



21 June 2011

Ms Tonia Oliveira
Advisor, Listings (Perth)
ASX Compliance Pty Ltd
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Tonia,

RE: PRICE QUERY

I refer to your letter dated 21 June 2011 in regards to the recent decrease in share price for the Company's securities. The Company responds as follows:

1. The Company is not aware of any information concerning it that has not been announced which if known could be an explanation for the recent price decrease in the securities of the company.
2. Not applicable.
3. The Company notes the current political situation in Morocco which centres on a movement for constitutional change that has been prominent since mid-February when a small, peaceful demonstration took place in Rabat (the capital of Morocco). This low-key event coincided with uprisings in Tunisia and Egypt. Subsequent small scale and peaceful protests have been reported in March and again this month. The King of Morocco has responded to these protests in a positive and conciliatory manner with a speech to the nation on 17 June. Kasbah does not expect any of the above to materially affect its activities in Morocco.

The Company also notes the recent negative sentiment in the commodity markets including base metals. In particular the price of tin as reported on the London Metals Exchange has fallen from a high of approximately US\$33,000 per tonne in mid-April 2011 to US\$24,670 per tonne on 20 June 2011.

4. The Company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.

Should you require any further information please do not hesitate to contact the Company.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Trevor O'Connor", written in a cursive style.

Trevor O'Connor
Company Secretary