Definitive Feasibility Study returns an NPV of $460 million (a 370% increase to the 2018 DFS NPV of US$98.1 million) and IRR of 59% (a 157% increase to the 2018 DFS IRR of 23%). In the long term, we expect the tin market to self-correct with new supply coming on board, but the consensus is that tin prices will remain high for the foreseeable future.

On the technical front, as a fundamental piece of our project optimisation strategy, we undertook a review and optimised the cut-off grade utilising the full potential of the ore sorting technology and high-pressure grind rollers. As a result of adopting an optimised cut-off grade, the project now boasts a 22.4 million tonne resource at 0.7% Sn for contained tin of 156,000 tonnes, representing a 53% increase in the previously reported resource and 27% increase in previously reported contained tin. We believe there is further upside as well with this resource model using a conservative $21,000/tonne tin price.

In addition, we have also completed further drilling on the Sidi Addi trend, the parallel structure to the main Meknes trend. With the JORC resource at the Western Zone and the known geological interpretation of the Northern Zone, the drilling undertaken in 2019 and the recently completed program, we have now been able to establish that tin mineralisation continues along the entire 1.6 km strike. With further drilling, this has the potential to develop into a Meknes like large-scale high-grade resource giving rise to a multi-decade tin mining operation.

Chairman's Letter

Subsequent to the end of the year, the Company has also commenced a study for a dry stack tailing system which could provide substantial benefits to the project. In addition, we have also commenced a proof-of-concept study for an in-country downstream tin processing facility which could create a vertically integrated regional tin hub. The downstream processing facility will need to be considered in light of the financial viability as well as environmental sustainability prior to a decision to incorporate the facility into current development plans.

From corporate perspective, we have continued to streamline our corporate costs whilst maintaining the status quo in Morocco. As a result, we have seen our corporate costs reduce by approximately 60% over three years primarily through significant reduction in employee expenses and administrative overheads. We are now well positioned as a lean organisation to take on the next steps.

During the year, we also made material changes to the capital structure. In November 2020, the Company successfully extended the maturity of the convertible loan from 31 December 2020 to 30 April 2021 and in the process raising an additional $410,000 as a bridge facility. In March 2021, Pala Investments Limited (Pala), exercised their option to convert the circa $8 million of debt into equity pursuant to shareholder approval in 2019. The Company subsequently raised through a placement of 22 million shares, $3.3 million from Pala which was used to repay the bridge facility. Following completion of the placement, the Company was debt free and fully equity funded.

The Company continues to meet all its regulatory and social requirements and firmly believes in improving the ESG profile of the Achmmach Project to create sustainable, long-term value. In spite of the challenging conditions over the last 24 months, we have been steadfast in ensuring that the Moroccan operations, including the number of employees, were unchanged as we navigated through the period. With all our obligations up to date, the Group submitted its application for the renewal of its ten-year mining license in June. Once the renewal is secured, and subject to the availability of financing on terms acceptable to the Company, the project is in a strong position to advance development.

Finally, I would like to extend my sincere gratitude appreciation to my fellow directors and employees for all their dedication and commitment to the Company. The Company continues to advance multiple paths of progression including towards development but remains open to discussions on other strategic options. I thank all our shareholders for your patience and ongoing support as we work towards realising value for our shareholders.

Evan Spencer
Executive Chairman

ACHMMACH TIN PROJECT

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

Following the completion of the 2018 DFS, the Company embarked on a project financing process for the development of Achmmach. However, project financing and development activities were paused following the decline in the tin price in September 2019. The depressed tin price environment, followed by the global Covid-19 pandemic resulted in minimal on-site activities. Nevertheless, the Company has continued with project optimisation and resource growth initiatives to place the project on the best footing when financing and development activities recommences and expects that various financing options will be available once the project moves into development and construction.

Resource Upgrade – Potential for a significantly longer mine life

The previous resource was completed in 2013 using an elevated cut-off grade and a tin price of $23,000/tonne. The 2018 DFS introduced ore sorting technology and high-pressure grind rollers which resulted in significant operating costs efficiencies. Over 2020/2021, the Company reviewed the applied cut-off grade and determined that the applied cut-off grade was not maximising the resource potential of Achmmach. Consequently, an optimised cut-off grade, which maximises the resource potential was selected. The revised cut-off grade resulted in a resource of 22.4 million tonnes @ 0.7 % Sn for 156,000 tonnes of contained tin. This represents a 53% increase in the Measured and Indicated category tonnage and a 27% increase in Measured and Indicated category contained tin.

	Mt	Grade (% Sn)	Contained Tin
2021 Resource Upgrade @ 0.35% Cut-off Grade (Sn price assumption: US$21,000/t)*			
Measured	1.9	0.89%	17.5
Indicated	20.5	0.68%	138.5
Inferred	-	-	-
Total M&I	**22.4**	**0.7%**	**156.0**
2018 DFS @ 0.5% Cut-off Grade (Sn price assumption: US$23,000/t)			
Measured	1.6	1.00%	16.1
Indicated	13.3	0.80%	111.2
Inferred	-	-	-
Total M&I	**14.9**	**0.85%**	**127.3**

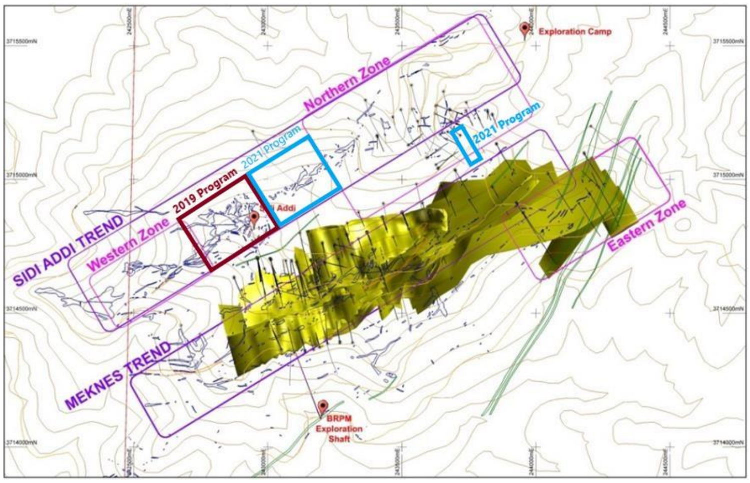
**This table excludes the Western Zone, where the cut-off grade was not revised. The Western Zone has a M&I resource of 340kt @ 0.85%Sn.*

Operations Review

Whilst further work will be required, the expanded resource base supports the potential for a much longer mine life than initially contemplated in the 2018 DFS, with a scheduling focus maintained on mining better grades in the earlier part of the Life of Mine. In addition to the reduced risk profile, as a result of the potential longer mine life, the lower cut-off grade also provides for better continuity of the orebody, which reduced the mining risk of the project.

Exploration Drilling – Continuity of Mineralisation Proven Along the 1.6 KM Sidi Addi Strike, Potential for Multi-decade Tin Mining Operation

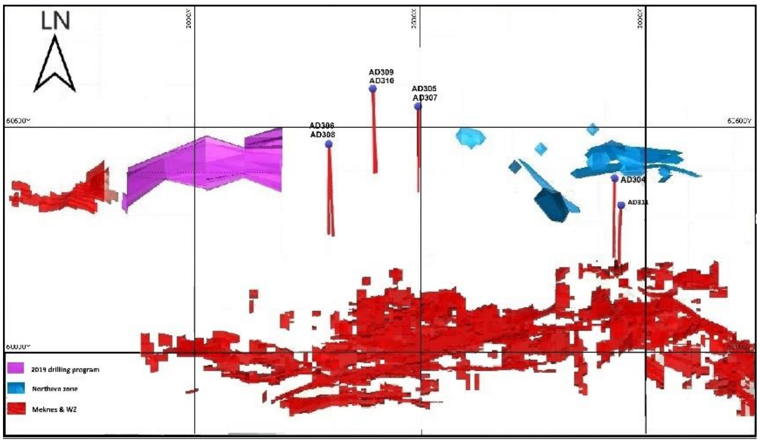
Mineralisation at the Achmmach is localised in two subparallel ENE striking lodes named the Meknès and Sidi Addi Trends. Approximately 325 holes have been drilled in the Meknes trend which hosts 22.4 million ore tonnes of the total reported Achmmach resource. In 2013, the Company drilled 35 holes into the Sidi Addi Trend identifying an additional 340 kt of JORC compliant resource (mineralisation currently to be mined within the Sidi Addi Trend is referred to as the Western Zone). The mineralisation remains open at depth and along strike both these trends.



In FY2020, a 10-hole, 2,100 metre diamond drilling program successfully proved the continuity of the tin bearing structure along approximately 1.2 KM of previously untested strike. The program was not targeting to define a resource as additional drilling would be required for a mineral resource to be defined.

In FY2021, the Company continued the diamond drilling program along the Sidi Addi strike, targeting the untested strike between the FY2020 diamond drilling program and the Northern Zone, where historical drilling was undertaken but no resource was developed. The 6-hole, 1,612 metre diamond drilling program confirmed extension and continuity of the tin bearing structure along the entire Sidi Addi strike. The drilling program results provide excellent geological potential exists to target and identify additional resources and reserves along the Sidi Addi Trend. The identification of additional resources and reserves would have significant upside value for the Achmmach project, giving rise to a potential multi-decade tin mining operation.

Operations Review



Development Ready – Major Permits in Place

In FY2020, the Company 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 confirmed the Company's compliance with Moroccan environmental and regulatory requirements and reaffirms the Moroccan authorities support for the project.

Subsequent to the end of the financial year, the Company submitted its application for renewal of the mining license which is due for renewal in January 2022. The Group was proactive in applying for the renewal early in order to secure and facilitate investment confidence in the project. The Group has invested in excess of $80 million on the project and having complied with all statutory obligations, expects the license to be renewed in due course. On renewal, the mining license will be valid for a further 10 years.

Other operating permits, including the permit to construct, will be required ahead of development. However, these are considered administrative in nature and expected to be issued on application.

Optimisation Initiatives – Exploring a Vertically Integrated Regional Tin Hub with Strong ESG Credentials

The Company is committed to continuous improvement particularly in relation to further improving its strong ESG credentials. As part of the project optimisation initiatives, the Company has targeted a study for a potential dry stack tailing system as well as a proof-of-concept study for an in-country downstream tin processing facility which could create a vertically integrated regional tin hub.

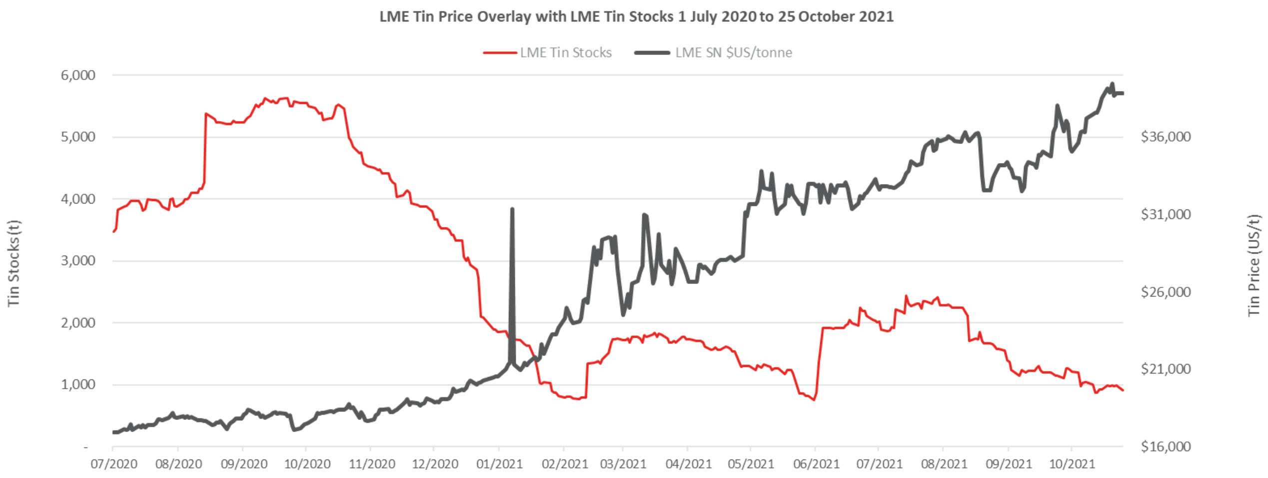
In keeping up with current trends in environmental practices, the Company is currently undertaking a study for a dry stack tailing system for Achmmach which could provide substantial benefits to the project. A dry stack tailing system is expected to be a more environmentally efficient system with significant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

In addition, we have also commenced a proof-of-concept study for an in-country downstream tin processing facility. The Achmmach Project is located in Morocco, which is at the doorstep to Europe, the largest net importer of refined tin products. The Company sees significant potential from both a cost and environmental perspective to undertake downstream processing in country and sell refined tin products directly into Europe. The downstream processing facility will need to be considered in light of the financial viability as well as environmental sustainability prior to a decision to incorporate the facility into current development plans.

1. TIN MARKET

A resurgent tin market supported by global supply crunch

The tin price has continued its steady increase since April 2020, with LME tin prices increasing from US$14,500/tonne to US$33,460 at 30 June 2021, representing a 131% increase over the 15 months. Post year end, the tin price has continued to increase reaching a high of US$39,650 on 19 October 2021.



The resurgence in the tin market was expected, with market dynamics over the last five suggesting increasing demand and decreasing supply. The post-pandemic recovery had seen a sharp increase in demand particularly in the semi-conductor sector as the demand for electronics increased. In addition, the overall increase in production of EV/PHEV's, particularly over the last 24 months, have also increased the demand of tin.

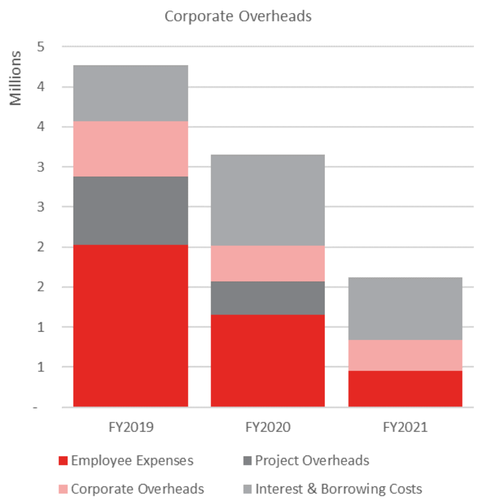
Form a supply perspective, the global pandemic has undoubtedly caused supply challenges either logistically or through restriction of operations in certain jurisdictions. In addition, we have seen environmental and water/energy shortage issues impact production capacity at smelters as well. These issues coupled with the known supply shortages as strategic supply sources deplete their resource and grade as they approach the end of mine life has resulted in low LME inventory.

The longer-term prospects and narrative of the tin market has remained broadly consistent although the current spot prices exceed the previous consensus. 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 20 years, the increase in tin demand is expected to support high tin prices for the medium term.

2. CORPORATE

Corporate Overheads – 60% Reduction Over 3 Years

The Company has focussed on keeping its corporate overhead costs minimal, particularly since September 2019, when the sharp decline in tin price, necessitated a deceleration of its project development activities. Over three financial years, corporate overhead costs have declined approximately 60%, primarily through the reduction in headcount and altered employment arrangements. In addition, corporate overheads have also declined significantly with very low recurring costs. It should however be noted that operations in Morocco are largely continuing per normal with all employees retained and continuing through this period.



Capital Structure Significantly Improved – Debt Eliminated

During the year following the conversion notice received from Pala Investments Limited and the subsequent equity funding raised, the Company has eliminated all its debt and is now entirely equity funded. This significantly improves its capital structure and prepares the Company for the next steps towards development of the project and/or strategic corporate transactions. The Company continues to evaluate funding arrangements to meet its working capital requirements in FY2022 as well to progress the project

Director and Employee Remuneration

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.

Remuneration of Directors and other Key Management Personnel:

	2021 $	2020 $
Short-term employee benefits	221,189	551,263
Post-employment benefits	16,738	53,449
Long term employment benefits	3,940	10,242
Share based payments	191,401	480,771
Terminations	-	202,692
	433,268	**1,298,417**

	Year	Short-term Director fees	Committee fees	Post Employment Superannuation	Long-term	Share based payments Rights	Total
Name		**$**	**$**	**$**	**$**	**$**	**$**
Non-executive Directors							
Ashvin Seetulsingh – Non-executive Director (i)(vi)	**2021**	**15,000**	**-**	**-**	**-**	**45,000**	**60,000**
	2020	-	-	-	-	25,902	25,902
Nicholas Slade – Non-executive Director (i) (vi)	**2021**	**15,000**	**-**	**-**	**-**	**45,000**	**60,000**
	2020	-	-	-	-	25,902	25,902
Kate Southwell – Non-executive Director (ii) (vi)	**2021**	**15,000**	**-**	**-**	**-**	**21,042**	**36,042**
	2020	-	-	-	-	-	-
John Gooding – Non-executive Chairman (iii)	2020	-	-	-	-	38,191	38,191
Graham Ehm – Non-executive Director (iv)	2020	-	-	-	-	27,604	27,604
Martyn Buttenshaw – Non-executive Director (iv)	2020	-	-	-	-	26,515	26,515
Phil Baker – Non-executive Director (v)	2020	15,916	-	1,512	-	-	17,428
Total	**2021**	**45,000**	**-**	**-**	**-**	**111,042**	**156,042**
Total	2020	15,916	-	1,512	-	144,114	161,542

(i) Appointed 24 January 2020
(ii) Appointed 23 November 2020
(iii) Resigned 31 December 2019
(iv) Resigned 24 January 2020
(v) Resigned 7 October 2019
(vi) The directors fee for the period 1 April 2021 to 30 June 2021 was accrued at 30 June 2021 and was subsequently settled through the issue of 1,200,000 NED Share Rights on 2 September 2021

		Short-term		Post Employment	Long-term Long Service	Share based payments	Termination	
	Year	Salaries	STI Bonus	Superannuation	Leave	Rights	Benefits	Total
Name		**$**	**$**	**$**	**$**	**$**	**$**	**$**
Key Management Personnel								
Evan Spencer – Executive Chairman/CEO (i)	**2021**	**-**	**-**	**-**	**-**	**73,460**	**-**	**73,460**
	2020	311,180	-	19,252	6,681	171,499	-	508,612
Pradeep Subramaniam – CFO & Company Secretary (ii)	**2021**	**176,189**	**-**	**16,738**	**3,940**	**6,899**	**-**	**203,766**
	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
Total	**2021**	**176,189**	**-**	**16,738**	**3,940**	**80,359**	**-**	**277,226**
Total	2020	535,347	-	51,937	10,242	336,657	202,692	1,136,875

(i) Appointed 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

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 2021.

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
- Ashvin Seetulsingh
- Nicholas Slade
- Kate Southwell (appointed 23 November 2020)

Principal Activities

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

Dividends – 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 - 9.

The consolidated loss after income tax for the financial year was $2,735,473 (2020: loss of $4,271,721). Included in the consolidated loss after income tax were exploration and evaluation expenditure of $898,143 (2020: $1,085,382), employee benefits expenses of $274,882 (2020: $578,047), share based payment expenses of $191,401 (2020: $594,268), business development expenses of $189,689 (2020: nil) and interest and borrowing costs of $781,319 (2020: $1,138,407). Over the last two financial years, the Group has significantly reduced its expenditure as it managed through a depressed tin price cycle and the global pandemic. Having navigated, these challenging times, the Group now has a low-cost base and with the elimination of debt during the year, has positioned itself to take advantage of the strong tin market.

The exploration and evaluation costs were slightly lower than the previous year as the Group was judicious in its spending during the height of the pandemic. However, as the situation in Morocco improved towards the end of the financial year, the Group commenced its technical workplan for the year, commencing with further drilling along the Sidi Addi Trend, continuing from the work undertaken in FY2020. The small-scale drilling plan, which proved the continuity of tin mineralisation along the entire Sidi Addi strike incurred $347,334 during the financial year. In addition, the Group also successfully completed a resource upgrade with an optimised cut-off grade, resulting in an expanded resource of 22.4 million tonnes @ 0.7% Sn. The Group has planned to complete a number of other technical workstreams in FY2022, including a study on a potential dry stack tailings system as well as a high-level evaluation of a downstream tin processing facility in Morocco.

Employee benefits expense were significantly lower compared to the previous year as the Company continue its restructure of its workforce as it aimed to minimise corporate overheads. As a result of the restructure, Executive Chairman reduced his hours and amended his remuneration terms in order to minimise cash expenditure. There Moroccan workforce have remained unchanged as the Group maintains its commitment to the development of the Achmmach Tin Project. Share based payment expenses were also considerably lower as no new Performance Rights as part of the Long-Term Incentive Plan were issued in FY2021 following the delisting from the ASX. In addition, the NED Share Rights for director remuneration for the period 1 April 2021 to 30 June 2021 were issued subsequent to year end.

During the year, $189,689 was incurred on business development activities as the Group undertook a strategic process to protect and maximise shareholder value and explore the alternative funding options for development and construction, including project finance and other strategic combinations, which was the primary driver behind the delisting from the ASX. The process remains ongoing and the Group continues to actively engage with third parties to achieve a desired outcome.

Interest and borrowing costs consist of interest on the convertible loan ($558,619), the short-term bridging loan ($22,410) as well as withholding tax incurred on the repayment of capitalised interests ($200,290). The total was lower than the prior year as the convertible was converted into equity during the year.

The cash position of the Group as at 30 June 2021 was $2,729,192 (2020: $692,465). The Group incurred net operating cash outflows of $1,040,505 (2020: $3,035,748). Total net cash inflows from financing activities were $3,003,233 (2020: $1,786,927). During the year, the Company raised $410,000 on a short-term bridging loan (repaid during the year) and $3,300,000 through a placement to Pala Investments Limited at $0.15 per share. The cash contribution of the non-controlling interest's portion of project costs was $147,581 (2020: $493,195).

As at 30 June 2021, the consolidated entity has a net working capital surplus of $1,645,345 (2020: working capital deficit of $7,199,744) and net assets of $7,737,057 (2020: net liabilities of $1,042,829). The conversion of the convertible loan to equity and the successful capital raising has improved the financial health of the Group as it moves forward on the project in a post-pandemic environment, notwithstanding further interim funding will be required in FY 2022 in order to continue funding its working capital and project development activities.

Matters Subsequent to the End of the Financial Year

On 2 September 2021, the Company issued 1,200,000 Non-executive Director Share Rights valued at $0.15 per share right to its non-executive directors in relation to their director fees for the period 1 April 2021 to 31 March 2022. The share rights have a vesting period of 12 months from grant date unless a resignation or change of control event occurs, where the number of share rights which vests is prorated based on the period of service as a non-executive director.

Subsequent to the end of the year, the Group completed an exploration drilling program which established the continuity of mineralisation along the entire Sidi Addi strike. The full results of the drilling program, including the results of the assays are currently being finalised and expected to be released imminently. Whilst further drilling will be required to define a mineral resource, the result of the drilling provides further evidence of the potential for similar mineralisation to the main Meknes Trend.

Likely Developments and Expected Results of Operations

The Group continues to progress on technical and financial fronts to make Achmmach ready for construction. During the year, the tin price has seen a resurgence however, the Group has been cautious on progressing development, particularly due to labour and supply chain constraints linked to the global Covid-19 pandemic. The Group remains motivated to bring Achmmach into production under conducive tin and subject to the availability of attractive financing terms. The Group also continues to evaluate other strategic options available to the Group and has engaged in various discussions with third parties with respect to the Achmmach Tin Project and potential strategic combinations.

Environmental Regulation

In the course of its normal exploration activities the Group adheres to environmental regulations imposed upon it by the various regulatory authorities. With the Environmental and Social Impact Assessment for Achmmach in place until 2024, the Company can continue improving its environmental credentials and positive community relations as it seeks to optimize the viability and long-term sustainable development of Achmmach. The Group has complied with all material environmental requirements to the date of this report. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. Due to the location of the Group's projects in Morocco the Directors have assessed that there are no current reporting requirements under the Act, but this may change in the future and as part of its ESG optimization will seek to improve disclosure on ESG matters, including emissions. The Group is not aware of any matter that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

Information on Directors

Mr Evan Spencer, BAppSc (Geo), MMinEcons, GradDip (Mining Engineering)

Executive Chairman

Evan is a highly experienced mining executive and has held a wide range of executive, senior management and operational roles in mining, both domestically and internationally over 25 years. Evan has held senior roles in Barrick Gold, Kagara, Goldfields of South Africa, Aditya Birla Minerals and GBF Mining Contractors. In addition, Evan has worked on asset integration in Saudi Arabia, lead the strategic development and implementation of Barrick's Kalgoorlie assets further lead the strategic direction for Barrick's Papua New Guinea assets in the Ramu Valley. Prior to joining Kasbah, he was the Chief Executive of Asian Mineral Resources. Evan brings extensive technical and strategic leadership skills and experience to the Kasbah Management team, having guided Asian Mineral Resources through the completion of construction, permitting and commissioning of the Ban Phuc operations in Vietnam. Evan is currently the Chief Operating Officer of St Barbara Limited.

Evan holds a Master of Mineral Economics, a Bachelor of Applied Science Geology (Hons), completed post-graduate studies in mine engineering, business, economics and frontline management. Mr Spencer also holds a W.A. First Class Managers Certificate.

Mr Ashvin Seetulsingh, MA, LLM

Non-executive Director

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

Nick has 25 years' experience as an international mining professional in both management and technical roles, spanning various operating companies, consulting and project development roles. Nick has significant experience in hard rock base metal mining having managed underground mining operations and has also had leading roles in conducting due diligence for equity and offtake interests, and overall project management/technical leadership of mining projects/studies.

Nick is the Principal Engineer and Director of the Noetic Mining Solutions Ltd (an independent mining consultancy) and also employed as the Head of Technical at Anglo Pacific Group PLC. Prior to this Nick has held roles including Vice-President Technical & Operations with Pala Investments, Chief Mining Engineer – Underground with commodities trader Trafigura, Vice-President Golder PasteTec Consulting (subsidiary of Golder Associates) and held operations management and technical roles in Xstrata (now Glencore).

Nick is a Fellow of the IMMM; a Chartered Engineer; and a Fellow of the AusIMM (CP), has also authored and reviewed a range of papers in various fields of his experience and is a co-editor of the AusIMM Mine Manager's Handbook and a co-author of the AusIMM's Mineral Consultants' Handbook. Nick also holds a Queensland First Class Metaliferous Underground Mine Manager's certificate, a BEng in Mineral Surveying & Resource Management and a MSc in Mining Engineering from the Camborne School of Mines, UK.

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 General Counsel at Pala Investments Ltd, a mining investment fund based in Zug, Switzerland, and manages due diligence, compliance, contentious matters and alternative financing, including streams, royalties and mezzanine finance, for several portfolio companies. Kate is currently a director of Nevada Copper (TSX:NCU).

Kate holds a BA in Law with French (First Class), is admitted to practice in England and is a member of the New York Bar. She is a member of the IBA Mining Committee and holds the CFA Certificate in ESG Investing, is a regular speaker on M&A and corporate matters at industry events and is passionate about improving diversity and sustainability in the mining sector.

Company Secretary

Mr Pradeep Subramaniam, BCom, CA

Company Secretary

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.

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 2021, and the numbers of meetings attended by each Director were:

Name of Director	Board Meetings	
	Attended	**Held**
Evan Spencer	6	8
Ashvin Seetulsingh	8	8
Nicholas Slade	8	8
Kate Southwell	6	6

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, Non-executive Directors Share Rights and Performance Rights of the Company and Related Bodies Corporate

At the date of this report, shares, options, non-executive director share rights and performance rights granted to Directors of the Company and the entities it controls are:

	Fully Paid Ordinary Shares Number	Options Number	NED Share Rights Number	Performance Rights Number
Evan Spencer	91,019	-	-	4,015,023
Ashvin Seetulsingh	3,617,205	-	400,000	-
Nicholas Slade	2,782,590	-	400,000	-
Kate Southwell	300,600	-	400,000	-

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 2021 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.

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
2 November 2021
Melbourne

Ashvin Seetulsingh
Director
2 November 2021
Melbourne

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 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 audit; and

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

Perth, Western Australia
2 November 2021

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Note	Consolidated	
		2021	2020
		$	$
Revenue from continuing operations	2	68,005	99,354
Exploration and evaluation expenditure		898,143	1,085,382
Project financing expenses		-	17,851
Employee benefits expenses		274,882	578,047
Share based payment expense		191,401	594,268
Accounting and corporate fees		186,573	359,968
Occupancy expenses	3	39,235	98,105
Administration expenses		124,148	224,056
Marketing and investor relations		-	17,862
Business development expenses		189,689	-
Interest and borrowing costs		781,319	1,138,407
Non-recoverable Moroccan TVA expense	3	71,967	231,606
Impairment of other receivables	3	34,678	-
Depreciation and amortisation expenses	3	7,027	17,404
Foreign exchange losses		4,416	8,119
(Loss) from continuing operations before tax expense		**(2,735,473)**	**(4,271,721)**
Income tax benefit/(expense)	4	-	-
(Loss) after tax from continuing operations		**(2,735,473)**	**(4,271,721)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference on foreign operations		(33,377)	88,856
Total comprehensive loss for the year		**(2,768,850)**	**(4,182,865)**

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 2021

	Note	Consolidated	
		2021	**2020**
		$	**$**
Total loss for the year is attributable to:			
Non-controlling interest		(277,613)	(297,137)
Owners of Kasbah Resources Limited		(2,457,860)	(3,974,584)
		(2,735,473)	**(4,271,721)**
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(297,937)	(280,421)
Owners of Kasbah Resources Limited		(2,470,913)	(3,902,444)
		(2,768,850)	**(4,182,865)**

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 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Current Assets			
Cash and cash equivalents	5	2,729,192	692,465
Trade and other receivables	6	136,975	288,842
Non-current assets classified as held for sale	7	1	1
Total Current Assets		2,866,168	981,308
Non-current Assets			
Property, plant and equipment		2,190	9,257
Exploration and evaluation expenditure	8	6,112,342	6,166,538
Total Non-current Assets		6,114,532	6,175,795
TOTAL ASSETS		**8,980,700**	**7,157,103**
Current Liabilities			
Trade and other payables	9	1,220,823	445,065
Borrowings	10	-	7,735,987
Total Current Liabilities		1,220,823	8,181,052
Non-current Liabilities			
Employee entitlements		22,820	18,880
Total Non-current Liabilities		22,820	18,880
TOTAL LIABILITIES		**1,243,643**	**8,199,932**
NET ASSETS/(LIABILITIES)		**7,737,057**	**(1,042,829)**
Equity			
Issued capital	11	85,838,999	74,444,397
Accumulated losses		(103,869,288)	(105,961,640)
Reserves	12	25,427,406	29,984,118
Parent entity interest		7,397,117	(1,533,125)
Non-controlling interest	13	339,940	490,296
TOTAL EQUITY/(DEFICIENCY)		**7,737,057**	**(1,042,829)**

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 2021

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 2020	**74,444,397**	**(105,961,640)**	**4,760,619**	**(649,851)**	**25,873,350**	**-**	**(1,533,125)**	**490,296**	**(1,042,829)**
Loss for the period	-	(2,457,860)	-	-	-	-	(2,457,860)	(277,613)	(2,735,473)
Other comprehensive income									
Foreign currency translation differences	-	-	-	(13,053)	-	-	(13,053)	(20,324)	(33,377)
Total comprehensive loss for the period	**-**	**(2,457,860)**	**-**	**(13,053)**	**-**	**-**	**(2,470,913)**	**(297,937)**	**(2,768,850)**
Transactions with owners in their capacity as owners									
Share based payments	-	-	191,401	-	-	-	191,401	-	191,401
Issue of fully paid ordinary shares	11,582,096	-	(184,848)	-	-	-	11,397,248	-	11,397,248
Share issue costs	(187,494)	-	-	-	-	-	(187,494)	-	(187,494)
Reclassification of lapsed share-based payment	-	4,550,212	(4,550,212)	-	-	-	-	-	-
Non-controlling interest contributed assets	-	-	-	-	-	-	-	147,581	147,581
Balance 30 June 2021	**85,838,999**	**(103,869,288)**	**216,960**	**(662,904)**	**25,873,350**	**-**	**7,397,117**	**339,940**	**7,737,057**
Balance 1 July 2019	**74,233,355**	**(102,120,587)**	**4,377,393**	**(721,991)**	**25,873,350**	**133,531**	**1,775,051**	**311,056**	**2,086,107**
Loss for the period	-	(3,974,584)	-	-	-	-	(3,974,584)	(297,137)	(4,271,721)
Other comprehensive income									
Foreign currency translation differences	-	-	-	72,140	-	-	72,140	16,716	88,856
Total comprehensive loss for the period	**-**	**(3,974,584)**	**-**	**72,140**	**-**	**-**	**(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**	**(649,851)**	**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 2021

	Note	Consolidated	
		2021	2020
		$	$
Cash flows from operating activities			
Cash paid to suppliers and employees		(297,819)	(1,321,877)
Payments for exploration and evaluation		(591,385)	(1,777,156)
Interest received		867	1,763
Receipts from other income		67,600	61,522
Interest paid		(219,768)	-
Net cash outflow from operating activities	5a	**(1,040,505)**	**(3,035,748)**
Cash flows from investing activities			
Refund of security deposits and bonds		86,004	3,679
Net cash inflow from investing activities		**86,004**	**3,679**
Cash flow from financing activities			
Proceeds from share issues	11	2,578,189	-
Share issue costs		(132,537)	(6,268)
Proceeds from borrowings	5b, 11	410,000	1,300,000
Proceeds from non-controlling interests		147,581	493,195
Net cash inflow from financing activities		**3,003,233**	**1,786,927**
Net increase/(decrease) in cash held		2,048,732	(1,245,142)
Cash at the beginning of the financial year		692,465	1,916,223
Effect of exchange rate fluctuations on cash held in foreign currencies		(12,005)	21,384
Cash at the end of the financial year	5	**2,792,192**	**692,465**

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 2021 the consolidated entity recorded a loss of $2,735,473 (2020: $4,271,721) and had net cash outflows from operating activities of $1,040,505 (2020: $3,035,748). As at 30 June 2021, the consolidated entity has a net working capital surplus of $1,645,345 (2020: working capital deficit of $7,199,744) and net assets of $7,737,057 (2020: net liabilities of $1,042,829).

The Group set out to improve the valuation of the Company during the year and secured shareholder approval to remove the Company from the Official List of the ASX. Subsequently, following receipt of a conversion notice pursuant to the terms of the Convertible Loan Agreement with Pala Investments Limited, $8,097,248 of the convertible loan was settled through the issue of shares. In April, the Group was successful in raising of $3,300,000 through a share placement, which was approved by shareholders in June. Following the conversion and the capital raise, the group eliminated all Borrowings.

The Group plans to undertake further exploration and evaluation activities including further drilling of the Sidi Addi Trend, continue project optimisation initiatives and explore the potential of the downstream processing facility. Whilst the Group is funded for the immediate period, funding requirements past 31 March 2022 are expected to be met through capital or debt raised from new or existing shareholders or through a corporate transaction. The ability of the Group to continue as a going concern will be dependent on the ability of the Group to achieve such a debt, equity or a successful corporate transaction.

The above conditions indicate a material uncertainty that may cast a significant doubt about the Group'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 Group 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 2021 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.

Notes to the Consolidated Financial Statements

2. REVENUE AND OTHER INCOME

	Consolidated	
	2021	2020
	$	$
Revenue from continuing operations:		
Interest revenue	405	1,524
Consulting income	-	89,054
Others	67,600	8,776
	68,005	99,354

3. EXPENSES

	Consolidated	
	2021	2020
	$	$
Loss before income tax includes the following items:		
Rental expenses (outside the scope of AASB16)	39,235	98,105
Superannuation expense	16,738	64,554
Impairment of non-recoverable Moroccan TVA	71,967	231,606
Impairment of other receivables	34,678	-
Withholding tax on interest	200,290	-
Depreciation and amortisation:		
- Plant and equipment	7,027	17,404

4. INCOME TAX EXPENSE

	Consolidated 2021 $	Consolidated 2020 $
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	(2,735,473)	(4,271,721)
Tax at the tax rate 26% (2020: 27.5%)	(711,223)	(1,174,723)
Tax effect of amounts not deductible (taxable) in calculating taxable income:		
- Non-deductible expenses	180,443	622,821
- Benefits of deferred tax assets not previously recognised	569,069	(183,873)
- Deferred tax assets not recognised on tax losses and temporary difference	(209,208)	549,166
- Tax rate differential	170,919	186,609
Income tax expense (benefit)	-	-
c) Deferred tax assets		
Temporary differences	1	127
	1	127
Deferred tax liabilities		
Temporary differences	(1)	(127)
	(1)	(127)
Net deferred tax assets (liabilities)	-	-

INCOME TAX EXPENSE (continued)

d) Deferred tax assets not recognised

	Consolidated	
	2021	2020
	$	$
Deferred tax assets have not been recognised in relation to the following matters:		
Temporary differences	1,557,636	1,299,971
Tax losses	3,150,843	3,130,080
	4,708,479	4,430,051

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	**2020**
	$	**$**
Cash at bank and on hand	2,704,192	667,465
Short-term deposits at call	25,000	25,000
	2,729,192	**692,465**

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

	Consolidated	
	2021	**2020**
	$	**$**
Loss after income tax	(2,735,473)	(4,271,721)
Adjustments for:		
- Depreciation	7,027	17,404
- Share based payment expense	191,401	594,268
- Non-cash interest and borrowing costs	581,029	296,998
- Impairment of other receivables	34,678	-
- Net exchange differences	35,692	984
Change in operating assets and liabilities		
- (Increase) / decrease in trade and other receivables	151,867	56,603
- Increase/(decrease) in trade and other payables	693,274	(498,088)
- Increase/(decrease) in interest accruals	-	767,804
Net cash utilised in operating activities	**(1,040,505)**	**(3,035,748)**

b) Changes in liabilities arising from financing activities

	Consolidated		
	Convertible Loan	**Shareholder Loan**	**Total**
	$	**$**	**$**
Balance as at 1 July 2020	**7,735,987**	**-**	**7,735,987**
Net cash from financing activities	-	410,000	410,000
Share placement proceeds applied against loan	-	(410,000)	(410,000)
Accrued interest	558,619	22,410	581,029
Converted to fully paid ordinary shares	(8,097,248)	-	(8,097,248)
Interest paid	(197,358)	(22,410)	(219,768)
Balance as at 30 June 2021	**-**	**-**	**-**

CASH AND CASH EQUIVALENTS (continued)

	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	-	133,531
Balance as at 30 June 2020	**7,735,987**	**-**	**7,735,987**

6. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2021	2020
	$	$
Current:		
Trade and other receivables (i)	59,987	196,593
Prepayments	76,988	92,249
	136,975	**288,842**

(i) As at 30 June 2021 the trade debtors of the Group were nil (2020: nil). Trade and other receivables totalling $34,678 (2020: nil) were past their due date at 30 June 2021 and have been impaired in full. 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	
	2021	2020
	$	$
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	
	2021	**2020**
	$	**$**
Costs carried forward in respect of areas of interest in:		
Balance at beginning of year	6,166,538	6,086,786
Movement due to foreign exchange	(54,196)	79,752
Total exploration and evaluation expenditure	**6,112,342**	**6,166,538**

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.

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	2020
	$	$
Current:		
Trade payables	233,573	134,407
Employee entitlements	150,887	124,683
Other payables and accruals	836,363	185,975
	1,220,823	**445,065**

Risk exposure

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

10. Borrowings

	Consolidated	
	2020	2020
	$	$
Current:		
Convertible loan – secured	-	7,735,987

The Company entered into a Convertible Loan Agreement with Pala Investments Limited in 2018. The convertible loan was 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). 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%. 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. On 27 November 2020, the maturity of the convertible loan was extended to 30 April 2021, and subsequently extended to 15 June 2021.

During the year, Pala Investments Limited issued a Conversion Notice pursuant to the terms of the Convertible Loan Agreement. In line with the shareholder approvals obtained, $8,097,248 of the loan was repaid through the issue of fully paid ordinary shares at $0.05 per share. The interest accrued from 1 January 2021 to the date of the Conversion Notice was repaid from the proceeds of the share placement during the year. As at 30 June 2021, the Borrowings have been fully repaid.

11. ISSUED CAPITAL

	Consolidated		Consolidated	
	2021 Number of Shares	2020 Number of Shares	2021 $	2020 $
Issued and Paid-up Capital				
Ordinary shares, fully paid	325,652,826	135,379,952	85,838,999	74,444,397
Movements in ordinary share capital:				
Balance at the beginning of the financial year	135,379,952	133,238,371	74,444,397	74,233,355
Shares issued as part of NED Share Rights Scheme (January 2020)	-	2,141,581	-	211,042
Shares issued as part of NED Share Rights Scheme (March 2021)	4,279,466	-	51,803	-
Shares issued pursuant to Conversion of Convertible Loan @ 0.05 (March 2021)	161,944,953	-	8,097,248	-
Shares issued as part of NED Share Rights Scheme (March 2021) (i)	1,586,314	-	111,042	-
Shares issued as Long-Term Incentive Plan Scheme (March 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**	**135,379,952**	**85,838,999**	**74,444,397**

(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.

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.

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	
	2021	2020
	$	$
Nittetsu Mining Co. Ltd (NMC) – 5% NCI		
Opening Balance – NCI	(994,180)	(863,230)
Funds received from NMC	29,517	93,388
Share of Comprehensive Loss for the year	(59,588)	(224,338)
	(1,024,251)	(994,180)
Toyota Tsusho Corporation (TTC) – 20% NCI		
Opening Balance – NCI	1,484,476	1,174,286
Funds received from TTC	118,064	366,274
Share of Comprehensive Loss for the year	(238,349)	(56,084)
	1,364,191	1,484,476
Total Non-Controlling Interest	**339,940**	**490,296**

14. FINANCIAL INSTRUMENTS

	Consolidated	
	2021	2020
	$	$
Financial assets		
Cash and cash equivalents	2,729,192	692,465
Trade and other receivables	59,987	288,842
Non-current assets classified as held for sale	1	1
Financial liabilities		
Trade and other payables	1,220,823	445,065
Borrowings – secured	-	7,735,987

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 2021							
Trade and other payables	0%	1,220,823	1,220,823	-	-	-	-
		1,220,823	**1,220,823**	**-**	**-**	**-**	**-**
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**	**-**	**-**	**-**	**-**

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 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	
	2021 $	2020 $	2021 $	2020 $
United States Dollars	-	34,679	(40,593)	(22,039)
Pound Sterling	-	-	(8,791)	-

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 points higher or lower and all other variables were held constant, the Group's profit or loss would increase/decrease by $2,352 (2020: $602).

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 2021 all cash and cash equivalents in Australia were held with a single financial institution.

	Consolidated	
	2021	**2020**
	$	**$**
Cash and cash equivalents	2,704,192	667,465
Short term cash deposits	25,000	25,000
	2,729,192	**692,465**

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 $250 (2020: $152).

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	28,502	26,369
Total remuneration for Audit services	**61,502**	**59,369**
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$297,380 as at 30 June 2021) is payable to the previous holders of the tenements (1,000,000 Moroccan Dirhams each). The payment is contingent upon mining commencing from these permits and is payable on the commencement of mining.

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

17. RELATED PARTY DISCLOSURES

a) Remuneration of Key Management Personnel

Remuneration of Directors and other Key Management Personnel:

	Consolidated	
	2021	2020
	$	$
Short-term employee benefits	221,189	551,263
Post-employment benefits	16,738	53,449
Long term employment benefits	3,940	10,242
Share based payments	191,401	480,771
Terminations	-	202,692
	433,268	**1,298,417**

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

c) Borrowings

The Company had a convertible loan and shareholder loan from its shareholder Pala Investments Limited, which was fully repaid during the year. Details on the convertible loan and shareholder 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 2021. The information presented has been prepared using consistent accounting policies as presented in Note 22.

	Parent	
	2021	2020
	$	$
Current Assets	2,891,618	679,748
Non-current Assets	5,394,564	6,187,988
Total Assets	**8,286,182**	**6,867,736**
Current Liabilities	526,305	7,891,685
Non-current Liabilities	22,820	18,880
Total Liabilities	**549,125**	**7,910,565**
Contributed Equity	85,838,999	74,444,397
Accumulated Losses	(78,318,902)	(80,247,845)
Reserves	216,960	4,760,619
Total Equity/(Deficiency)	**7,737,057**	**(1,042,829)**
Loss for the Year	(2,621,269)	(3,723,203)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the Year	**(2,621,269)**	**(3,723,203)**

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

The Company has also engaged a financial adviser to support a review process of the Company's strategic options. The financial adviser is partly remunerated on a success fee basis. The payment is contingent upon successful outcomes for the Company. There are no other contingent liabilities of the parent entity.

There are no other contractual commitments of the parent entity.

Notes to the Consolidated Financial Statements

19. INTERESTS IN SUBSIDIARIES

	Interest Held	
	2021	2020
	%	%
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	
	2021	2020
Summarised statement of financial position	$	$
Current Assets	188,107	1,112,238
Non-current Assets	6,014,780	6,069,397
Total Assets	**6,202,887**	**7,181,635**
Current Liabilities	903,091	383,344
Non-current Liabilities	-	-
Total Liabilities	**903,091**	**383,344**
Net Assets	**5,299,796**	**6,798,291**

INTERESTS IN SUBSIDIARIES (continued)

	Atlas Tin SAS	
Summarised statement of profit or loss and other comprehensive income	**2021** **$**	**2020** **$**
Revenue	-	-
Expenses	(2,025,787)	(1,843,767)
Other comprehensive income	81,295	88,856
Total Comprehensive Loss for the Year	**(1,944,492)**	**(1,754,911)**
Summarised statement of cash flows		
Net cash used in operating activities	(819,887)	(2,643,426)
Net cash from investing activities	54,285	2,833
Net cash from in financing activities	610,519	1,884,502
Net increase / (decrease) in cash and cash equivalents	(155,083)	(756,091)
Other financial information		
Loss attributable to non-controlling interests	(297,937)	(280,421)
Accumulated non-controlling interests at the end of report period	339,940	490,296

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 $
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
Ashvin Seetulsingh	11 March 2021	642,857	18 March 2021	0.070	45,000
Nicholas Slade	11 March 2021	642,857	18 March 2021	0.070	45,000
Kate Southwell	11 March 2021	300,600	18 March 2021	0.070	21,042

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 a management estimate of the linear increase in value of the Company's share price following its delisting from the ASX.

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

The directors fee for the period 1 April 2021 to 30 June 2021 was accrued at 30 June 2021 and was subsequently settled through the issue of 1,200,000 NED Share Rights on 2 September 2021.

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
Pradeep	8 November 2018	189,816	1 July 2021	0.140	26,574
Subramaniam	2 September 2019	493,959	1 July 2022	0.050	24,700

During 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.

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

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									
5 March 2020	n/a	n/a	4,279,466	-	(4,279,466)	-	-	-	-
11 March 2020	n/a	n/a	-	1,586,314	(1,586,314)	-	-		
Total			**4,279,466**	**1,586,314**	**(5,865,780)**	**-**	**-**	**-**	**-**
LONG TERM INCENTIVE PLAN									
7 December 2017	n/a	n/a	1,283,019	-	-	(1,283,019)	-	-	-
8 November 2018	n/a	n/a	1,690,674	-	(173,997)	(15,819)	1,500,858	-	-
2 September 2019	n/a	n/a	4,508,982	-	(288,144)	(205,815)	4,015,023	-	-
Total			**7,482,675**	**-**	**(462,141)**	**(1,504,653)**	**5,515,881**	**-**	**-**

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.

21. EVENTS SUBSEQUENT TO REPORTING DATE

On 2 September 2021, the Company issued 1,200,000 Non-executive Director Share Rights valued at $0.15 per share right to its non-executive directors in relation to their director fees for the period 1 April 2021 to 31 March 2022. The share rights have a vesting period of 12 months from grant date unless a resignation or change of control event occurs, where the number of share rights which vests is prorated based on the period of service as a non-executive director.

Subsequent to the end of the year, the Group completed an exploration drilling program which established the continuity of mineralisation along the entire Sidi Addi strike. The full results of the drilling program, including the results of the assays are currently being finalised and expected to be released imminently. Whilst further drilling will be required to define a mineral resource, the result of the drilling provides further evidence of the potential for similar mineralisation to the main Meknes Trend.

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 statement of other comprehensive income 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.

OTHER ACCOUNTING POLICIES (continued)

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.

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.

OTHER ACCOUNTING POLICIES (continued)

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.

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 18 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 2021

In the period ended 30 June 2021, 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 did not identify any new and revised standard that would have a material impact on the financial statements.

OTHER ACCOUNTING POLICIES (continued)

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 2021. 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 2021 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 2nd of November 2021

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kasbah Resources Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statemen 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 2021 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.

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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 2021, 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 M Veigh

B G McVeigh
Partner

Perth, Western Australia
2 November 2021

Kasbah Resources

ABN 78 116 931 705