

28 OCTOBER 2010

ASX CODE: **KAS**

BOARD & MANAGEMENT

GRAEME WALKER
NON EXECUTIVE CHAIRMAN

MIKE SPRATT
NON EXECUTIVE DIRECTOR

ROD MARSTON
NON EXECUTIVE DIRECTOR

ROB WEINBERG
NON EXECUTIVE DIRECTOR

WAYNE BRAMWELL
MANAGING DIRECTOR

TREVOR HART
CFO / COMPANY SECRETARY

CHRIS BOLGER
COUNTRY MANAGER

JEFFERY LINDHORST
EXPLORATION MANAGER

PROJECTS - MOROCCO

ACHMMACH TIN PROJECT

TAMLALT GOLD PROJECT

INVESTMENT DATA

SHARES ON ISSUE 272M

SHAREHOLDERS

TOP 20 HOLD 63%

LME TIN PRICE
(27/10/10)

US\$26,335 / T
(CASH BUYER)

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.**

KASBAH RESOURCES LIMITED
NOTICE UNDER SECTION 708A

Kasbah has issued 35,000,000 fully paid ordinary shares ("Shares") to institutions and sophisticated investors at \$0.24 cents per share, to raise gross proceeds of \$8,400,000 on or about the 28 October 2010.

The Shares are part of a class of securities quoted on the ASX and may be subject to a subsequent offer for sale.

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act.

The Company issued the Shares above without a disclosure document to investors under Part 6D.2 of the Corporations Act.

The Company, as at the date of this notice, has complied with:

1. The provisions of Chapter 2M of the Corporations Act; and
2. Section 674 of the Corporations Act.

There is no excluded information, as defined in sections 708A (7) and 708A (8) of the Corporations Act.

Attached is the Appendix 3B in relation to these securities.

Yours faithfully



Trevor G Hart
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

KASBAH RESOURCES LIMITED

ABN

78 116 931 705

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 35,000,000 Ordinary shares fully paid –Tranche 1 of the Placement announced on the 18 October 2010 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>Shares issued at \$0.24 cents each</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Proceeds of the placement will be used to fund the exploration and feasibility study at the Achmmach Tin Project and working capital</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>Placement shares issued in lots <u>Lot 1</u> on 28 October 2010 – 1,085,413 ordinary shares <u>Lot 2</u> on 28 October 2010 – 32,893,571 ordinary shares <u>Lot 3</u> on 3 November 2010 – 1,021,016 ordinary shares via DVP settlement through ASX CHESS systems</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1632 995 1666">Number</th> <th data-bbox="995 1632 1289 1666">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1666 995 1879">272,315,006</td> <td data-bbox="995 1666 1289 1879">Fully paid Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	272,315,006	Fully paid Ordinary Shares
Number	+Class				
272,315,006	Fully paid Ordinary Shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	9,000,000	Management Options Exercise price 25cents expiring 15 November 2011
	5,625,000	Director A Options Exercise price 25 cents and expiring 15 November 2011
	1,450,000	Director B Options Exercise price 25 cents and expiring 10 May 2011
	1,000,000	Management A Options Exercise price 35 cents and expiring 1 May 2013
	1,000,000	Management B Options Exercise price 25 cents and expiring 12 July 2013
	1,125,000	Director C Options Exercise price 25 cents and expiring 15 November 2013
	1,500,000	Employee Options price 10 cents and expiring 5 January 2015
	1,500,000	Employee Options price 10 cents and expiring 20 April 2015
	6,650,000	Options price 25 cents expiring 29 April 2012
	7,250,000	Options price 25 cents expiring 08 June 2012
	16,250,000	Options price 25 cents expiring 15 June 2012

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Not Applicable

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required? Not Applicable

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

12	Is the issue renounceable or non-renounceable?	Not Applicable
13	Ratio in which the +securities will be offered	Not Applicable
14	+Class of +securities to which the offer relates	Not Applicable
15	+Record date to determine entitlements	Not Applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not Applicable
17	Policy for deciding entitlements in relation to fractions	Not Applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not Applicable
19	Closing date for receipt of acceptances or renunciations	Not Applicable
20	Names of any underwriters	Not Applicable
21	Amount of any underwriting fee or commission	Not Applicable
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not Applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not Applicable

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not Applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not Applicable
28	Date rights trading will begin (if applicable)	Not Applicable
29	Date rights trading will end (if applicable)	Not Applicable
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not Applicable
33	⁺ Despatch date	Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:
• the date from which they do
• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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+ See chapter 19 for defined terms.

<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	<p>Not Applicable</p>
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	Number	+Class
<p>42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)</p>	<p>Not Applicable</p>	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 28 October, 2010
Company secretary

Print name: Trevor Hart

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+ See chapter 19 for defined terms.