

18 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 237M

SHAREHOLDERS

TOP 20 HOLD 64%

LME TIN PRICE
(14/10/10)

US\$27,550 / 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 RAISES \$24 MILLION TO ACCELERATE THE ACHMMACH TIN PROJECT



HIGHLIGHTS

- Successful capital raising of up to \$24M to fund accelerated exploration and development of Achmmach Tin Project
- Placement was heavily oversubscribed from key shareholders and strong support from Australian, UK and Asian institutional investors
- SPP also to be offered to all shareholders
- Kasbah now fully funded to completion of feasibility study
- LME tin price breaks through US\$27,000 / tonne

KASBAH RAISES \$24 MILLION TO ACCELERATE ACHMMACH TIN PROJECT

Kasbah Resources Limited ("Kasbah" the "Company") is pleased to announce that it has resolved to raise up to \$24 million to fund an accelerated exploration and development programme at its Achmmach Tin Project in Morocco.

Kasbah will issue 87.5 million shares at \$0.24 per share through a placement principally to institutional and sophisticated investor clients of Hartleys Limited to raise \$21 million ("Placement"). The Company also intends to offer shares to existing shareholders at the same price by undertaking a share purchase plan ("SPP") to raise up to a further \$3 million.

The Company received overwhelming support for the Placement from Kasbah's major shareholders as well as domestic and international clients of Hartleys Limited. Hartleys Limited is the Lead Broker for the Placement and SPP.

Kasbah's Managing Director Mr Wayne Bramwell said,

"We thank our existing major shareholders for their continued support and welcome the addition of well regarded institutional investors from Australia, the UK and Asia to our register. The international profile of the Achmmach Tin Project is growing rapidly and this new funding will catalyse the transformation of Kasbah from a tin explorer to a tin producer".

Last week Kasbah announced a positive Scoping Study relating to the development of an underground mine at the Achmmach Tin Project in Morocco. Kasbah is aiming to produce tin concentrates by 2013.

This capital raising will ensure the Company is fully funded to completion of the feasibility study and will facilitate the acceleration of the drilling program to expand the current resource base at Achmmach.

The Achmmach Tin Project

The Achmmach Tin Project contains a JORC Resource of 54,000 tonnes of contained tin and is ranked amongst the largest undeveloped hard rock tin projects in the world.

Kasbah's Managing Director Mr Wayne Bramwell said,

"All the major tin producers are facing serious supply challenges. As such new, conflict free sources of tin such as Achmmach are in great demand. The fragility of supply is now recognised by all and this fact, plus the recognition of the quality and scale of the Achmmach Tin Project is now drawing unprecedented attention to our company. Kasbah is now fully funded and positioning the company to meet the supply needs of an increasingly hungry tin market".

The Placement

The Placement is being made in 2 tranches with 35 million ordinary shares being issued in tranche 1 pursuant to the Company's 15% capacity under ASX Listing Rule 7.1 and the balance of 52.5 million shares being issued in tranche 2, subject to shareholder approval at Kasbah's Annual General Meeting to be held on 26 November 2010. A Notice of Meeting will be distributed to shareholders in the coming days.

Kasbah's two largest shareholders, African Lion Fund and International Finance Corporation (IFC) have each undertaken to subscribe for approximately \$3.3 million each in tranche 2 of the Placement. The IFC investment is subject to approval by The Foreign Investment Review Board (FIRB).

The Share Purchase Plan (SPP)

The Board is pleased to provide eligible existing shareholders the opportunity to participate in the capital raising by undertaking a SPP to raise up to an additional \$3 million.

Subject to receipt of an ASX waiver, the issue price under the SPP will be the same as the Placement price. In the event the ASX waiver is not granted, the SPP will proceed, however the SPP price will be determined by reference to the normal ASX formula. The SPP documentation will be distributed to shareholders within the coming days.

The record date for the SPP is 15 October 2010.

This announcement effectively ceases the trading halt requested by the Company on 14 October 2010. The Company is not aware of any reason why the ASX would not allow trading to recommence immediately.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Trevor G Hart".

Trevor G Hart

Company Secretary

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.