

Kasbah Resources (KAS) September Q Report

Date: 30 October 2007

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Current Share Price **A\$0.34**
Recommendation **SPECULATIVE BUY**

Market statistics

ASX Code	KAS
Sector	Materials
Ordinary Shares on Issue	88.5m
Fully Diluted Shares on Issue	121.6m
Capitalisation	A\$30.1m
Cash (30 September 2007)	A\$10.2m
Year High	A\$0.46
Year Low	A\$0.25

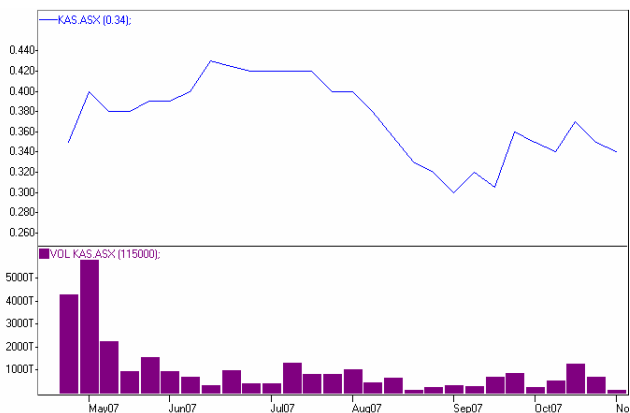
Directors

Graeme Walker	Non-Executive Chairman
Wayne Bramwell	Managing Director
Peter Hepburn–Brown	Technical Director
Dr Rod Marston	Non-Executive Director
Dr Rob Weinberg	Non-Executive Director

Substantial shareholders

African Lion Fund #2	6.8%
RCF	6.8%
Societe Generale	6.8%
Contango Asset Management	5.5%

Share price & volume since April listing (Source: IRESS)



ACHMMACH DRILLING IMMINENT

Highlights from the September Q include:

- Diamond drilling contract awarded, drilling approvals received, site prep completed and rig delivered to Casablanca
- Rock chip sampling at Achmmach identifies new surface mineralisation with grades of up to 5.6% tin
- Moroccan Exploration team established with four new geologists appointed
- El Karit scoping study completed with two possibilities for project development:
 - × Small-scale (250,000tpa) open pit at El Karit
 - × Surface alluvial mining at Tafer Elhaj

Both scoping options will be evaluated further during the next quarter.

Achmmach has an existing resource (non-JORC) of 9.6mt @ 1.1% tin. Expect news flow to build with drilling at Achmmach imminent (Appendix A).

KAS's two tin projects offer established infrastructure, a local workforce, simple metallurgy and exploration upside. Drilling could start at the Tamlalt gold project as early as the new year.

With a market cap of A\$30.1m, cash of \$10.2m, strong tin and gold prices, and increased news flow around the corner Argonaut rates KAS a strong **SPEC BUY**.

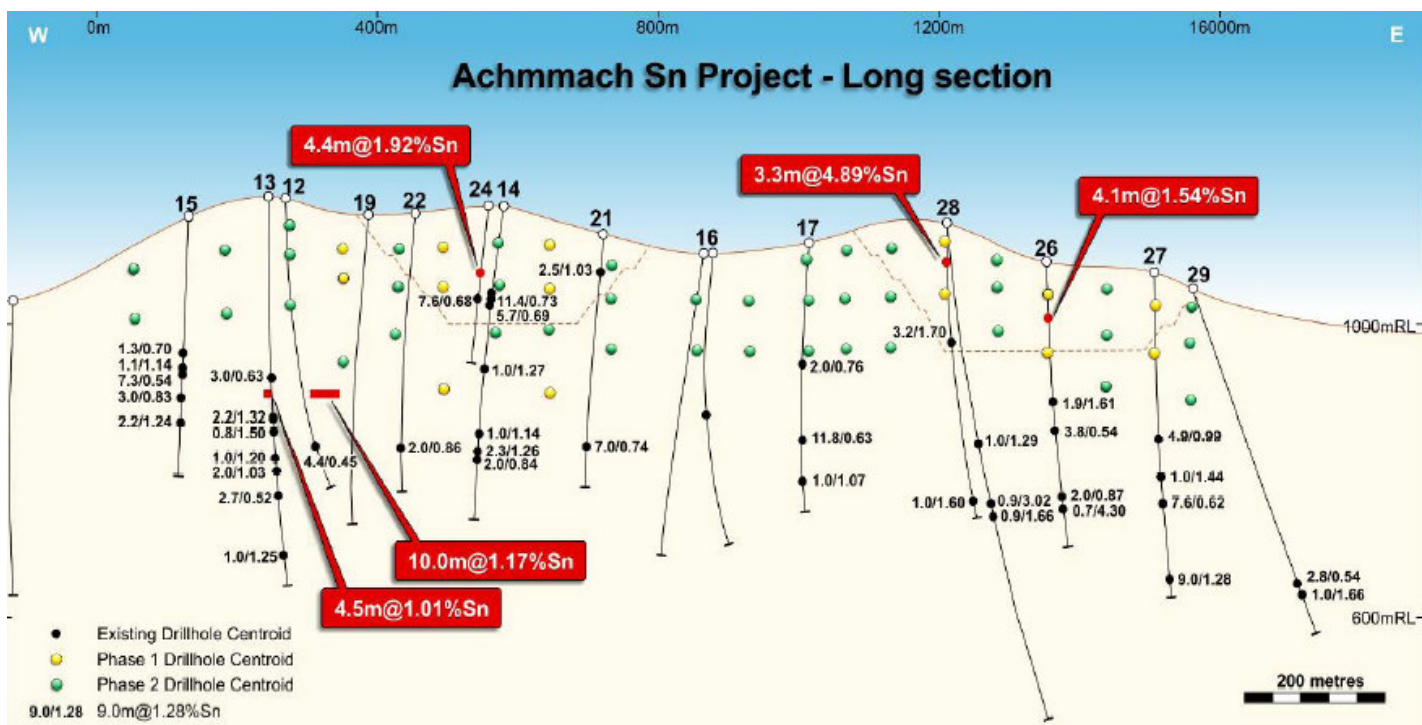
Preparation of drill site at Achmmach (Source: KAS)



Important Disclosures

Argonaut has an interest in/ and or controls 1,500,000 KAS shares and 2,070,000 KAS options exercisable at \$0.30 expiring April 2010. Argonaut has acted in various roles for KAS including corporate advisor and broker to the IPO and has received fees commensurate with these services.

APPENDIX A – ACHMMACH TIN DRILL PLAN (LONG SECTION)



Source: KAS

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Argonaut has acted in various roles for KAS including corporate advisor and broker to the IPO and has received fees commensurate with these services.

Argonaut may receive brokerage income from clients who wish to buy or sell the securities subject to this report.

No assistance has been provided by KAS in writing this report.

This report was produced by Troy Irvin, an employee of Argonaut Securities Pty Limited. Troy Irvin has tertiary qualifications in mining engineering and finance.

The analyst has an interest in KAS shares.

General disclosure and disclaimer.

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