

Monday 28th July

SNAPSHOT

Kasbah Resources Limited
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South Perth
WA Australia
Tel: (+61) 8 9463 6651
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ASX Code: KAS

Investment Data

Share price 25 July 2008 \$0.17
Shares on Issue 88.5M
High / Low (52 week)
\$0.45 / \$0.15

Board & Management

Graeme Walker
Non Executive Chairman

Wayne Bramwell
Managing Director

Peter Hepburn Brown
Non Executive Director

Rod Marston
Non Executive Director

Rob Weinberg
Non Executive Director

Peter Youd
Company Secretary

Shareholders

Top 20 Hold 74.3%

Cash Reserves

Cash Balance (30/06/08) \$6.7M

Projects - Morocco

- Achmmach Tin Project
- Tamlalt Gold Project
- El Karit Tin Project

For further information email
info@kasbahresources.com

Or visit our website

www.kasbahresources.com

QUARTERLY ACTIVITIES REPORT JUNE 30 2008

Achmmach Phase 2 Drilling Produces Encouraging Results with Wide Tin Intercepts

HIGHLIGHTS

- Phase 2 diamond drilling programme in the western area of the Achmmach Tin Project achieves exploration objective and produces very encouraging results
- Assay results from first 4 holes reveal wide intersections of high grade tin, extending the Meknes zone mineralization vertically and laterally
- Significant drill intercepts (down hole widths) include;
 - AD018: 13.6m @ 0.5% tin from 352.0m;**
 - AD019: 12.0m @ 1.2% tin from 309.5m;**
 - AD020: 46.3m @ 0.8% tin from 337.5m;**
 - AD021: 36.5m @ 0.8% tin from 117.3m.**
 - AD021: 6.9m at 1.85% tin from 331m (includes 0.5m at 24.4% tin from 332.9m).**
- A new separate mineralized zone has been intersected in the upper portion of drill hole AD021
- Results for the fifth hole of this programme (AD022) are pending
- Based upon this success, Kasbah has commenced a 6,000 metre Phase 3 diamond drilling program to further extend the Meknes zone mineralization and evaluate the new mineralised zone intersected in the upper levels of drill holes AD021 and S14.

1.0 OVERVIEW

Kasbah Resources Limited (Kasbah) is pleased to provide this update as to its progress in Morocco. The company's prime exploration focus during the quarter has been its Achmmach Tin Project.

2.0 ACHMMACH TIN PROJECT

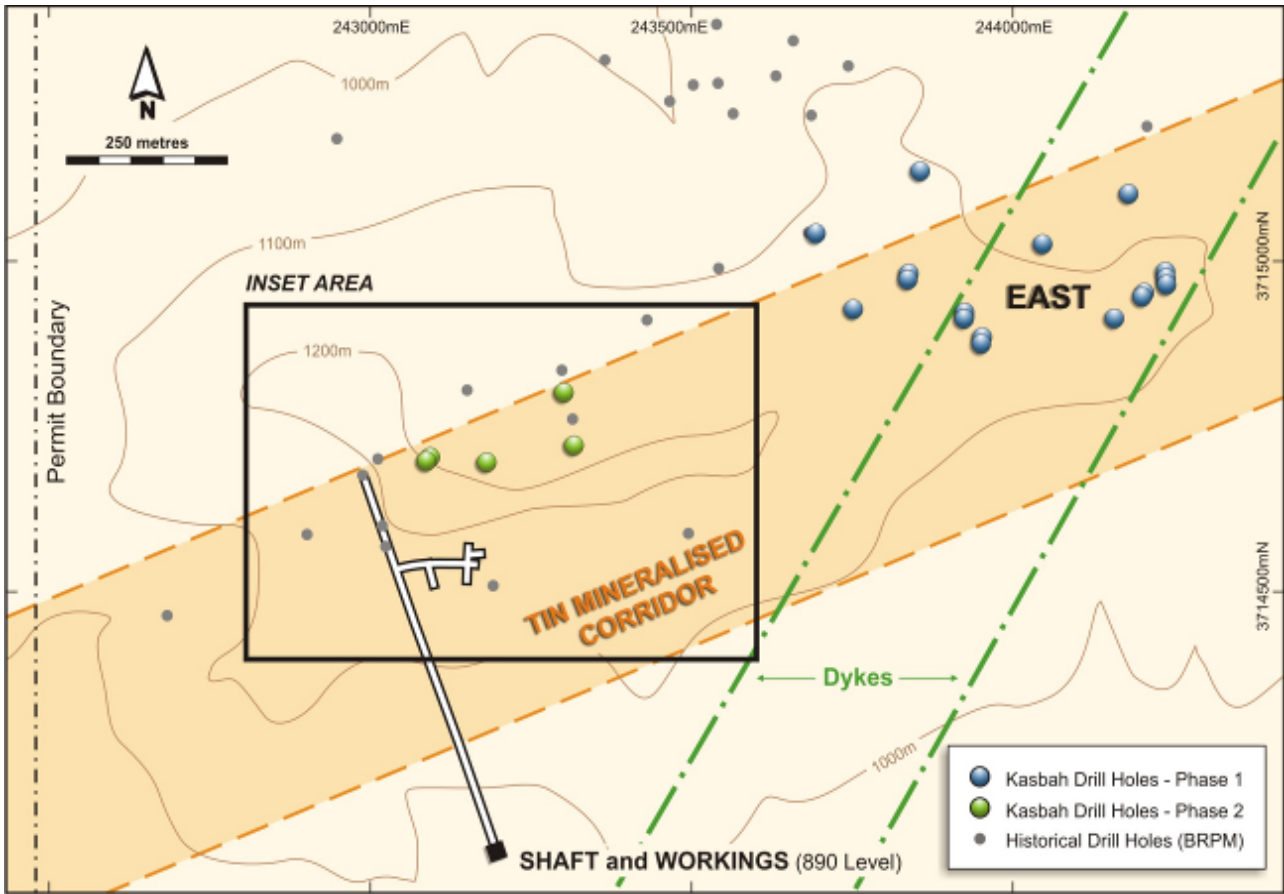
2.1 Activities for the quarter

The overall exploration objective at Achmmach is to systematically evaluate and advance the project to a mine development decision in 2009. During the first quarter 2008, Kasbah completed its Phase 1 drilling programme in the eastern area of the Achmmach Tin Project. As planned, during this quarter the focus of exploration shifted to the western area (Phase 2) of the Achmmach Tin Project (Figure 1).

The objectives of the Phase 2 drilling programme were to evaluate and expand the known tin mineralization (termed hereafter as 'the Meknes zone') historically intersected in the existing 890mRL underground exploration workings. The Phase 2 program consisted of 5 diamond holes (AD018 to AD22) for a total of 2031.5m drilled (figure 2). The preliminary assay results of Phase 2 are summarised below.

Table 1
Phase 2 Significant Drill hole Intersections

Drill Hole	From (m)	To (m)	Intersection Width	Tin Grade	Comments
AD018	352.0	365.6	13.6m	0.50%	<i>Drilled below the Meknes zone</i>
<i>and</i>	391.9	400.9	9.0m	0.47%	
AD019	321.5	321.5	12.0m	1.16%	<i>Drilled above the Meknes zone</i>
<i>and</i>	333.5	340.5	7.0m	0.58%	
AD020	337.5	383.8	46.3m	0.78%	<i>Intersected the Meknes zone mineralization 50m to east of workings.</i>
AD021	98.0	101.8	3.8m	0.65%	<i>This zone also intersected in BRPM drilling S14 and S24 and possibly in AD016 (500m to ENE). Includes 0.5m @ 24.4% tin from 332.9m (cut to 12% for grade calculation)</i>
<i>And</i>	117.3	153.8	36.5m	0.83%	
<i>and</i>	225.4	231.8	6.5m	0.80%	
<i>and</i>	311.6	321.5	9.9m	0.74%	
<i>and</i>	331.7	338.6	6.9m	1.85%	
<i>and</i>	367.8	373.1	5.3m	0.38%	
AD022				<i>Assays pending</i>	<i>Strong hydrothermal alteration from 352 to 364m. Probably extends Meknes zone 130m east of AD020.</i>
<i>Note: 0.3% Sn cut-off and ≤ 3m internal down hole dilution used</i>					



Figures 1 & 2: Achmmach Tin Project – Phase 2 Drill Plan WGS84 UTM30



Table 2
Phase 2 Drill Hole Collar Locations

Hole	Easting WGS84 UTM30	Northing WGS84 UTM30	RL (m)	Azimuth Mag.	Dip	Depth (m)
AD018	243089	3714697	1200	167°	-63°	480.5
AD019	243089	3714696	1200	167°	-55°	360.0
AD020	243180	3714696	1188	167°	-60°	395.7
AD021	243293	3714795	1153	167°	-60°	394.0
AD022	243313	3714720	1179	167°	-60°	401.3
TOTAL						2031.5

The results received to date from Phase 2 have extended the known mineralization in the Meknes zone approximately 100m in the vertical from the 940mRL to the 840mRL and 50m east along strike on the 890mRL (figures 3 & 4).

The total defined strike length of the Meknes zone is now approximately 180 metres with an indicative true width of 30 metres. The Meknes zone remains open in all directions.

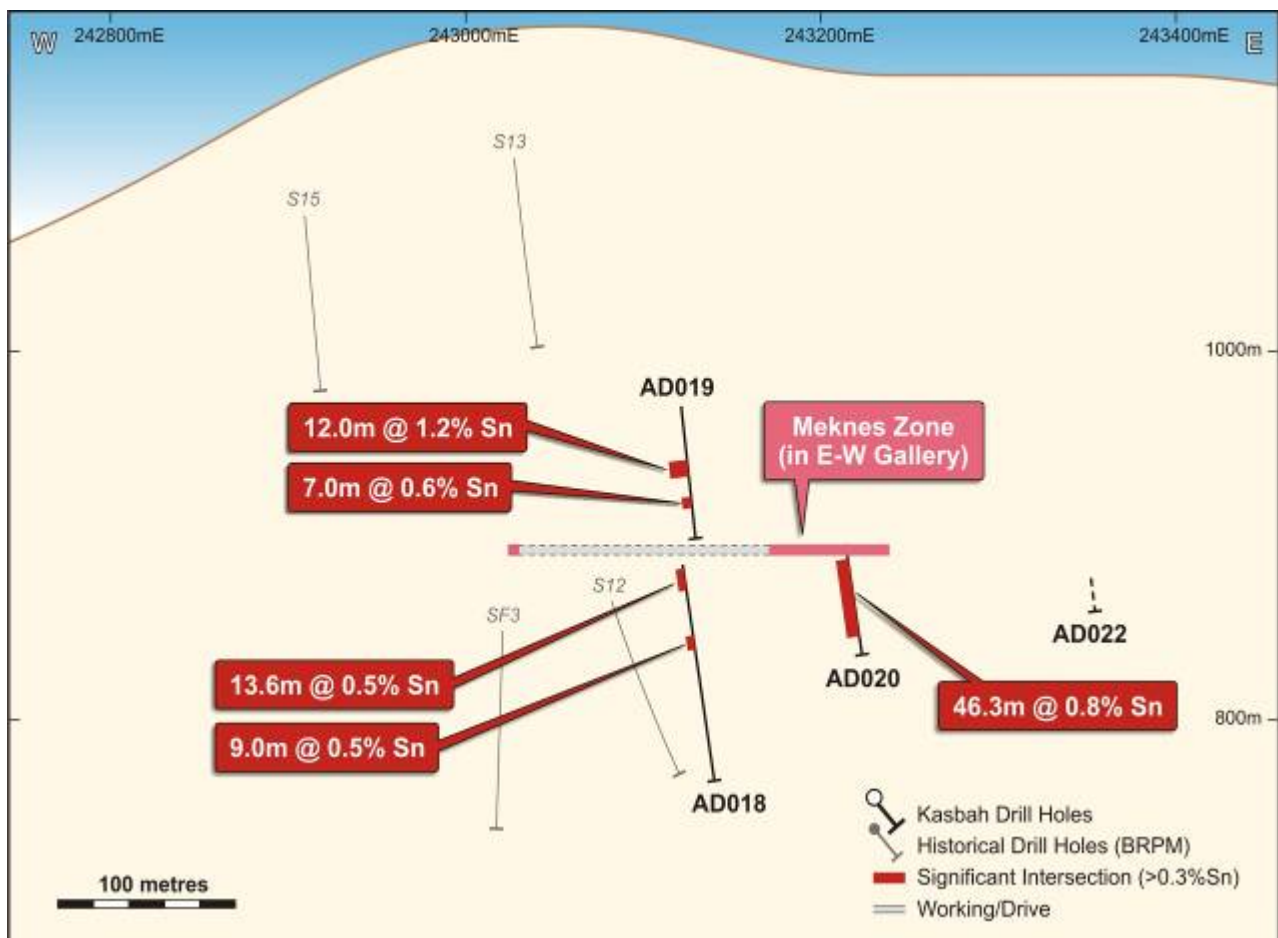


Figure 3
Achmmach Tin Project – Long Section 3714525mN (looking north)

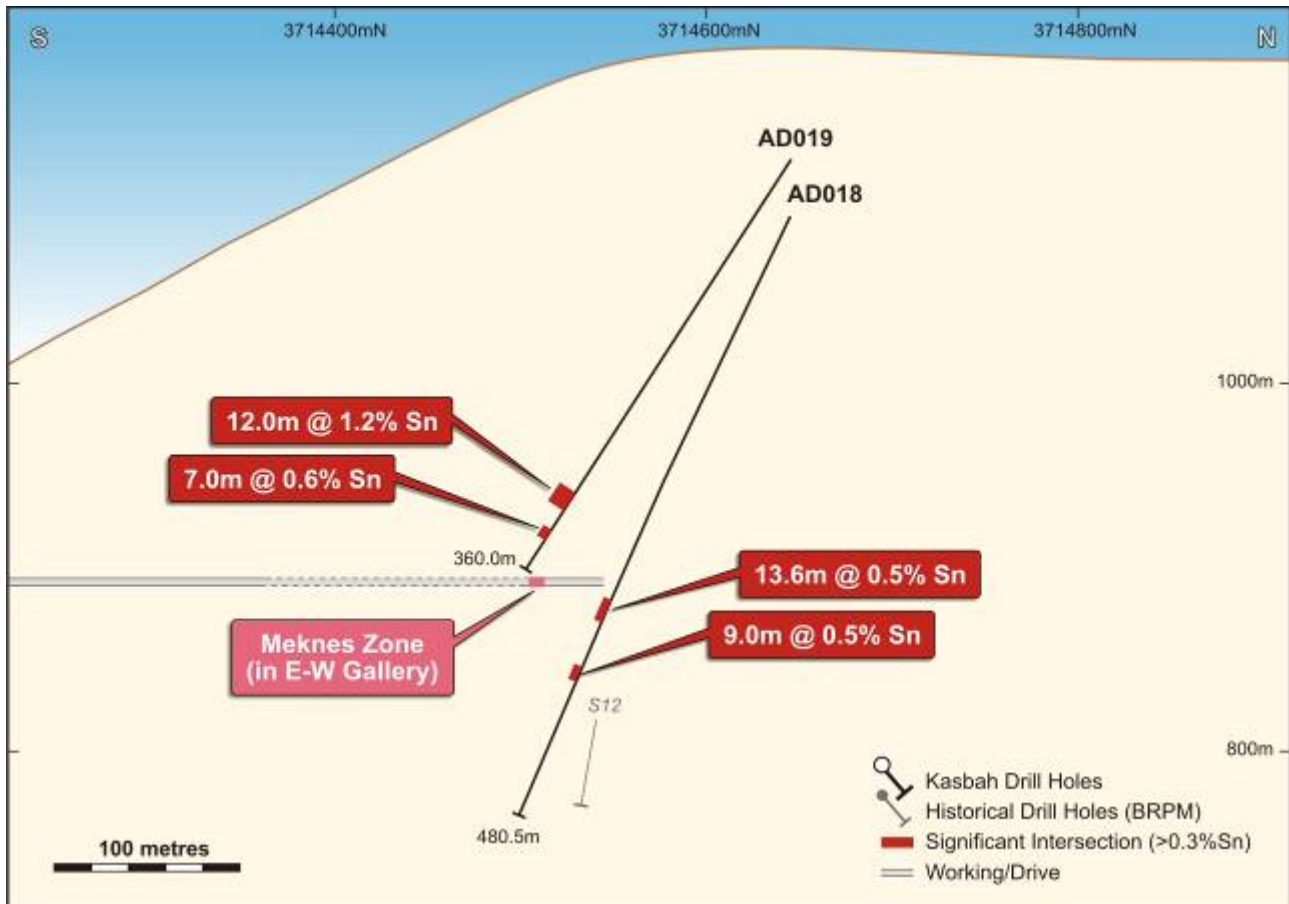


Figure 4
Achmmach Tin Project – Cross Section 243125mE (looking west)

Drill holes AD020 (figure 5) and AD021 (figure 6) have intersected two new wide zones of tin mineralization (figure 5) including;

- ❑ **AD020 - 46.3m @ 0.78% Sn from 337.5m and;**
- ❑ **AD021 - 36.5m @ 0.83% Sn from 117.3m.**

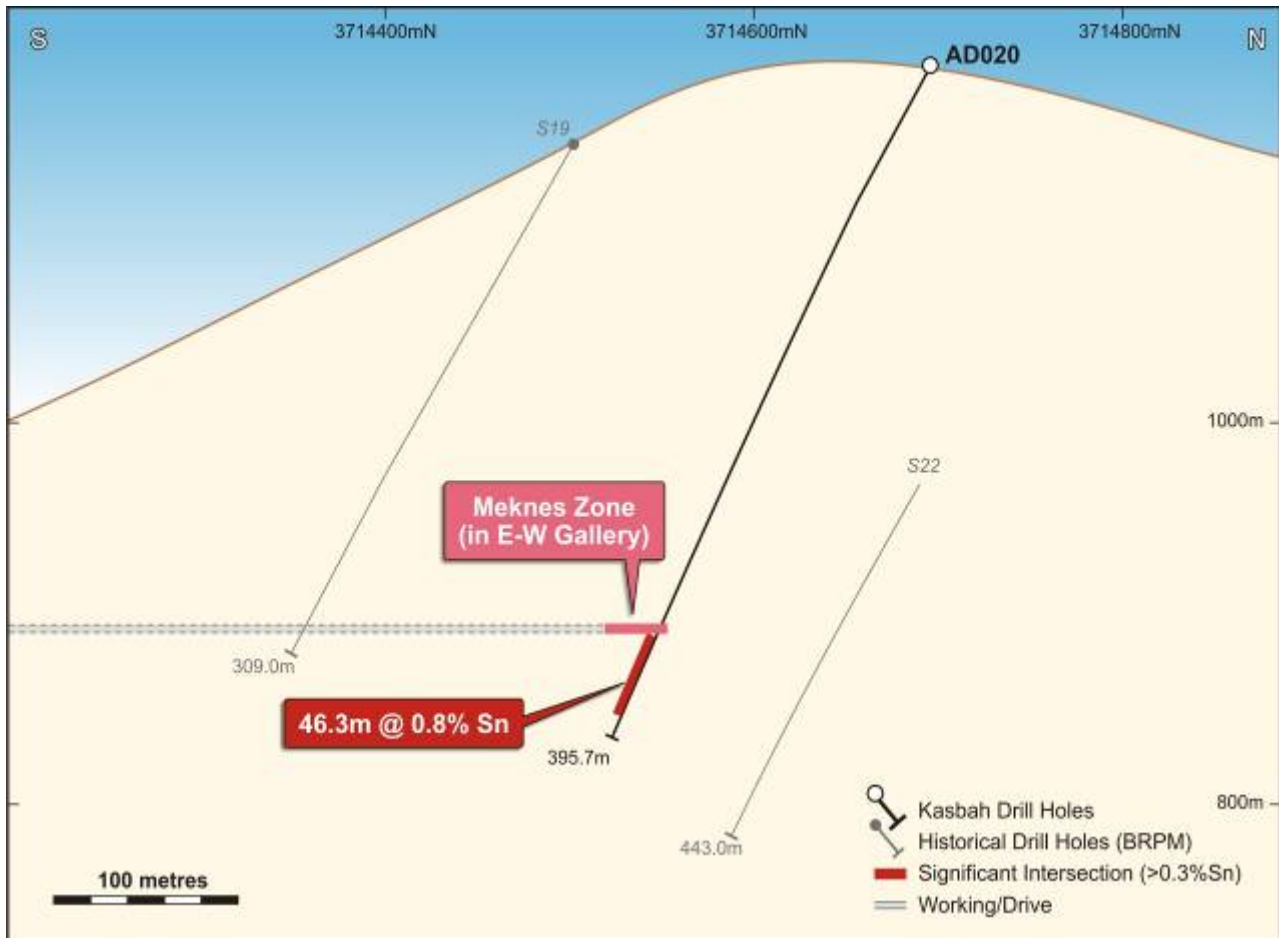


Figure 5

Achmmach Tin Project – Cross Section 243200mE (looking west)

Diamond hole AD021 (figure 6) has also intersected a second separate shallow zone of mineralization which appears similar in style to intersections encountered in drill hole AD016, located approximately 500m to the ENE. Follow up drilling of this new zone is being incorporated into the Phase 3 programme.

At depth, AD021 has intersected numerous mineralised zones located 80m to 130m north and below the exposed Meknes zone.

The structural relationship to the Meknes Zone is unclear and this area will be further tested as part of the Phase 3 drilling programme.

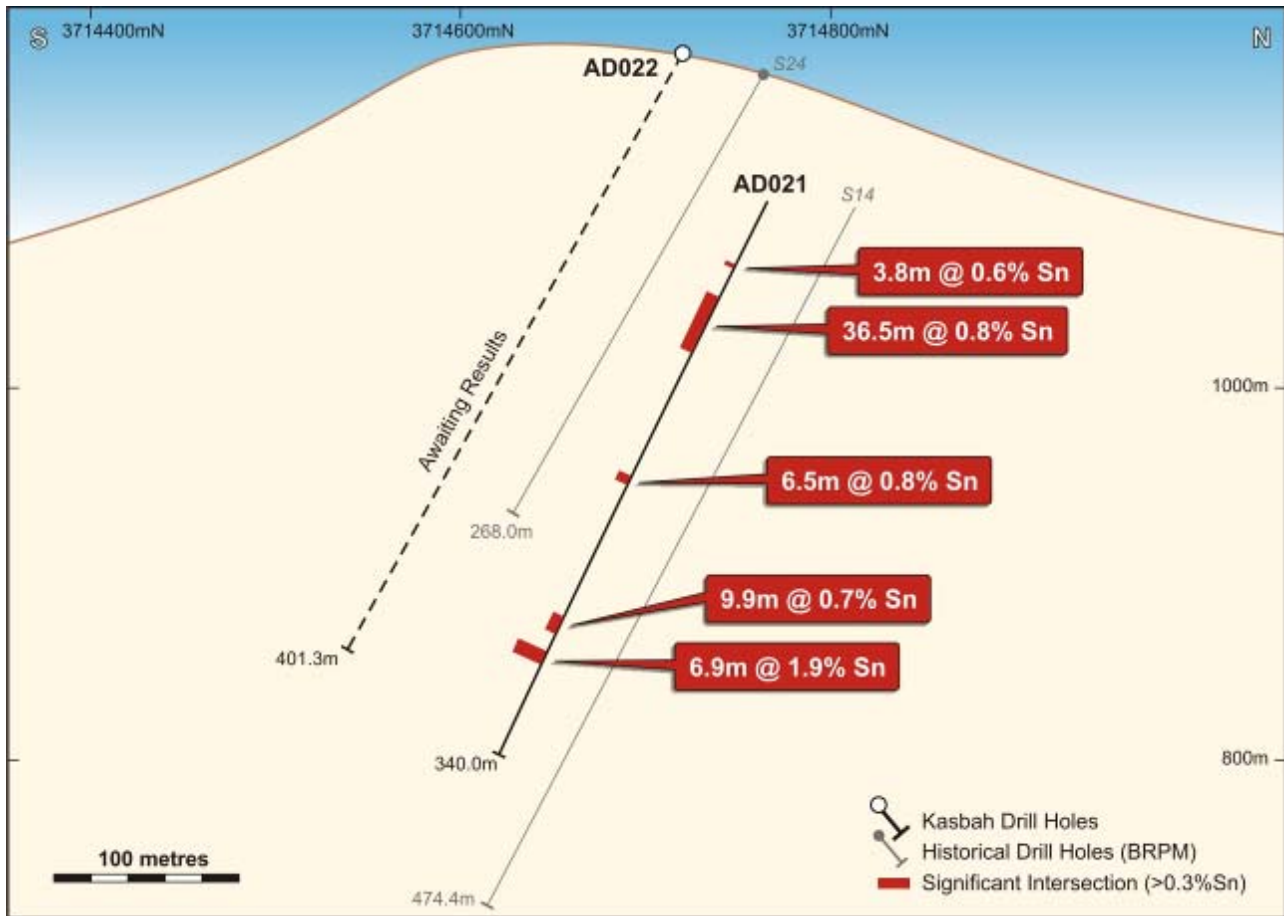


Figure 6
Achmmach Tin Project – Cross Section 243325mE (looking west)

Assay results from the final diamond hole AD022 are pending. This hole was drilled a further 130m east of the Meknes zone mineralization found in AD020 and initial core logging has identified extensive zones of silica tourmaline alteration in the expected target zone.

During the quarter, an extensive detailed ground survey programme was completed to tie in the current drilling program into the project grid and to verify the location of the historical drill hole collars.

2.2 Phase 3 Drilling Programme Commenced

Based on the encouraging results achieved in Phase 2 and consistent with the Company's exploration strategy to systematically advance the project to a development decision, Kasbah has begun the Phase 3 drilling programme of 6,000m. This programme will continue to evaluate the extent, orientation and continuity of the Meknes zone and the new shallow mineralised zone intersected in Phase 2.

During August and September a detailed structural reassessment and relogging of all BRPM/ONHYM and Kasbah drilling will be undertaken so as to focus the Phase 3 and Phase 4 programmes towards compilation of an initial resource estimate.

This Phase 3 drilling programme is scheduled to be completed by the end of calendar 2008.



Figure 7
Drilling at Achmmach

3.0 EL KARIT TIN PROJECT

3.1 Exploration Activities for the Quarter

Exploration at El Karit is targeting an increase in the mineral inventory to support a low capital development concept for the project. The coarse grained nature of the tin mineralisation necessitates a detailed evaluation of vein density, grade and mining methods and Kasbah continues to evaluate these parameters.

No work was carried out during the quarter given the focus on the Achmmach Project.

4.0 TAMLALT GOLD PROJECT

The Tamlalt Gold Project, in Eastern Morocco, is located proximate to the South Atlas fault, one of the major mineralising structures in Morocco (figure 8).

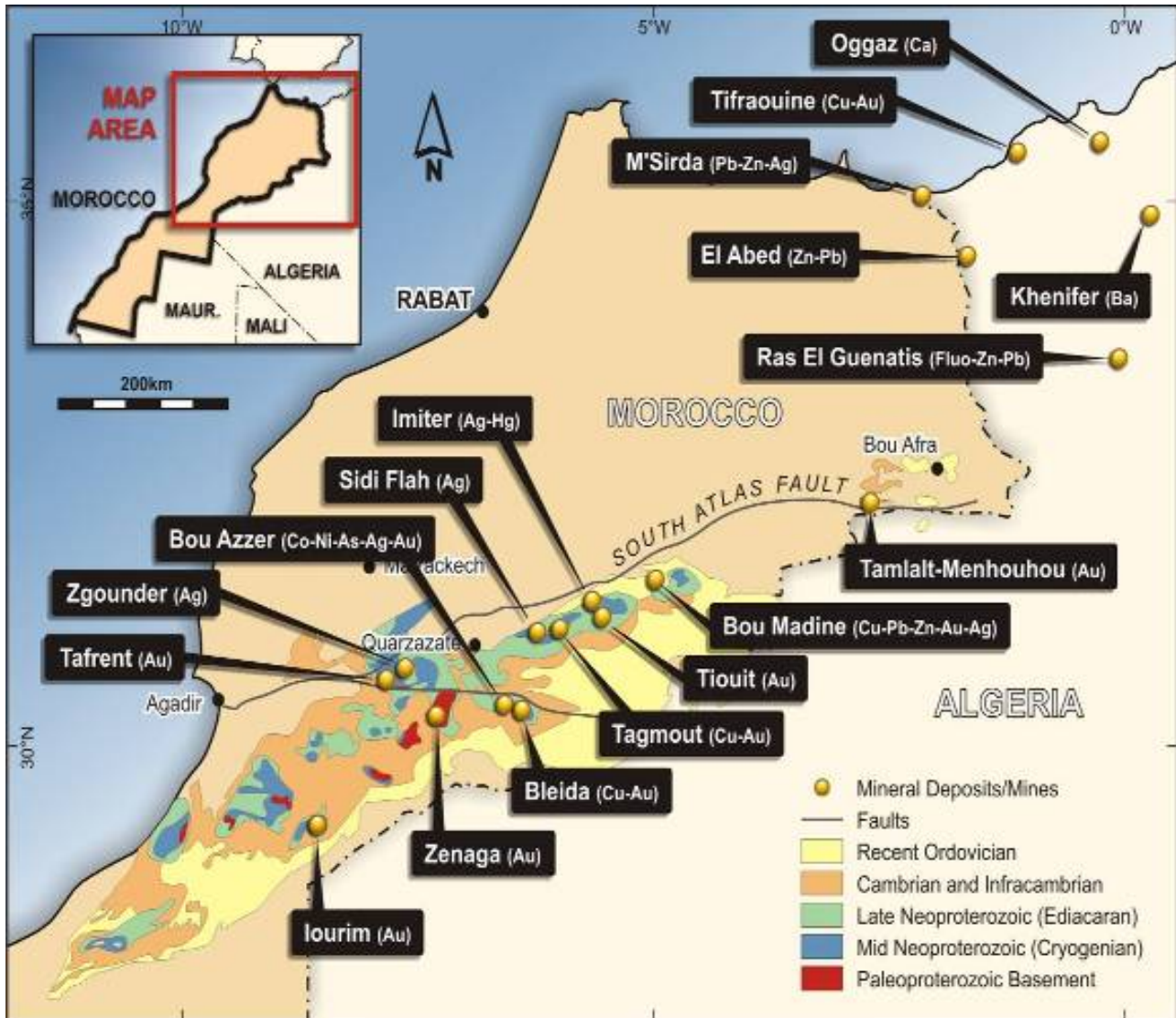


Figure 8

Regional Geology Map Showing Mineral Deposits In Morocco along the South Atlas Fault Zone

This project was acquired by Kasbah from ONHYM in May 2007, with the final transfer of the 8 Exploration Permits (128km²) completed in July 2008 (figure 9).

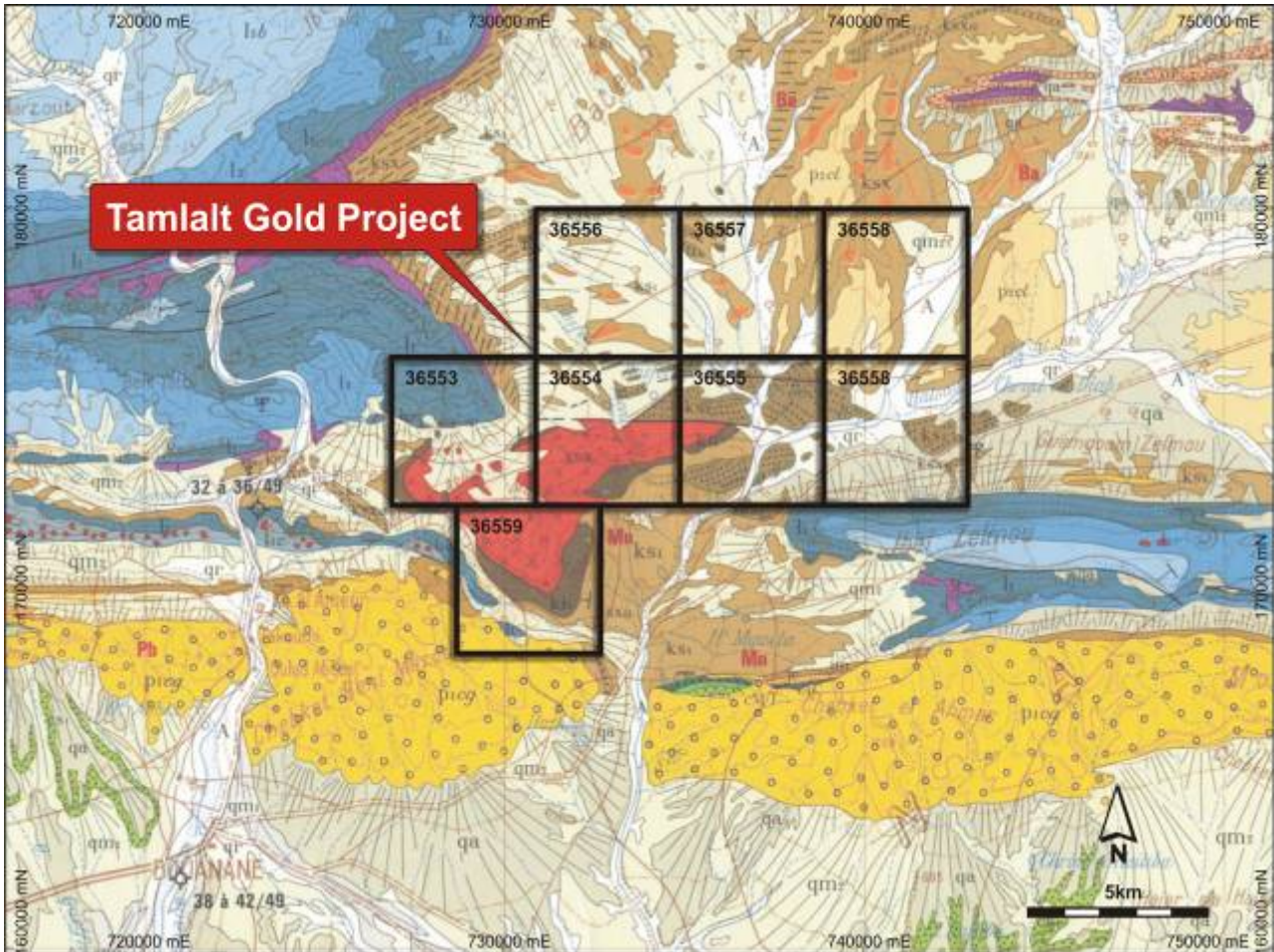


Figure 9
Tamlalt Permit Locations

4.1 Exploration Activities for the Quarter

The exploration objective for Kasbah is to define additional drill targets outside that of the main Tamlalt gold zone. During the quarter, detailed survey control was established over the main project area at the Tamlalt Gold Project.

The entire Proterozoic inlier within the Kasbah tenements is considered to be prospective given its location in the core of a regional antiform and the high degree of pervasive alteration related to the emplacement of gold.

A geochemical sampling programme to define additional drill targets will commence in the last quarter of 2008.

4.2 Project Overview

The Tamlalt Gold Project is located in the Neoproterozoic Menhouhou inlier, which itself belongs to the Palaeozoic Tamlalt inlier. Gold mineralisation was discovered by the ONYHM in 2002 located in the High Atlas structural domain, just north of the South Atlas fault.

Other mineralised Neoproterozoic inliers exist in the Tamlalt region (figure 10): namely the Bou Salem inlier, located 30 km north-east of the Menhouhou inlier (Cu/Au), and the Ain Chair inlier located 40 km east of Menhouhou (Cu).

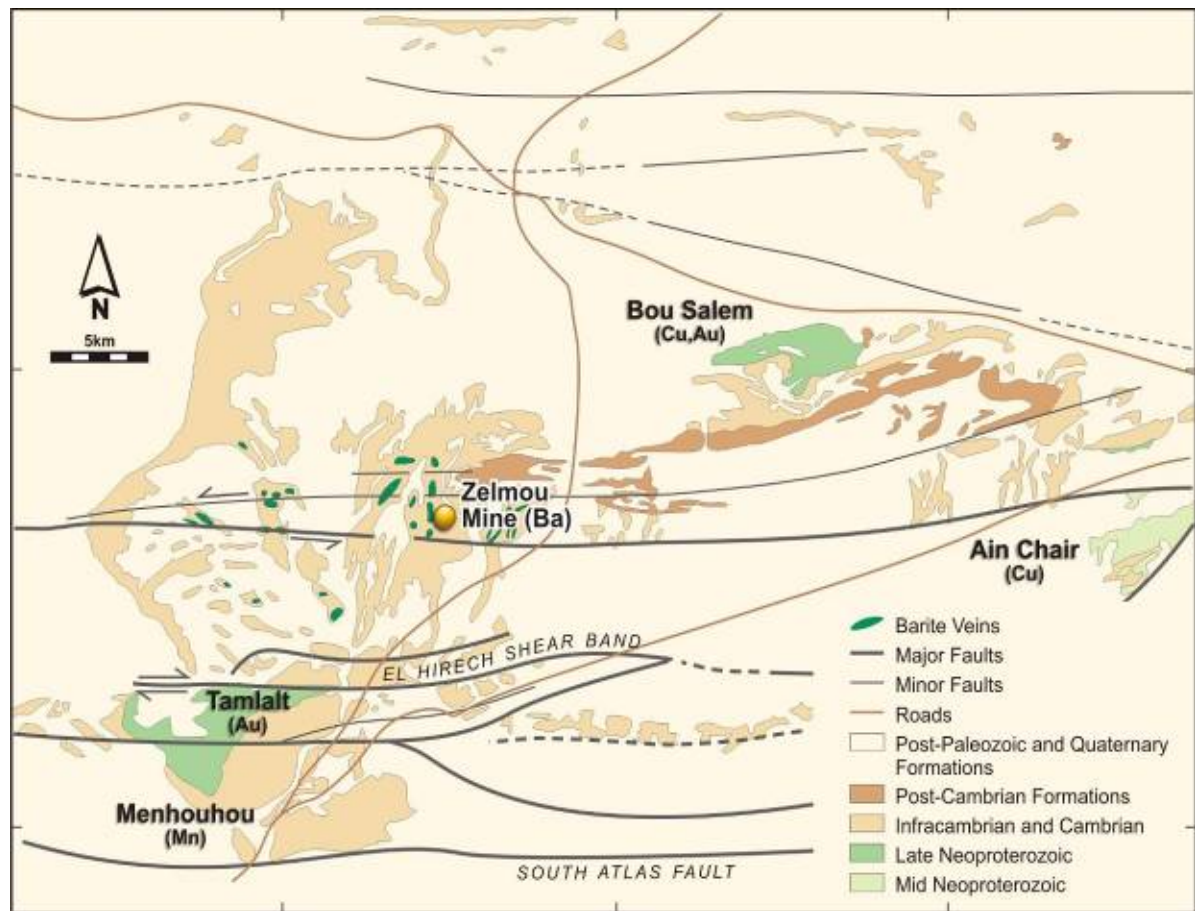


Figure 10

Local Tamlalt Geological Setting Showing Other Mineral Deposits and Mines

ONYHM completed the following exploration works at Tamlalt:

- 33 diamond drill holes totalling 7,019m
- Geological mapping 1:2,000 scale covering 2.1km²
- Geophysical survey
- Geochemical sampling.

The Tamlalt gold mineralization occurs in an antiformal inlier of Proterozoic acid to basic volcanic rocks surrounded by younger Palaeozoic calcareous sediments. The Proterozoic sequence has undergone extensive regional scale sericitic and argillic alteration.

Two styles of gold mineralization are present, an earlier 'primary' mineralization associated with strong sericite and chlorite alteration, and a later concentration of the gold in quartz veins related to shearing (figure 11). The veins are visible in surface outcrop and the gold mineralisation is exposed with shallow trenches and has been confirmed in subsequent drilling by ONHYM.

The best results from the ONHYM drilling in this area were as follows:

- ❑ **JM01 – 8m @ 2.8 g/t Au from 85.0m and,
10.0m @ 10.1 g/t Au from 102.0m;**
- ❑ **JM09 – 12m @ 3.9 g/t Au from 32m and,
6m @ 4.9 g/t Au from 71m;**
- ❑ **JM10 – 6m @ 4.5 g/t Au from 65m.**

The area untested by ONHYM to the west of the existing drilling remains open and will be investigated by Kasbah.



Figure 11
Quartz veins at Tamlalt



5.0 CORPORATE

Exploration expenditure for the Quarter

During the quarter ending June 30 2008 Kasbah expended \$674,000 on exploration activities in Morocco.

Appointment of Exploration Manager

During the quarter Mr Jeffrey Lindhorst joined the Kasbah Exploration team as Exploration Manager.

Non-Executive Director

During the quarter Mr Peter Hepburn-Brown moved to a Non-Executive role with Kasbah. Mr Hepburn-Brown will continue to consult to Kasbah as the company advances its Moroccan projects.

Capital Structure and Major Shareholders

The total number of ordinary fully paid shares quoted on the ASX at 30 June 2008 was 73,208,000. The top 20 shareholders held 74.3% of the stock.

For and on behalf of the Board,

Wayne Bramwell
Managing Director

For further details contact:

Wayne Bramwell
Managing Director

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Peter Youd
Chief Financial Officer

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The information in this report is based on information compiled by Mr. Jeffrey Lindhorst a Member of the Australasian Institute of Geoscientists. Mr. Lindhorst 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. Lindhorst consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

KASBAH RESOURCES LIMITED

ABN

78 116 931 705

Quarter ended ("current quarter")

JUNE 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(674)	(2,019)
(b) development	(8)	(62)
(c) production		
(d) administration	(350)	(1,324)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	82	519
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(950)	(2,886)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		(527)
(b)equity investments		
(c) other fixed assets	(15)	(151)
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities/subsidiaries	-	(626)
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(15)	(1,304)
1.13 Total operating and investing cash flows (carried forward)	(965)	(4,190)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(965)	(4,190)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Share issue costs		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(965)	(4,190)
1.20	Cash at beginning of quarter/year to date	7,638	10,863
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,673	6,673

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.2	Aggregate amount of payments to the parties included in item 1.2	106
1.2	Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

Nil

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	701
4.2 Development	42
Total	743

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	358	1,218
5.2 Deposits at call	5,024	5,450
5.3 Bank overdraft		
5.4 Other (provide details)-Cash held in Morocco	1,291	970
Total: cash at end of quarter (item 1.22)	6,673	7,638

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Not Applicable.		
6.2	Interests in mining tenements acquired or increased	Not Applicable		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Performance +securities <i>(description)</i>	15,000,003	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	88,500,003	73,208,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	Options <i>(description and conversion factor)</i>	9,000,000 Management Options	Nil	<i>Exercise price</i> \$0.25	15 Nov 2011
		5,625,000 Director A Options	Nil	\$0.25	15 Nov 2011
		1,450,000 Director B Options	Nil	\$0.20	10 May 2011
		2,070,00 Argonaut Options	Nil	\$0.30	10 April 2010
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~ *(delete one)* give a true and fair view of the matters disclosed.



Sign here:

Date: July 28th, 2008.

Chief Financial Officer & Company Secretary

Print name:

Peter R. Youd

+ See chapter 19 for defined terms.