

11 OCTOBER 2010

ASX CODE: KAS

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EXPLORATION MANAGER

PROJECTS - MOROCCO

ACHMMACH TIN PROJECT

TAMLALT GOLD PROJECT

INVESTMENT DATA

SHARES ON ISSUE 237M

SHAREHOLDERS

TOP 20 HOLD 67%

LME TIN PRICE  
(07/10/10)

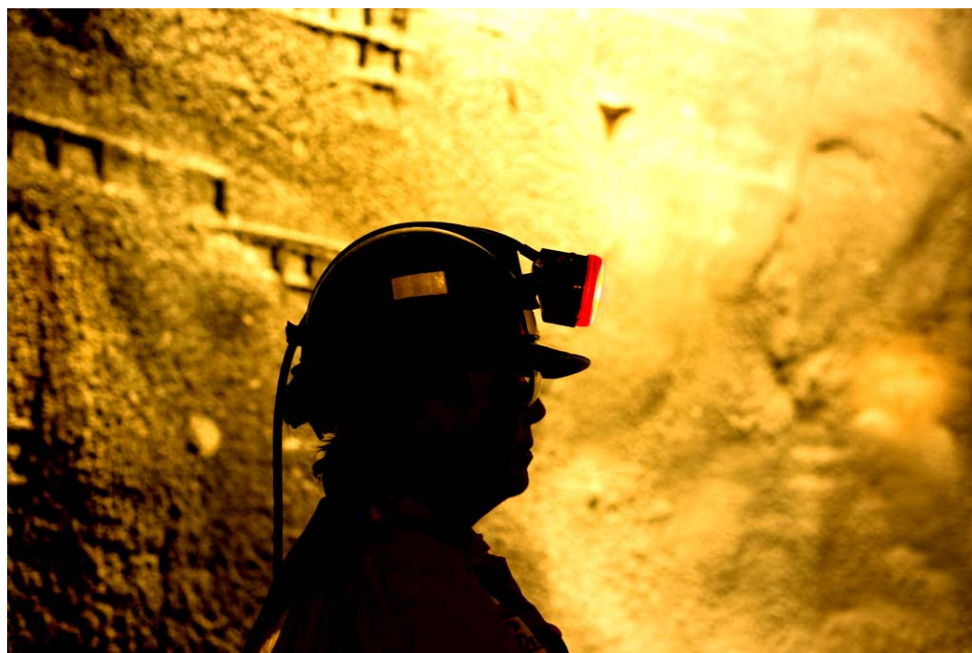
US\$26,500 / T  
(CASH BUYER)

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.

## ACHMMACH SCOPING STUDY



### HIGHLIGHTS

- Kasbah has completed a Scoping Study on underground development at the Achmmach Tin Project
- Scoping Study base case indicates that on an un-g geared (100% equity basis) an 800,000 tpa project could deliver a;
  - **Gross margin = US\$72 per tonne of ore**
  - **NPV<sub>10</sub> = US\$126M**
  - **IRR = 43%**
- Resource drilling in Meknes Zone now focussed on increasing inferred and indicated tonnages to meet project development triggers
- Pre-feasibility (PFS) now commenced for the Achmmach Underground Project including Environmental Impact Study and additional metallurgical test work
- Fast start opportunity and options to increase project margins include delineation of shallow tin resources and mine grade optimisation
- Extensional drilling of the Meknes system and first pass drilling of the shallow Northern Zone target is currently underway

## ACHMMACH TIN PROJECT - SCOPING STUDY UPDATE

### OVERVIEW

Kasbah Resources Limited (Kasbah) is pleased to announce the completion of a Scoping Study on the Achmmach Tin Project in Morocco. The Scoping Study base case indicates that an underground operation producing 800,000 tonne per annum of ore by mechanised cut and fill methods could generate gross operating margins of US\$72 per tonne of ore and deliver an after tax NPV of US\$126M and IRR of 43%.

The Scoping Study results are based upon a 1% run of mine (ROM) feed to the mill and US\$23,000 / tonne tin price (LME tin cash buyer 7 October = US\$26,500 / tonne).

The Scoping Study projects costs and returns premised upon:

- Mechanised underground mine - utilising cut and fill extraction
- Conventional gravity and flotation processing
- Tin concentrates exported to an Asian based tin smelter
- All smelter charges, freight and insurance included in costs.

### KEY PROJECT ASSUMPTIONS AND SCOPING STUDY OUTPUTS

Achmmach Underground Mine – Scoping Study Base Case Scenario		
Base case mine life	<b>years</b>	7.5
Mined grade (ROM)	<b>% Sn</b>	1.00
Treatment rate	<b>tpa</b>	800,000
Mill recovery	<b>%</b>	70.0
Tin output	<b>tpa</b>	5,620
Tin price	<b>US \$ / tonne</b>	23,000
Operating cost estimate	<b>US\$ / tonne tin in concentrate</b>	12,684
	<b>US \$ / tonne ore</b>	89.1
Operating margin estimate	<b>US \$ / tonne ore</b>	72.0
Project capital estimate	<b>US \$M</b>	85.3
Project NPV <sub>10</sub>	<b>US \$M</b>	126.0
Project IRR	<b>%</b>	43%

The base case financial performance has been calculated on;

- A tin price of US\$23,000 / tonne
- an un-g geared (i.e. 100% equity) basis and,
- net of all Moroccan taxes and royalties.

Based upon these early indications of the project's economics, the Company has commenced a Pre-Feasibility Study into the development of an underground mine at Achmmach. Commencement of a Feasibility Study is scheduled for mid 2011.

Kasbah Managing Director Wayne Bramwell said that;

"The size of the prize at Achmmach is still growing.

The Scoping Study indicates the potential returns from Achmmach and confirms our long held view of the scale of this opportunity.

The Company is confident in our ability to further increase project returns through growing the resource base, extending the mine life, optimising the mined tin grade, increasing mill recovery and potential delineation of surface and shallow tin resources. Any one or more of these factors will have a significant positive impact on the project metrics and all of these options will be further evaluated during the Pre-Feasibility Study.

The tin sector is demanding new and sustainable sources of conflict free tin. Based upon these early indications of the potential returns from the project the development of Achmmach is now being accelerated to meet the intense demand from downstream tin users."

Ends.

For and on behalf of the Board,



Wayne Bramwell  
**Managing Director**

For further information please go to:

[www.kasbahresources.com](http://www.kasbahresources.com)

Or email:

[info@kasbahresources.com](mailto:info@kasbahresources.com)

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.

Certain written statements contained or incorporated by reference in this presentation, including information as to the future financial or operating performance of the Company and its projects, constitute forward-looking statements. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of tin or other metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by the Company, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third party smelting facilities; factors associated with foreign operations and related regulatory risks; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and aboriginal heritage issues; dependence on key personnel; and share price volatility and also include unanticipated and unusual events, many of which are beyond the Company's ability to control or predict.

APPENDIX A: SENSITIVITY ANALYSIS

ACHMMACH FINANCIAL SENSITIVITY

