

27 OCTOBER 2010

ASX CODE: KAS

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PROJECTS - MOROCCO

**ACHMMACH TIN PROJECT
TAMLALT GOLD PROJECT**

INVESTMENT DATA

SHARES ON ISSUE 237M

SHAREHOLDERS

TOP 20 HOLD 63%

**LME TIN PRICE
(26/10/10)**

**US\$26,545 / 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 DRILLING UPDATE



HIGHLIGHTS

- Drilling results reported occur in the Meknes Zone approximately 50m west of both drill hole AD029 and the underground exploration workings
- Drill hole AD056 and AD059 test part of the Inferred Resource extension to the west of the Meknes Zone Indicated Resources. AD059 intersected predicted low grade tin mineralisation.
- Strong tin grades intersected in AD056, include:
 - 6 m @ 1.64% Sn from 193 m
 - 6 m @ 0.60% Sn from 204 m
 - 7 m @ 0.62% Sn from 227 m
 - 14 m @ 1.13% Sn from 259 m
 - (including 3m @ 2.81% from 260m)

ACHMMACH DRILLING UPDATE

OVERVIEW

Kasbah Resources Limited (“Kasbah” or “the Company”) is pleased to announce the latest exploration drilling results from the Company’s Achmmach Tin Project in Morocco. Following the 16 August 2010 Resource Upgrade, drilling has continued to define additional, potentially economic tin widths and grades between 200 - 400 m below natural surface.

The Meknes Zone has untested strike potential of up to 400 m to the west, outside the currently defined resource (refer Figure 1).

Drilling priorities at Meknes are now to:

1. Upgrade the Inferred Resource to the west of the main body of the Meknes Indicated Resource covering 250m of strike length (AD056 and AD059 reported here); and
2. Test for mineralisation within an untested target strike length of 400m westward from the current Inferred Resource to the west of the Meknes Indicated Resource.

These holes intersected tin mineralisation in the predicted locations within the Inferred Resource. This gives confidence in the resource model and provides encouragement for the continuation of the drilling further towards the west.

Drilling of the shallow Northern Zone target also commenced in August. This drilling seeks to define tin mineralisation that is potentially mineable by open pit methods. Assays are now pending. Figure 1 highlights the current drilling locations at Achmmach.

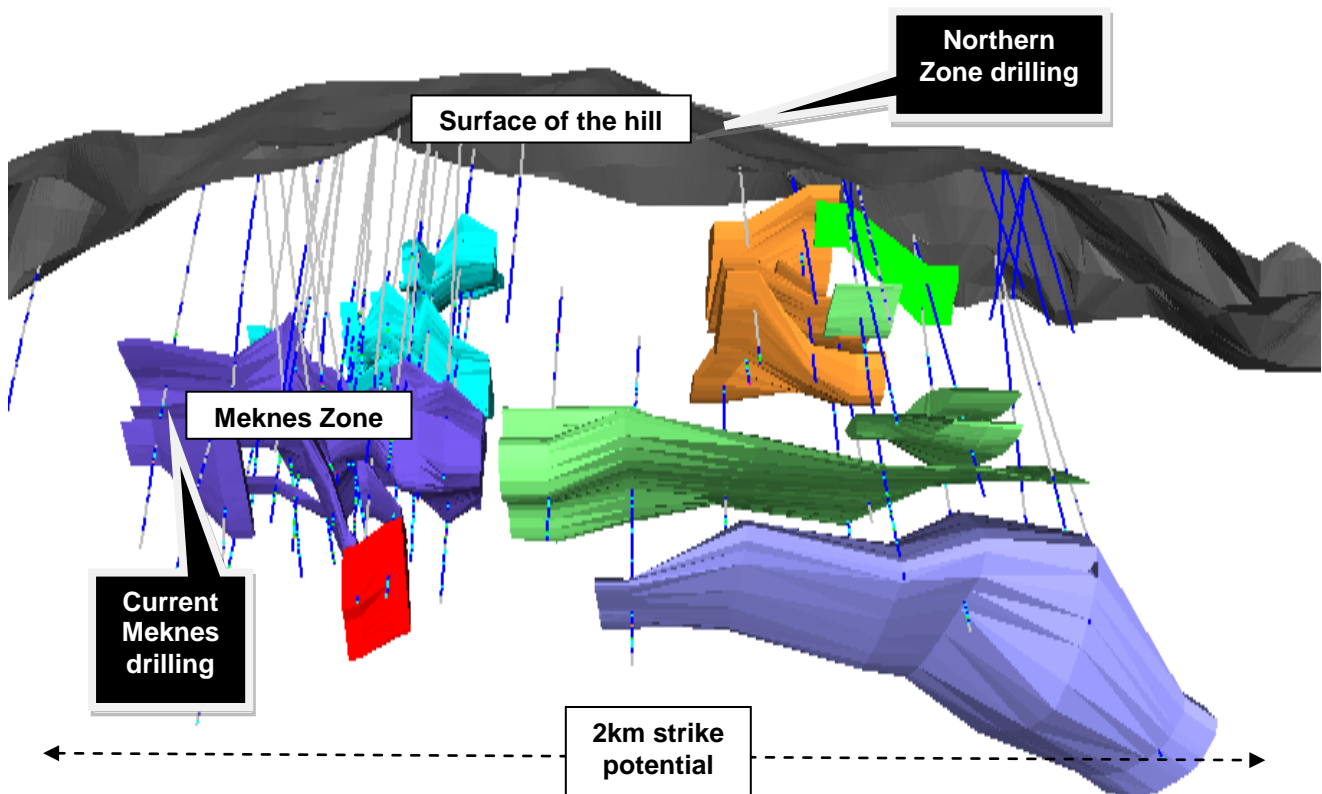


Figure 1

Location of Current Drilling Activities at Achmmach (on a long section showing drill holes and interpreted zones of mineralisation)

KEY POINTS

Tin mineralisation was intersected in the Meknes Zone (AD056 and AD059), 60m west of AD029 and 45m west of the historical underground exploration workings (refer Figure 2).

Drill hole AD056 results include:

- 6 m at 1.64% Sn from 193 m
- 6 m at 0.60% Sn from 204 m
- 7 m at 0.62% Sn from 227 m
- 14 m at 1.13% Sn from 259 m (including 3m @ 2.81% from 260m).

The Meknes Zone mineralised system remains open along strike with high grade hits on its western side, encouraging the extension of the drilling program towards the west (refer Figure 3).

A more detailed technical summary including all significant intersections is provided in **Appendix A**.

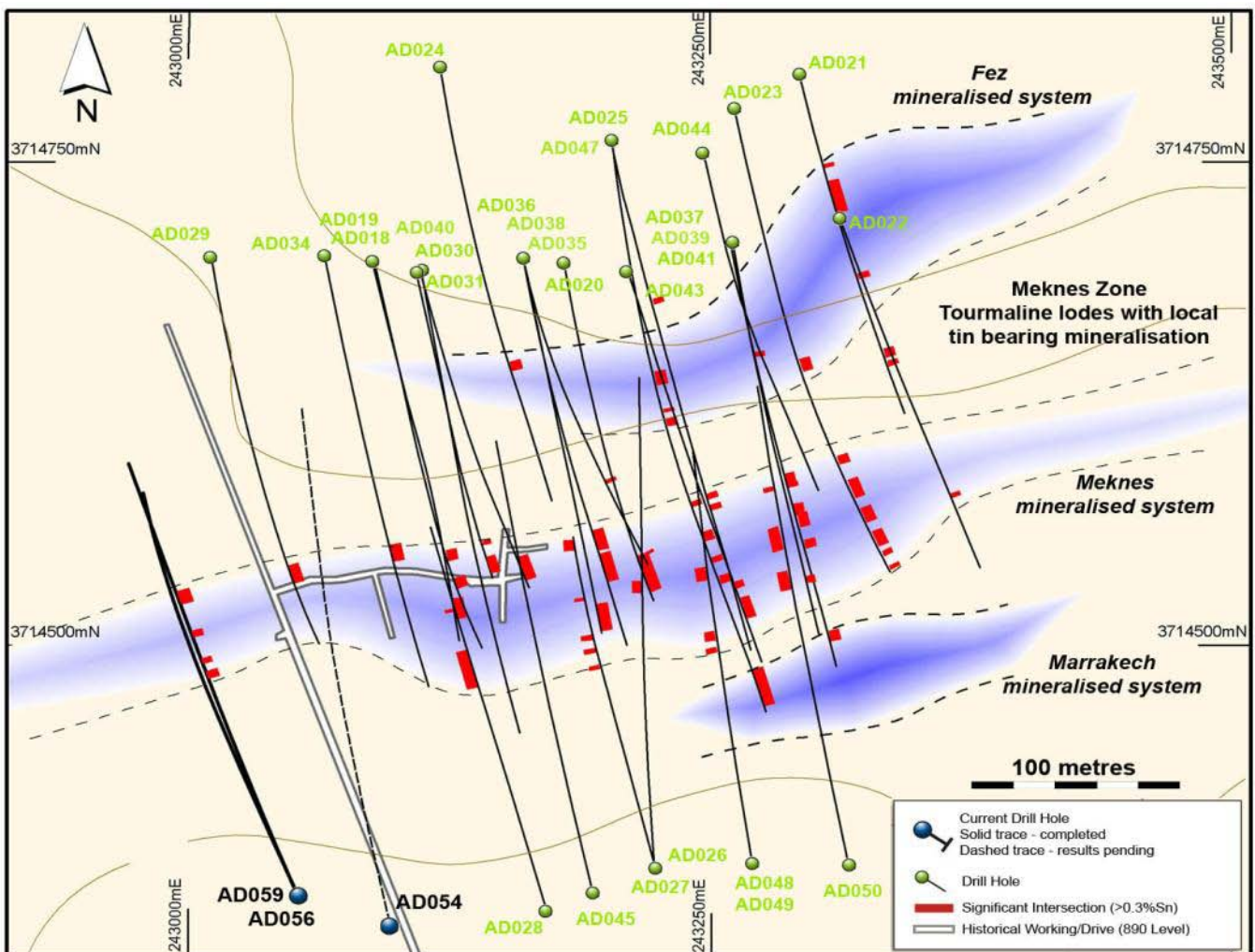


Figure 2
AD056 / AD 059 drill locations - Plan view
(Significant tin intersections marked in red)

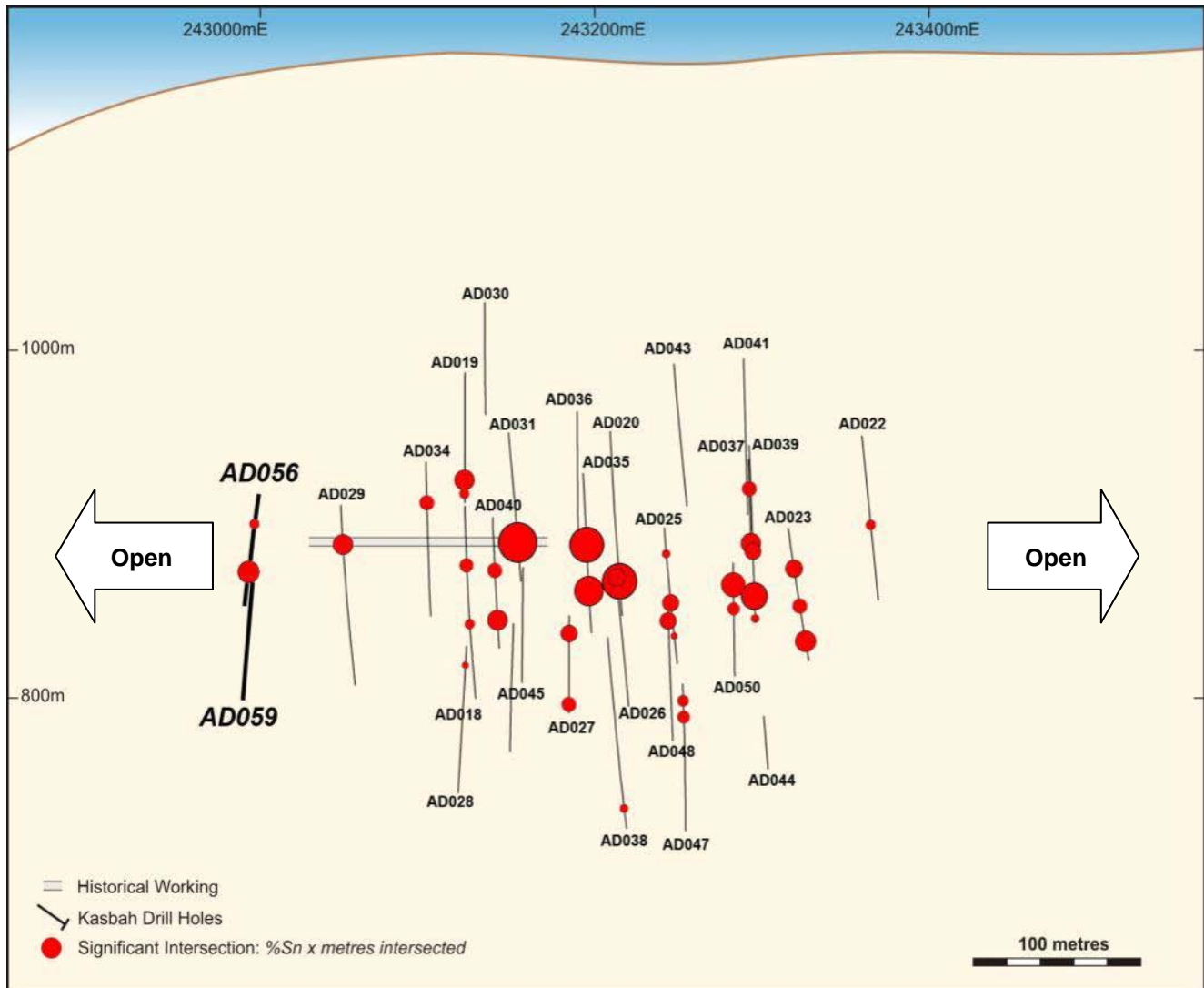


Figure 3

Meknes Zone - long section view

(The red dots proportionally represent tin metal accumulation as % Sn x metres)

Drilling Status

Drilling activity continues and additional assay results are pending. **Appendix C** provides a summary of the status of Meknes drilling as of October 10.

For and on behalf of the Board,

A handwritten signature in blue ink, appearing to read "Wayne Bramwell", with a horizontal line underneath.

Wayne Bramwell

Managing Director

For further information please go to:

www.kasbahresources.com

Or email:

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.

Appendix A TECHNICAL SUMMARY

Latest Diamond Drilling Results from Meknes Zone on section AD056 (holes AD056 and AD059)

Assay results have been received for drill holes AD056 and AD059. These holes test the Meknes Zone to the west of the historical underground exploration workings between the 950 mRL and the 850 mRL (Refer to Figures 2, 3 and 5). Both holes were drilled from the south side of the Achmmach hill. The broad shape of the mineralised structures is interpreted as steeply north dipping, with potential for shallower dipping zones as well.

AD056 has intersected higher grade mineralised zones which pass into lower grade zones in AD059. The reason for the decrease in grade is believed to be a combination of lithological and structural controls which affect the intensity of alteration and tin mineralisation. In the areas with lower intensity of alteration the host rocks are interpreted as being less favourable for deposition of cassiterite.

Figure 4 shows strongly altered and structurally deformed rock hosting cassiterite.



Figure 4

**Cassiterite (tin oxide, in brown) in sheared quartz vein running through tourmalinised breccia
(AD056 at 262 m depth)**

Meknes Zone, MRDD section AD056 (Holes AD056 and AD059)

Drill section AD056 has four holes planned of which AD056 and AD059 are the first drilled (refer Figure 5).

The AD056 section lies approximately 60m to the west of AD029. No holes existed on this section prior to this drilling and the nearest hole to the west is S15 (drilled by BRPM) approximately 80 m away. S15 is interpreted as intersecting weaker mineralisation due to being drilled above the expected position for better grade mineralisation.

AD056 (refer Appendix C for full results) has passed through 150 m down hole length of the Meknes Zone, represented by wide tourmaline altered zones. The upper intersection of 6 m at 1.64% Sn from 193 m, and 6 m at 0.60% Sn from 204 m (both the intercepts can be combined into 17 m at 0.81% Sn from 193 m) are believed to be the up-dip extension of a low grade zone in AD059 (24 m @ 0.28%Sn from 221m).

The other significant zones in AD056 are 7 m at 0.62% Sn from 227 m and 14 m at 1.13% Sn from 259 m (Figure 3) and are interpreted as equivalent to a similar zone in AD029.

The significant intercept returned from drill hole AD029 (21.0 m @ 0.68% Sn from 346 m, including 6.0 m at 1.02% Sn from 353 m) correlates well with the current intercept of 14 m @ 1.13% Sn from 259 m which could be included in a wider intercept of 33 m @ 0.64% Sn from 259 m. The resulting mineralised shape has a true width of approximately 15 m, dipping steeply towards the North. This mineralised zone is recognised (from East to West) in drill holes AD034, AD029 and AD056, 130 m along strike.

AD059, drilled down dip of AD056, has not returned any significant intercept and is interpreted to have intersected a lower grade, less well mineralised part of the Meknes Zone and most likely represents a lower limit to the better mineralised structures interpreted in this area. It shows wide shear zones with sericite alteration and very discontinuous tourmaline alteration with some high grade tin intervals 1 to 2 metres long. The change in alteration style may be due to a lithological control as well as a structural control.

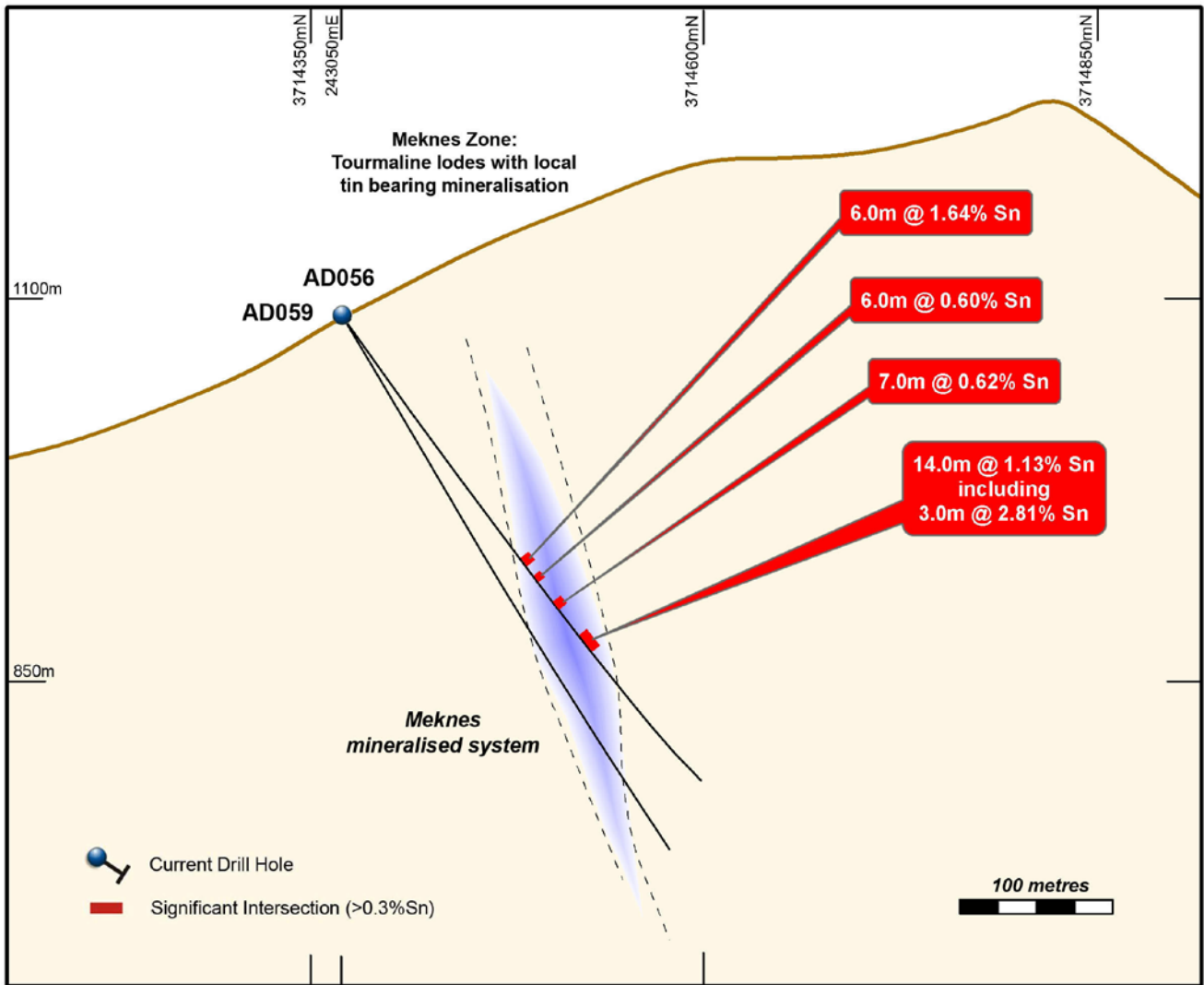


Figure 5

Meknes Zone section AD056

APPENDIX B: AD056 - Significant Results & Drill-hole Details

Hole ID	Collar WGS84 N	Collar WGS84 E	From (m)	To (m)	Down-hole interval (m)	Tin %
AD056	3714701	243010	193	199	6	1.64
			204	210	6	0.60
			227	234	7	0.62
			259	273	14	1.13
		includes	260	263	3	2.81
All Assays and intervals reported below						

Significant intersections >100m below natural surface selection criteria:

≥ 0.3% Sn and ≥ 5m down-hole and ≤ 3m down-hole < 0.3%Sn included OR
 ≥ 0.3% Sn and ≥ 1.5 % Tin-metres metal accumulation down-hole and ≤ 3m down-hole < 0.3%Sn included

Drill Hole	From (m)	To (m)	Intersection Width	Tin Grade %
AD056	193.00	194.50	1.50	0.31
AD056	194.50	196.00	1.50	0.60
AD056	196.00	197.00	1.00	2.12
AD056	197.00	198.00	1.00	4.30
AD056	198.00	199.00	1.00	2.05
AD056	204.00	205.00	1.00	0.55
AD056	205.00	206.00	1.00	0.15
AD056	206.00	207.00	1.00	0.63
AD056	207.00	208.00	1.00	0.31
AD056	208.00	209.00	1.00	0.77
AD056	209.00	210.00	1.00	1.22
AD056	227.00	228.00	1.00	0.25
AD056	228.00	229.00	1.00	1.77
AD056	229.00	230.00	1.00	0.75
AD056	230.00	231.00	1.00	0.40
AD056	231.00	232.00	1.00	0.26
AD056	232.00	233.00	1.00	0.04
AD056	233.00	234.00	1.00	0.83
AD056	259.00	260.00	1.00	0.67

Drill Hole	From (m)	To (m)	Intersection Width	Tin Grade %
AD056	260.00	261.00	1.00	1.76
AD056	261.00	262.00	1.00	3.42
AD056	262.00	263.00	1.00	3.26
AD056	263.00	264.00	1.00	0.45
AD056	264.00	265.00	1.00	0.09
AD056	265.00	266.00	1.00	0.42
AD056	266.00	267.00	1.00	3.59
AD056	267.00	268.00	1.00	0.42
AD056	268.00	269.00	1.00	0.33
AD056	269.00	270.00	1.00	0.13
AD056	270.00	271.00	1.00	0.18
AD056	271.00	272.00	1.00	0.66
AD056	272.00	273.00	1.00	0.42

APPENDIX C: Drill-Hole Status 10 October 2010

Table 1
Meknes Program

Hole ID	Collar WGS84 N	Collar WGS84 E	Collar dip/azimuth	Depth (m)	Target	Status
AD051	3714393	243140	-54/346	157	Meknes Zone, XSAD034	Re-drilled / sampling
AD052	3714794	243923	-55/168	35	Meknes Zone, XSAD022	Concreted for redrill
AD054	37414794	243100	-54/347	450	Meknes Zone, XSAD029	Results pending
AD063	3714373	243194	-60/344	156	Meknes Zone, XSAD030	sampling
AD071	3714360	243140	-60/345	400	Meknes Zone, XSAD034	drilling