ASX RELEASE

ACHMMACH DRILLING UPDATE

18 May 2011

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PROJECTS

Achmmach Tin Project

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ABOUT KASBAH

Kasbah Resources is an Australian listed mineral exploration and development company advancing the Achmmach Tin Project towards production.

Our prime commodity is Tin.

www.kasbahresources.com

HIGHLIGHTS

- Latest drilling at Achmmach intersects 3 major tin mineralised zones at **Fez, Meknes and Marrakech**
- Drill holes targeting Fez Zone (above Meknes) confirms Fez Zone interpretation and yields high grade intercepts including:

  AD087 **5m @ 1.67% Sn from 151m**

  (Includes 3m @ 2.53% Sn from 152m)

  AD089 **7.65m @ 2.21% Sn from 147m**

  (Includes 3.2m @ 3.93%Sn from 148m

  9m @ 1.50% Sn from 171.5m

  (Includes 3m @ 3.91% Sn from 177m)

  AD091 **7m @ 0.85% Sn from 130m**

- AD091 also;
  - intersects Meknes in predicted position and enhances confidence in Meknes interpretation
  - intersects deeper Marrakech Zone (below Meknes) in predicted position – extending strike length of Marrakech to at least 120m
- Extensional resource drilling to the east of the Meknes Resource is underway and if successful could extend Meknes Zone to over 1km strike length
- Kasbah now has 3 diamond drill rigs at Achmmach

ACHMMACH DRILLING UPDATE

OVERVIEW

Kasbah Resources Limited ("Kasbah") is pleased to announce the latest exploration drilling results from the Company's Achmmach Tin Project in Morocco. These drill holes include the first targeted drilling of the Fez Zone (which sits above the main Meknes Zone). These holes have confirmed the company's interpretation of Fez and also delivered high grade tin intersections.

These assay results are from drill holes AD087, AD089, AD091 and AD093 located at the eastern edge of the existing Meknes Zone resource **(Figure 1).**

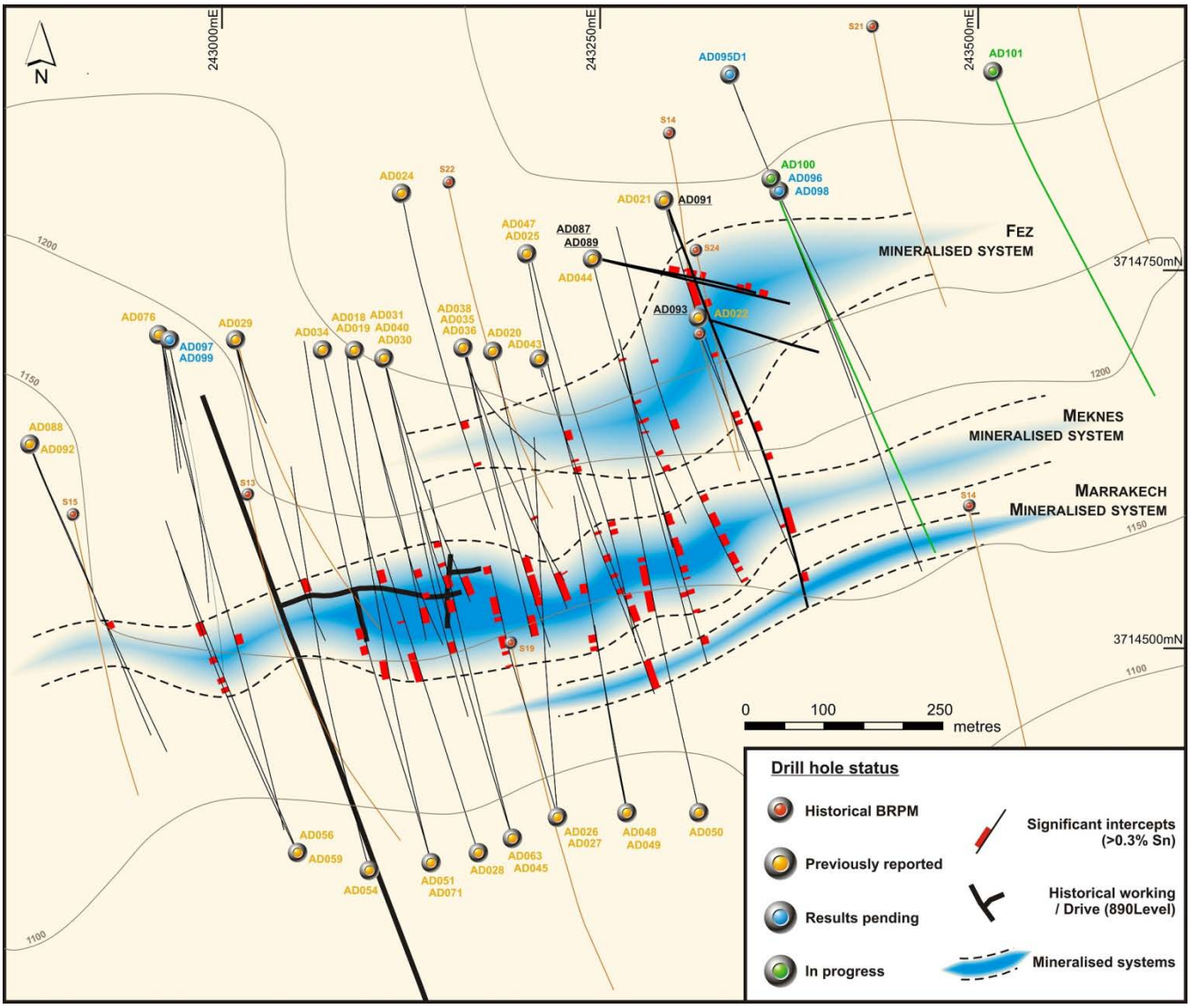

Figure 1

Meknes, Fez and Marrakech Zones drill-hole traces - plan view

(Significant tin grade intersections marked in red)

Fez Zone

The Fez Zone tin mineralised system sits above Meknes and is approximately 150m below the surface of the Achmmach hill. Drill holes AD087, AD089 and AD093 are the first holes specifically targeted to test the Fez mineralisation, while AD091 targeted the deeper Meknes Zone mineralisation on section AD021. This section is at the eastern edge of the existing Meknes resource, but also passes through the Fez mineralisation above it.

The Fez Zone mineralisation is interpreted as being a combination of shallow west north-west dipping quartz cassiterite infill breccias and steep west north-west dipping sandstone hosted disseminated cassiterite.

High grade intercepts have been returned from Fez, confirming the previously interpreted mineralised structures and the geological model.

Best intercepts from Fez include:

- **AD087 - 5m @ 1.67% Sn from 151m, including 3m @ 2.53% Sn from 152m**
- **AD089 - 7.65m @ 2.21% Sn from 147m, including 3.2m @ 3.93% Sn from 148m**
- **AD089 - 9m @ 1.50% Sn from 171.5m, including 3m @ 3.91% Sn from 177m**
- **AD091 - 7m @ 0.85% Sn from 130m**

Figure 2 below shows drill core with quartz cassiterite (brownish grey) infill breccia in hole AD089 (Fez mineralisation) at 149.3m.

Figure 2

Fez Zone cassiterite infill tin breccia mineralisation (AD089)

Meknes & Marrakech Zones

AD091 targeted the Meknes Zone but also intersected the Fez Zone (above) and Marrakech Zone (below). Meknes Zone mineralisation in AD091 (section AD021) is interpreted as parallel steep north dipping mineralised structures within a broader zone of altered sediments and is related to previous intersections in AD022, AD021 and S14.

Meknes Zone mineralisation is structurally distinct from Fez and Marrakech and typically occurs between 250m and 500m below the Achmmach hill. Marrakech lies deeper than Meknes and AD091 also intersected this zone, extending Marrakech to at least 120m of strike length. Best intercepts in Meknes include:

- **AD091 - 13m @ 0.57% Sn from 301m including 7m @ 0.83% Sn from 305m**

  - **24.7m @ 0.45% Sn from 426m includes 7m @ 0.85% Sn from 441m**

The Meknes intercepts in AD091 demonstrates that even at the extremities of the existing Meknes Resource, the location of the Meknes Zone is predictable. This enhances confidence that the drilling underway outside and to the east of the Meknes Resource will intersect mineralisation in the untested Meknes position extending from the Meknes Resource through to the Eastern Zone (an additional 350 – 400m of strike length).

If successful this will yield a continuous strike length of tin mineralisation in excess of 1 kilometre.

The Marrakech intercept in AD091 whilst low grade in this particular position, demonstrates persistence of the Marrakech tin mineralised structure at depth and extends this mineralisation to the east. Additional eastwards extensions to the Marrakech structure will be tested as part of the Meknes eastern extension drilling that is currently in progress.

Kasbah's Managing Director, Wayne Bramwell said;

> "We are highly encouraged by the high grade tin intercepts in the Fez Zone as well as the predictability of both the Meknes and Marrakech Zones towards the east of the previously defined resource. These results confirm our interpretation of the tin mineralising systems at Achmmach and provide us with further confidence that the project will continue to grow in size".

A technical summary is provided in appendix A along with drill hole status as of May 3 (appendix B) and significant intercepts (appendix C).

For further information please contact:

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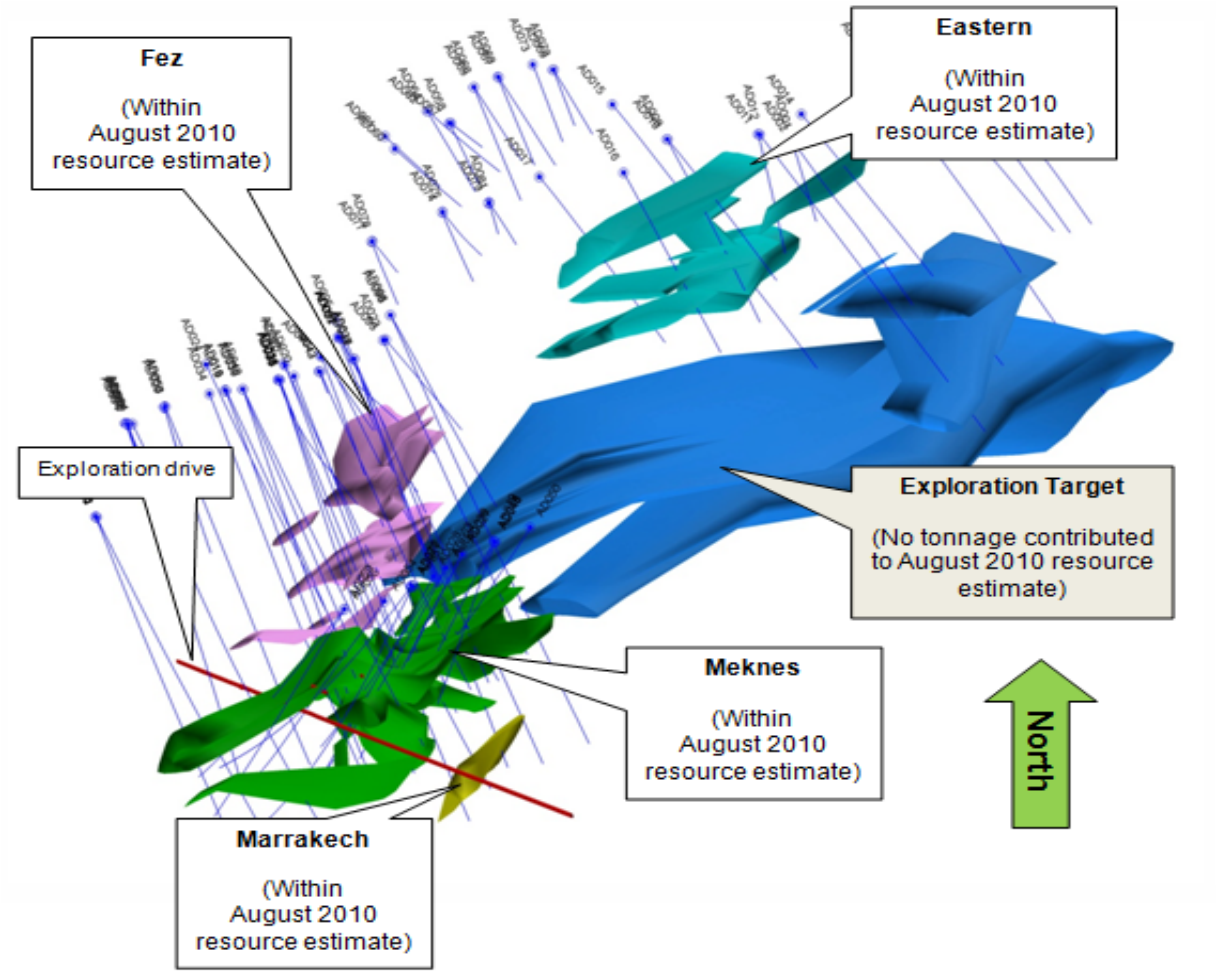

Figure 3

Long Section of Achmmach August 2010 Resource Wireframes (looking north)

August 2010 – Resource Upgrade			
Category	**M Tonnes**	**Sn %**	**Contained Tin (k tonnes)**
Indicated	2.2	0.8	17
Inferred	4.8	0.8	37
Total	**7.0**	**0.8**	**54**

The information in this announcement that relates to Kasbah Resources Limited's mineral resource estimates for the Achmmach Project is based on information compiled by Michael Job, who is a full time employee of Quantitative Group and a Member of the Australasian Institute of Mining and Metallurgy. Michael Job has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2004 JORC code. Michael Job consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

The information in this report is based on information compiled by Mr. Chris Bolger a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bolger is a full-time employee of Kasbah Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bolger consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix A TECHNICAL SUMMARY

Fez Zone, section AD087 (Holes AD087 and AD089 and AD091 off section)

AD087, AD089 and AD093 have been drilled on an azimuth of 105 degrees as they are designed specifically to test Fez mineralisation **(Figure 4 overleaf)**. This is the first time this has been done as previously all Fez intercepts had been achieved from holes drilled to target Meknes mineralisation (at azimuths around 160 degrees).

Two styles of mineralisation are evident in Fez:

- quartz cassiterite vein and infill breccias associated with tourmaline alteration (Figure 2),
- sandstone hosted disseminated cassiterite in weakly silica-tourmaline altered rocks.

The three upper intercepts from AD087 of 14m at 0.55% Sn from 105m including 3m at 1.32% Sn, 14m at 0.29% Sn from 131m and 5m at 1.67% Sn from 151m including 3m at 2.53% Sn are quartz cassiterite infill breccias with silica-tourmaline alteration.

These intercepts are interpreted to be the down dip extension of intercepts in AD091 (7m at 0.85% Sn from 130m) and AD089 (7.65m at 2.21% from 147m including 3.2m at 3.93% Sn). These mineralised breccias correlate with the intersection in AD021 of 36.5m at 0.8% Sn from 117.3m.

The intercept reported for AD091 is not the full mineralised interval which extends from 116m and continues through to 130m. The interval reported is for core which was recovered, as some core was lost in the upper part of the mineralised zone due to poor drilling techniques. The hole will be redrilled later.

Even though AD093 didn't return any significant intercepts, the structures and alteration logged indicate that it is most likely that AD093 represents an upper, poorly mineralised part of the Fez mineralised system.

The other significant intersection in AD087 of 8m at 0.54% Sn is sandstone hosted disseminated cassiterite. This intercept is believed to be the down dip expression of AD089 high grade intercept of 9m at 1.50% Sn from 171.5m including 3m at 3.91% Sn which shares the same mineralisation style. Overall the section interpretation shows a zone of breccia style mineralisation dipping at 40deg to the West North West. The variability in the grade may be due to a steeper structural control.

The disseminated style of mineralisation located at a lower level on the section is interpreted with a steeper geometry dipping at 75deg to the West North West and flattening on both extremities in an "S" like shape. It may be related to bedding.

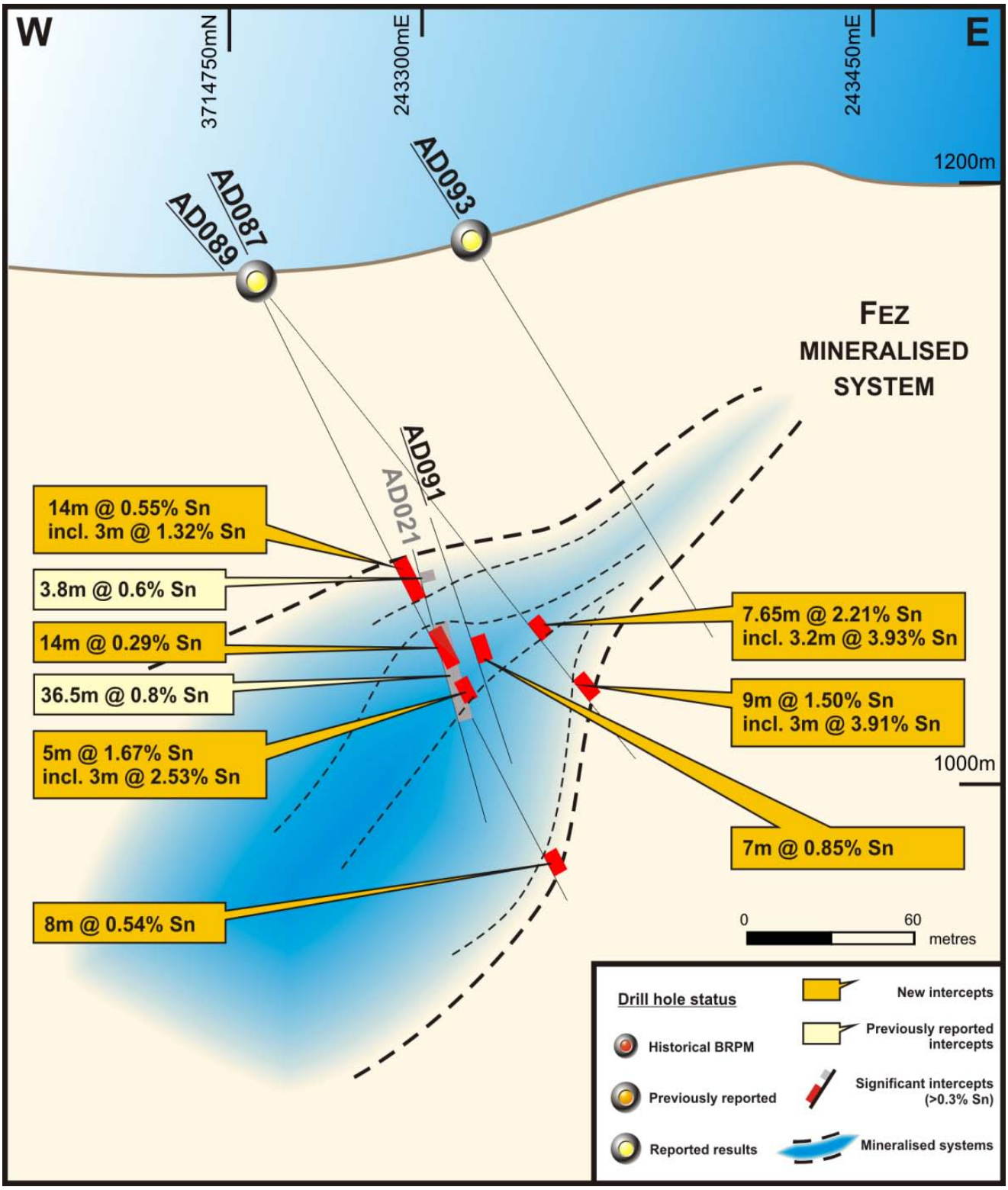

Figure 4

Fez Section AD087

Meknes Zone, section AD021 (Holes AD021, AD022 and AD091)

Section AD021 is located at the easternmost extent of the existing Meknes resource. This section is oriented at 160 degrees and passes through the AD087 Fez cross section, which is oriented at 105 degrees.

Section AD021 **(Figure 5 overleaf)** comprises AD022 (previously reported), S24 (historical BRPM drill hole), AD091, AD021 (previously reported) and S14 (historical BRPM drill hole). The aim of AD091 was to test the Fez, Meknes and Marrakech mineralised systems.

The uppermost intersection of Meknes Zone mineralisation, 13m @ 0.57% Sn from 301m includes 7m at 0.83% Sn. This mineralisation includes mineralised felsic dyke. The dyke pre-dates mineralisation and is in this area interpreted as providing some type of structural/lithological control on the spatial location of mineralisation. Intersections in AD021 of 9.9m at 0.7% Sn from 317.05m and 6.9m at 1.9% Sn from 331.05m, which are spatially correlated with the felsic dyke, support the idea that the dyke exerts some sort of structural/lithological control.

The next Meknes Zone AD091 intercept of 8.9m at 0.50% Sn from 344.3m correlates with weaker mineralised intercepts from AD021 (3.3m at 0.47%Sn and 1.7m at 0.50%Sn) and S14 (BRPM hole with 4m at 0.51% Sn) both located down dip from the intercept in AD091.

The lowest Meknes Zone intercept, 24.7m at 0.45% Sn from 426m including 7m at 0.85% Sn in AD091 is a thick high strain zone associated with milky quartz. This is possibly related to the intercept shown in Figure 5 in AD022, (4.6m at 0.8%Sn). This intercept is not closed off by drilling.

The deeper AD091 intercept of 11m at 0.42% Sn from 500m is interpreted as being part of Marrakech. The mineralisation shares the same characteristics as the two previously reported Marrakech intercepts from AD025 and AD039. Structural measurements carried out on the core confirm a steep North dipping orientation for the Marrakech Zone consistent with the intercepts in AD025 and AD039.

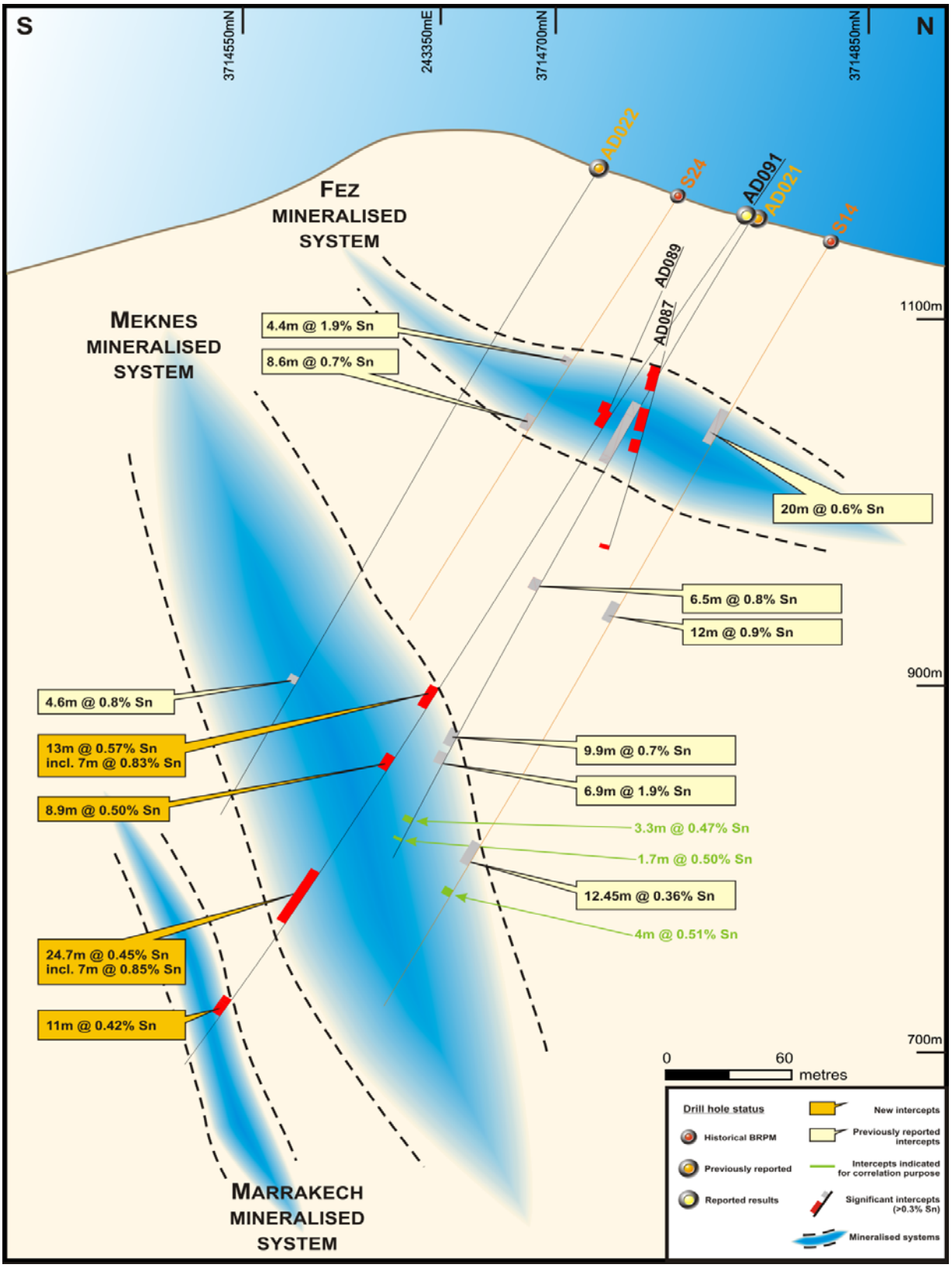

Figure 5

Meknes Zone section AD021

APPENDIX B: Drill-Hole Status 3 May 2011

Table 1

Hole ID	Collar WGS84 N	Collar WGS84 E	Collar dip/ azimuth	Depth (m)	Target	Status
AD095D1	3714878	243337	-60/160	476.1	Meknes Zone, XSAD095	Results pending
AD096	3714801	243368	-60/160	545.75	Meknes Zone, XSAD095	Results pending
AD097	3714706	242961	-64/170	443.35	Meknes Zone, XSAD056	Results pending
AD098	3714801	243368	-52.5/160	250.3	Meknes Zone, XSAD095	Abandoned
AD099	3714702	242966	-50/168	401.4	Meknes Zone, XSAD56	Results pending
AD100	3714802	243367	-52.5/160	497.1	Meknes Zone, XSAD095	Results pending
AD101	3714880	243511	-60/160	262	Meknes Zone, XSAD101	In progress
AD102	3714802	243367	-68.5/160	120	Meknes Zone, XSAD095	In progress

APPENDIX C: AD087, AD089 and AD091 - Significant intersections[A] & Drill-hole Details

Hole ID	Collar WGS84 N	Collar WGS84 E	From (m)	To (m)	Down-hole interval (m)	Tin %	Mineralised zone
AD087	243249	3714756	105	119	14	0.55	Fez
		includes	110	113	3	1.32	
			131	145	14	0.29	Fez
			151	156	5	1.67	Fez
		includes	152	155	3	2.53	
			215	223	8	0.54	Fez
AD089	243250	3714756	147	154.65	7.65	2.21	Fez
		includes	148	151.2	3.2	3.93	
			171.5	180.5	9	1.50	Fez
		includes	177	180	3	3.91	
AD091	243295	3714791	130	137	7	0.85	Fez
			301	314	13	0.57	Meknes
		includes	305	312	7	0.83	
			344.3	353.2	8.9	0.50	Meknes
			426	450.7	24.7	0.45	Meknes
		incudes	441	448	7	0.85	
			500	511	11	0.42	Marrakech
All Assays and intervals reported below							

[A] Significant intersections >100m below natural surface selection criteria:

≥ 0.3%Sn and ≥ 5m down-hole and ≤ 3m down-hole < 0.3%Sn included OR
≥ 0.3%Sn and ≥ 1.5 %Tin-metres metal accumulation down-hole and ≤ 3m down-hole < 0.3%Sn included

Drill Hole	From (m)	To (m)	Intersection Width (m)	Tin Grade %
AD087	105	106	1.00	1.39
	106	107	1.00	0.07
	107	108	1.00	0.05
	108	109	1.00	0.29
	109	110	1.00	0.31
	110	111	1.00	1.44
	111	112	1.00	1.21
	112	113	1.00	1.31
	113	114	1.00	0.05
	114	115	1.00	0.02
	115	116	1.00	0.22
	116	117	1.00	0.01
	117	118	1.00	0.98
	118	119	1.00	0.30
	119	120	1.00	0.24
	131	132	1.00	0.56
	132	133	1.00	0.19
	133	134	1.00	0.41
	134	135	1.00	0.19
	135	136	1.00	0.30
	136	137	1.00	0.17
	137	138	1.00	0.03
	138	139	1.00	0.15
	139	140	1.00	0.31
	140	141	1.00	0.01
	141	142	1.00	0.37
	142	143	1.00	0.52
	143	144	1.00	0.39
	144	145	1.00	0.43
	151	152	1.00	0.43
	152	153	1.00	1.71
	153	154	1.00	4.57
	154	155	1.00	1.30
	155	156	1.00	0.34
	215	216	1.00	0.48
	216	217	1.00	0.22
	217	218	1.00	0.33

Drill Hole	From (m)	To (m)	Intersection Width (m)	Tin Grade %
	218	219	1.00	0.44
	219	220	1.00	0.05
	220	221	1.00	0.24
	221	222	1.00	0.54
	222	223	1.00	2.00
AD089	147	148	1.00	0.95
	148	149	1.00	3.16
	149	150	1.00	6.32
	150	151.2	1.20	2.57
	151.2	152	0.80	0.01
	152	153	1.00	0.02
	153	153.5	0.50	0.15
	153.5	154.65	1.15	2.89
	171.5	172	0.50	0.57
	172	173	1.00	0.78
	173	174	1.00	0.03
	174	175	1.00	0.02
	175	176	1.00	0.15
	176	177	1.00	0.17
	177	178	1.00	4.50
	178	179	1.00	4.68
	179	180	1.00	2.54
	180	180.5	0.50	0.66
AD091	130	130.7	0.70	2.58
	130.7	131.4	0.70	2.39
	131.4	132	0.60	0.01
	132	133	1.00	0.12
	133	134	1.00	0.85
	134	134.7	0.70	0.32
	134.7	135.3	0.60	0.20
	135.3	136	0.70	0.72
	136	137	1.00	0.66
	301	302	1.00	0.34
	302	303	1.00	0.10
	303	304	1.00	0.23
	304	305	1.00	0.27
	305	306	1.00	3.16
	306	307	1.00	0.68

Drill Hole	From (m)	To (m)	Intersection Width (m)	Tin Grade %
	307	308	1.00	0.16
	308	309	1.00	0.71
	309	310	1.00	0.16
	310	311	1.00	0.17
	311	312	1.00	0.78
	312	313	1.00	0.34
	313	314	1.00	0.31
	344.3	345.3	1.00	2.13
	345.3	346.4	1.10	0.09
	346.4	347.2	0.80	0.02
	347.2	348	0.80	0.06
	348	349	1.00	0.25
	349	350	1.00	1.3
	350	351	1.00	0.22
	351	352.2	1.20	0.05
	352.2	353.2	1.00	0.31
	426	427	1.00	0.42
	427	428	1.00	0.22
	428	429	1.00	0.18
	429	430	1.00	0.31
	430	431	1.00	0.12
	431	432	1.00	0.43
	432	433	1.00	0.32
	433	434	1.00	0.19
	434	435	1.00	0.46
	435	436	1.00	0.47
	436	437	1.00	0.19
	437	438	1.00	0.29
	438	439	1.00	0.23
	439	440	1.00	0.37
	440	441	1.00	0.09
	441	442	1.00	0.62
	442	443	1.00	0.46
	443	443.74	0.74	0.16
	443.74	445	1.26	0.74
	445	446	1.00	0.57
	446	447	1.00	0.62
	447	448	1.00	2.66
	448	449	1.00	0.28

Drill Hole	From (m)	To (m)	Intersection Width (m)	Tin Grade %
	449	450	1.00	0.18
	450	450.7	0.70	0.62
	500	501	1.00	0.87
	501	502	1.00	0.23
	502	503	1.00	0.19
	503	504	1.00	0.17
	504	505	1.00	0.73
	505	506	1.00	0.06
	506	507	1.00	0.05
	507	508	1.00	1.24
	508	509	1.00	0.6
	509	510	1.00	0.21
	510	511	1.00	0.25