

RESOURCE
CAPITAL FUNDS

**Resource Capital Funds
Management Pty Ltd**
ABN: 25 098 091 715

Level 3
24 Kings Park Road
West Perth WA 6005

To: Company Announcements From: Mason Hills

Fax: 1300 135 638 Pages: 3

Company: ASX Announcements Date: November 3, 2010

Re: FORM 605 CC: Company Secretary
Kasbah Resources
08 9463 6652

Postal Address:
PO Box 524
West Perth WA 6872

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www.resourcecapitalfunds.com

URGENT FOR REVIEW PLEASE REPLY PLEASE COMMENT PLEASE RECYCLE

NOTICE OF CEASING TO BE A SUBSTANTIAL HOLDER

Resource Capital Fund III LP lodges the attached Form 605 in relation to Kasbah Resources Limited.

Mason Hills
Partner - Legal

Form 605

Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme KASBAH RESOURCES LIMITED

ACN/ARSN ACN 116 931 705

1. Details of substantial holder (1)

Name RESOURCE CAPITAL FUND III LP ("RCF III")
ACN/ARSN (if applicable) _____

The holder ceased to be a substantial holder on 01/11/2010
The previous notice was given to the company on 06/07/2009
The previous notice was dated 06/07/2009

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's voted affected
06/10/10	RCF III	On-market sale	\$292,315	850,000	850,000
07/10/10	RCF III	On-market sale	\$447,533	1,255,000	1,255,000
29/10/10	RCF III	On-market sale	\$4,834,674	14,219,631	14,219,631

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

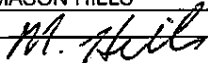
Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
RCF III	1400 SIXTEENTH STREET, SUITE 200, DENVER CO 8020, USA

Signature

print name	MASON HILLS	AUTHORISED OFFICER
sign here		capacity
		Date 01/11/2010

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 4 of the form.
- (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (3) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (4) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (5) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (6) The voting shares of a company constitute one class unless divided into separate classes.
- (7) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.