

13 DECEMBER 2010

ASX CODE: **KAS**

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PROJECTS

ACHMMACH TIN PROJECT

TAMLALT GOLD PROJECT

INVESTMENT DATA

SHARES ON ISSUE 362M

SHAREHOLDERS

TOP 20 HOLD 56%

LME TIN PRICE
(09/12/10)

US\$25,750 / 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.

SHALLOW TARGETS UPDATE



HIGHLIGHTS – Northern Zone

- First pass shallow reconnaissance drilling (18 holes for 1,981 metres) testing the open pit potential below outcropping high grade tin mineralisation is complete and assays are pending
- Early findings from geological logging and spot NITON XRF analysis of drill core indicate four different styles of tin mineralisation are present across three structural domains in this zone
- Additional surface rock chip sampling in the west of the Northern Zone anomaly has defined four new high grade mineralised structures with values **up to 5.5% tin** over true widths of 6 metres extending the known mineralisation a further 200 metres
- Known strike length of high grade outcropping tin mineralisation now extends to approximately 600 metres
- An additional 1,000 metres strike of altered, potentially mineralised rocks exists further towards the Western Zone and will be tested as part of the ongoing shallow targets program
- If the Northern and Western Zones are related it could provide a **second major tin mineralised system** parallel to the existing, Fez, Meknes and Marrakech tin mineralising systems
- Shallow target program continues

SHALLOW TARGETS PROGRAM – NORTHERN ZONE UPDATE

FIRST PASS DRILLING TARGETS SUBSURFACE CONTINUITY OF HIGH GRADE TIN

Kasbah Resources Limited (Kasbah) is pleased to provide this update on the Shallow Targets exploration program at the Achmmach Tin Project. The Shallow Targets program seeks to evaluate the open pit potential across the Achmmach Tin Project and has been running in parallel with the deeper drilling program that is focused on expanding the underground tin resource in the Fez, Meknes and Marrakech tin systems.

Program Objective

The objective of the Shallow Targets program is to:

- a. define tin mineralisation that is potentially mineable by open cut methods that could provide an earlier route to cash flow; and
- b. augment the known underground resources of 7Mt @ 0.8% tin.

The Northern, Western and Eastern Zones will be assessed in this program. All of these three targets are defined by tin in soil anomalies and supported by high grade tin in rock chip samples and trenches. Spatial association with the underlying magnetic highs identified in earlier ground magnetic work and surface sampling is also inferred (Figure 1).

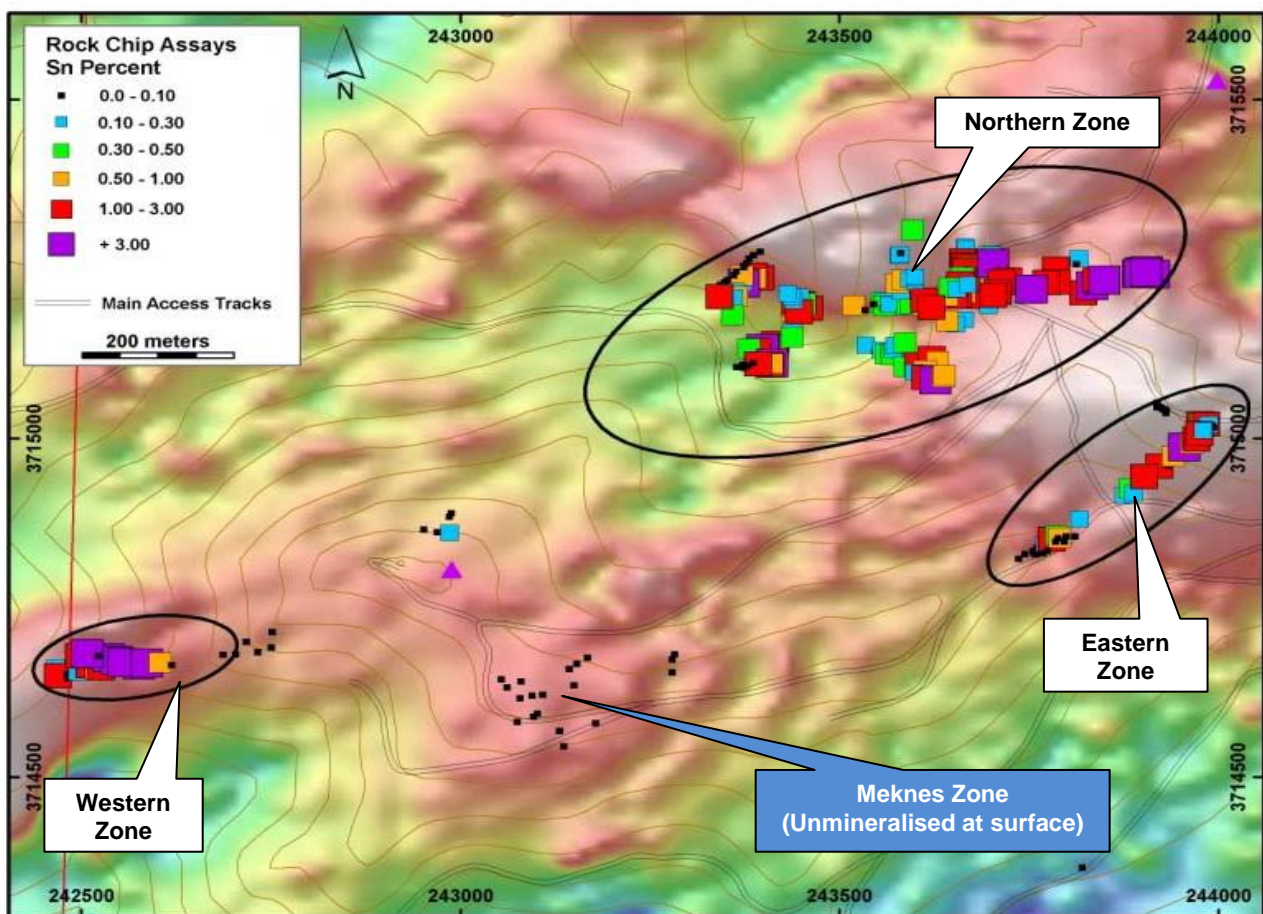


Figure 1

Achmmach - Shallow Tin Mineralised Targets

(High grade surface tin mineralisation in rock chip samples with underlying ground magnetic map depicted)

Summary

First pass shallow reconnaissance drilling of the Northern Zone (18 holes for 1,981 metres) to test the open pit potential below outcropping high grade tin mineralisation is complete and assays are pending.

Potentially economic tin grades were discovered in the Northern Zone in previously unassayed portions of shallow, historic drill holes. Recent surface work completed by Kasbah has extended this shallow target to 600m in strike length. The growth potential of the Northern Zone is considered to be large with a further 1,000 metres of altered potentially mineralised rocks identified between the known high grade surface mineralisation in the Northern Zone and the high grade surface mineralisation in the Western Zone (Figure 2).

If these two shallow targets are related it could provide a **second major tin mineralised system** parallel to the existing, Fez, Meknes and Marrakech systems and provide additional resource tonnage to the project. If an economically mineable shallow resource can be defined within the Northern Zone, or along its strike towards the Western Zone, it may provide Kasbah with the opportunity to develop an open pit mining operation prior to moving into development of the Achmmach underground resource.

The geology and structural controls on the Northern Zone shallow mineralisation, its strike extent and the connection between the Northern and Western Zones is now being investigated. Future drill targets will be developed after the interpretation of the first pass drilling and the establishment of a working geological model.

A detailed technical summary of work and results completed in the Northern Zone is attached as Appendix A and results in Appendix B.

For and on behalf of the Board,

A handwritten signature in blue ink, appearing to read "Wayne Bramwell", is positioned above the printed name and title.

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. 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.

The information in this announcement that relates to Kasbah Resources Limited's mineral resource estimates for the Achmmach Project is based on information compiled by Michael Job, who is a full time employee of Quantitative Group and a Member of the Australasian Institute of Mining and Metallurgy. Michael Job 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 JORC code. Michael Job consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

APPENDIX A: NORTHERN ZONE TECHNICAL REPORT

The following provides a summary of works completed in the Shallow targets program.

Surface mapping

Surface mapping has identified three prospective mineralised structural trends within the Northern Zone. Outcrop widths vary but are generally 1-2 metres wide (up to 6m) with mapped strike extent exceeding 600 metres for the ENE trend. Visible cassiterite is observed in many outcrops.

The orientations of the three trends are;

- East-Northeast (070-090 degrees);
- East-Southeast (110-130 degrees); and
- Generally North-South (000-020 degrees)

In the ENE trend, tin mineralisation is in steeply north dipping hydrothermal tourmaline breccias, which returned a peak value of **13.5% tin from about 1 metre true width**. In the ESE trend, tin mineralisation is in sub-vertical to south dipping zones of tourmaline breccia which returned a peak value of **5.4% tin** over 2.5 metres true width.

In the NS trend, tin mineralisation is in a sequence of interbedded siltstones and sandstones as bedding parallel replacements and disseminations. It should be noted that tin mineralisation in the Western Zone is also present as disseminations and bedding parallel replacements in the sandstone units and the potential link between the Northern and Western Zone is being investigated by ongoing mapping and sampling.

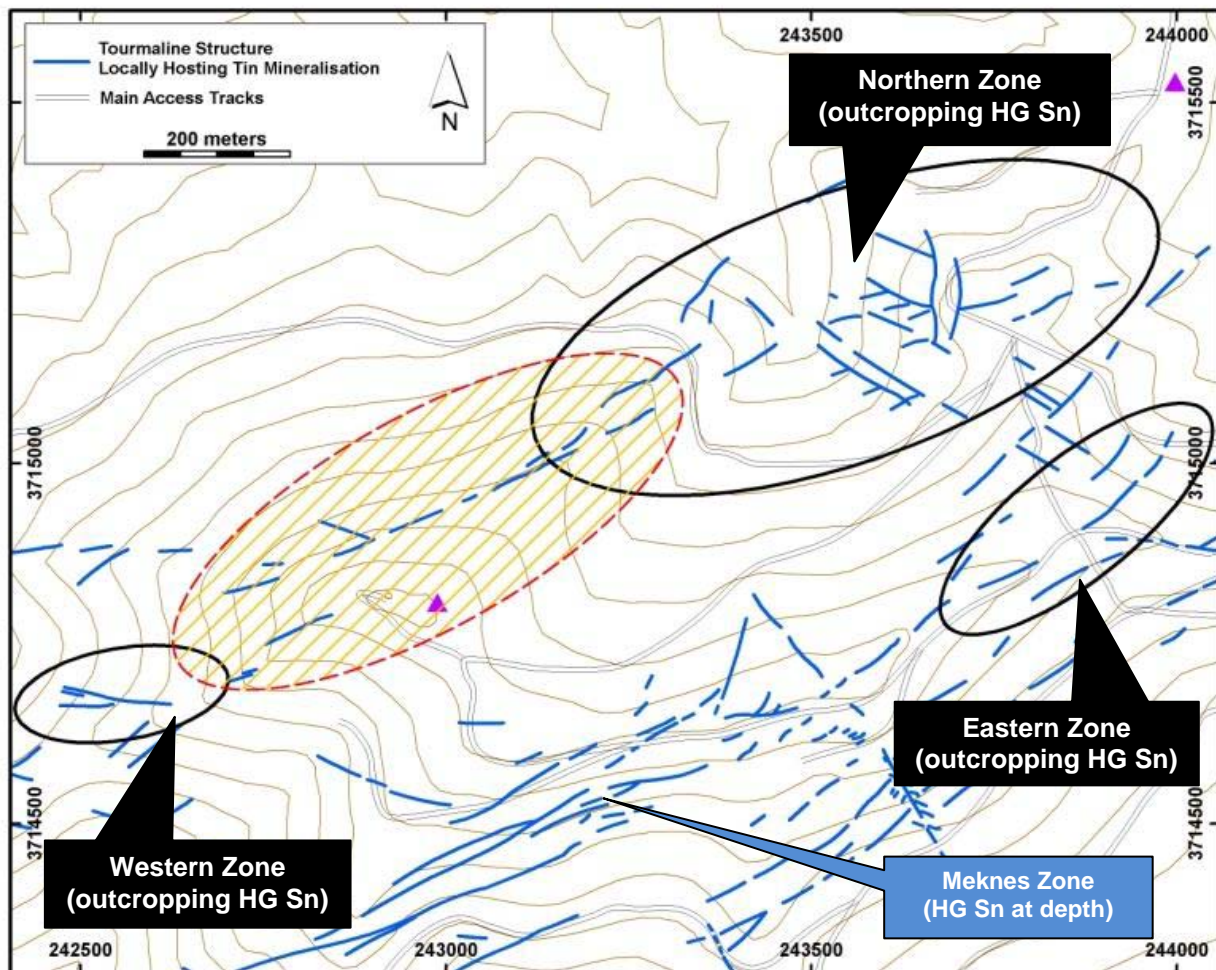
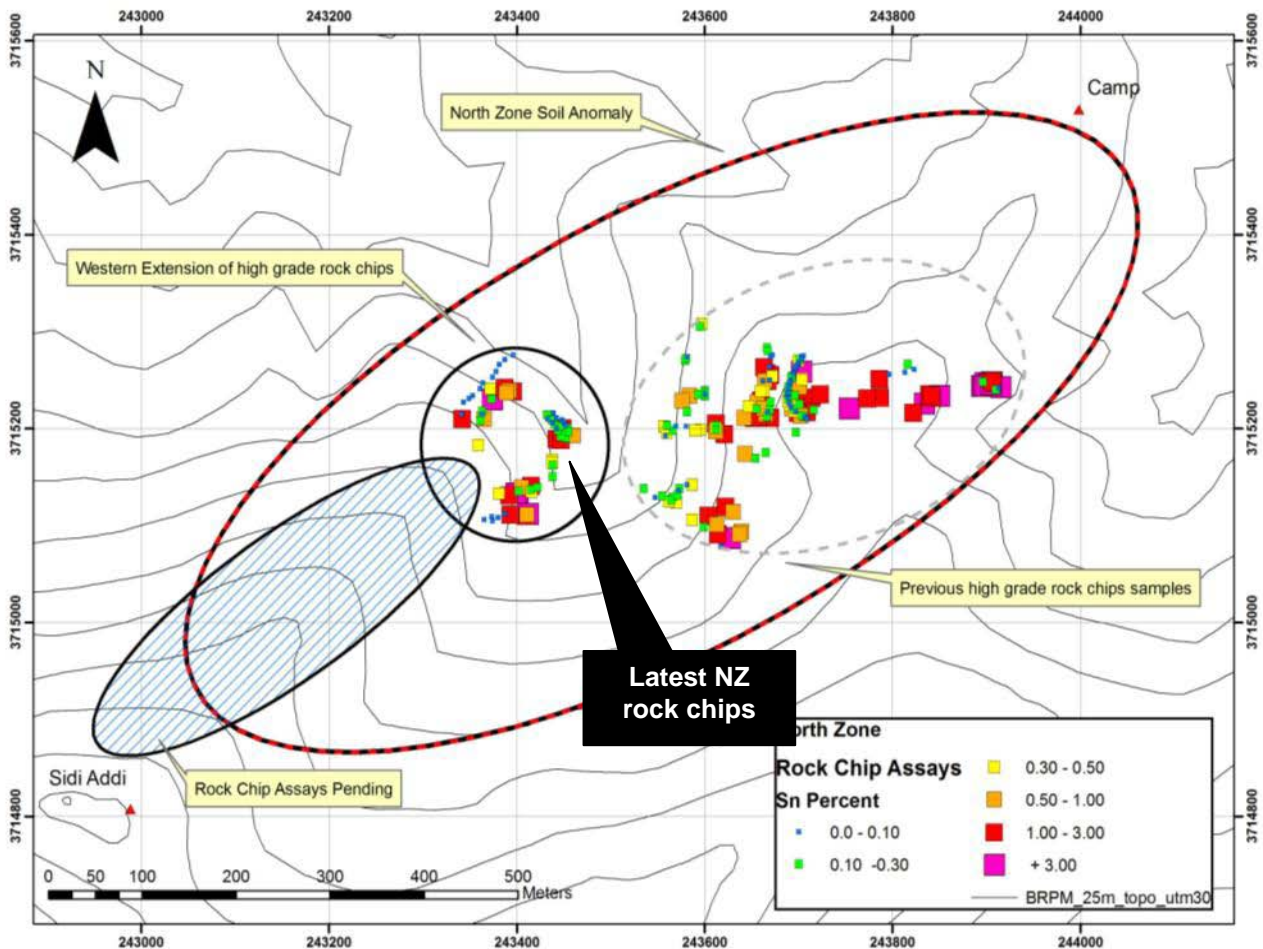


Figure 2
Tourmaline altered structures linking the Northern and Western Zones

Geochemistry

Previous soil sampling, outlined by the red and black line in Figure 3, has identified over 1,000 metres of strike length prospective for shallow tin mineralisation. Ongoing evaluation within this area has continued at Achmmach with results from 72 systematic rock chip samples extending the known surface mineralisation a further 200 metres to the west (black circle Figure 3).

The latest systematic rock chip sampling has defined tin mineralised structures with **values up to 6m @ 4.65% Sn in true width. The Northern Zone outcropping high grade tin mineralisation now has a confirmed strike length of at least 600 metres.**



**Figure 3
Northern Zone - Anomalous Sn rock chip results.**

Rock chips

Four new tin mineralised structures were identified in the latest work – two of them very high grade. The two high grade continuous structures are east-west oriented tin mineralised breccia zones in tourmaline altered rock with 30 to 50m outcropping strike extent (Figure 3 & Figure 4; red ellipses).

These structures average **1.90% Sn** (10 samples weighted average) and **1.45% Sn** (7 samples weighted average) tin at surface (Table 1 and 2) with variable true widths of 2 to 6 metres along strike. A drill pad has been constructed to drill test the highest grade east–west trending mineralised structure.

The other two mineralised structures are less continuous outcrops of north-south trending sandstone/siltstone beds with a strike length of 50-60 metres cut by an east-west sub-vertical fracture array (Figure 4; yellow ellipses). Tin mineralisation varies from 1 to 4m true width and is associated with these fractures.

These structures average 0.48% Sn (11 samples weighted average) and 0.28% Sn (5 samples weighted average) tin at the surface (Table 3 and 4).

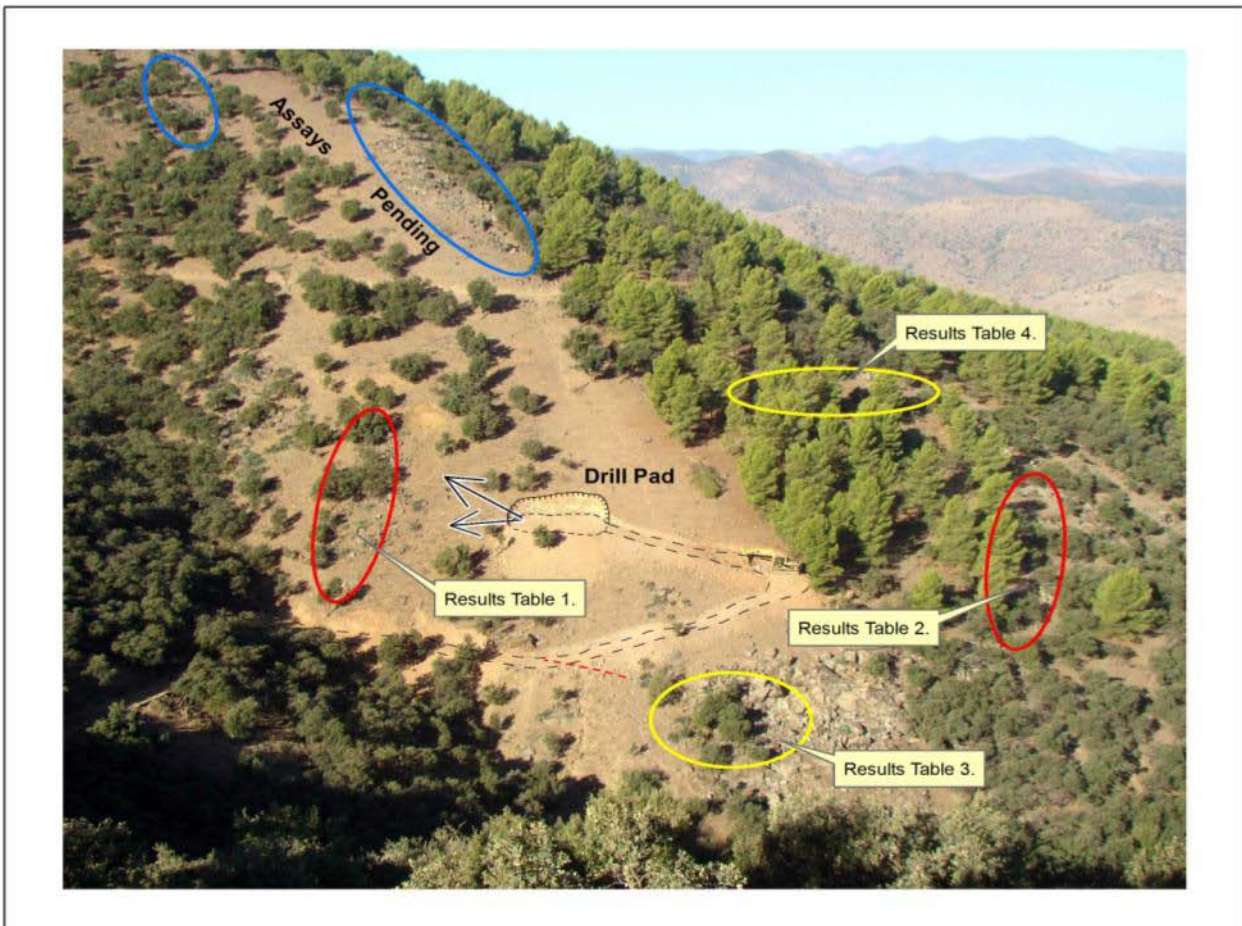


Figure 4

Northern Zone – Outcropping high grade tin mineralisation ready to drill test (photo looking west)

Ongoing work between the known outcropping mineralisation zones in the Northern Zone and 1,000 metres to the west towards the Western Zone includes detailed mapping, systematic rock chip sampling, and trenching to determine the extent of the potential shallow mineralisation defined.

Assays are pending for a further 40 rock chip samples testing an additional 400 metres of strike length southwest to the top of Sidi Addi (blue ellipse Figure 3 and 4).

Drilling

The Northern Zone is a prospective target for shallow tin as it has:

- extensive positive surface geochemistry results;
- potentially economic tin grades defined in the top 100 metres during the selective re-logging and assaying of unassayed portions of historic drill holes; and
- a conceptual geological interpretation linking the known surface mineralisation to shallow tin mineralisation intersected in these holes.

The objective of the drilling is to improve the understanding of the geology, structural setting and associated mineralisation. Future drill targets will be developed after the interpretation of the first pass drilling and the establishment of a working geological model. The first pass shallow drilling consisting of 18 holes totalling 1,981metres was completed in the Northern Zone as part of the Shallow Targets drilling program (Figure 5, Table 5).

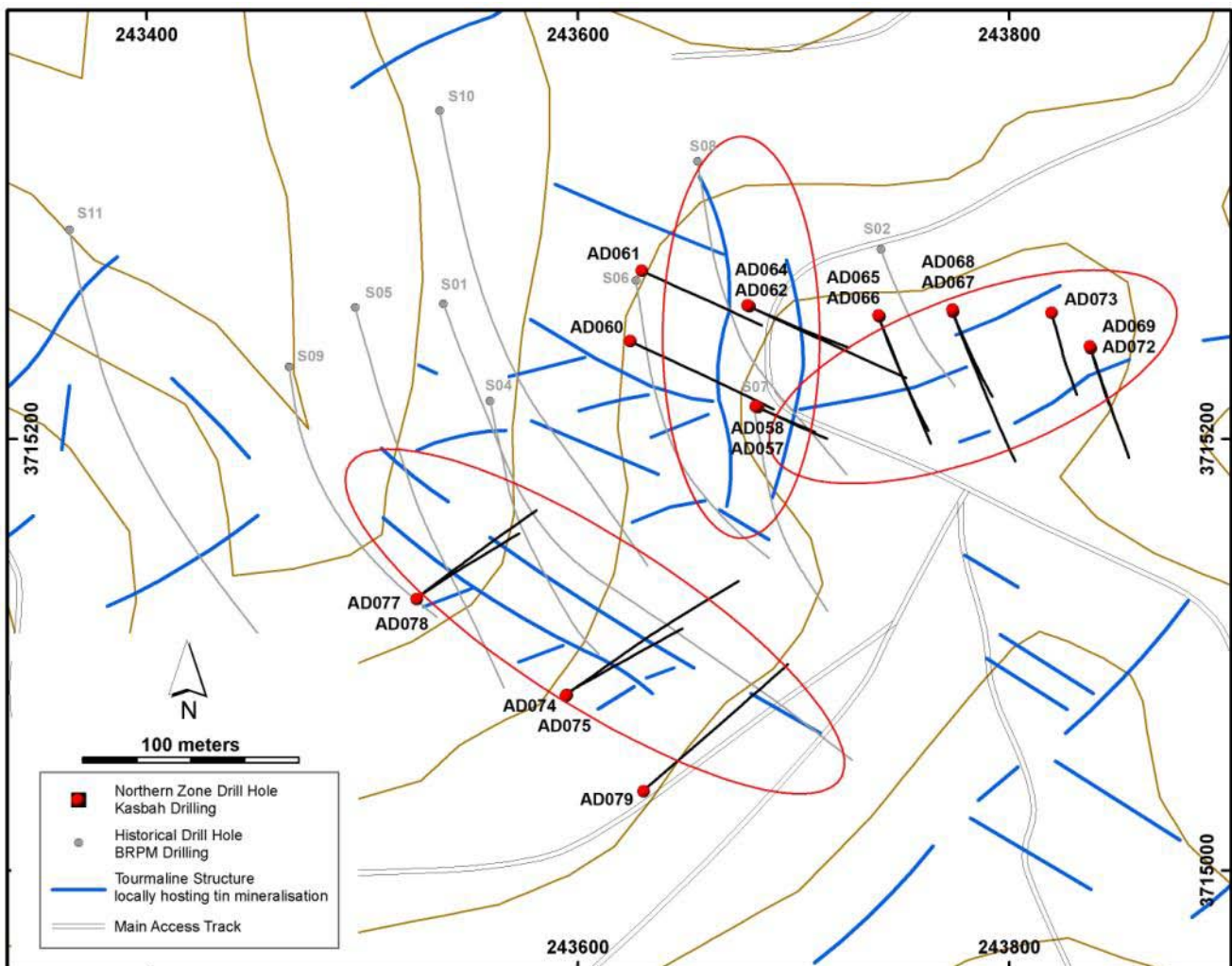


Figure 5

Northern Zone - First pass shallow drilling (drill hole collar locations shown).

Drill Targets

The drilling targeted the subsurface continuity of mineralisation defined by the previous rock chip sampling in all three prospective mineralised structural trends. Each trend has 2 or 3 sections completed along it (Table 6). Sections were at nominal 40metres spacing and test the mineralisation to approximately 100 metres below the surface.

The two new high grade structures identified in the latest rock chip sampling have not been drill tested yet.

- **NS Trend**

Drilling in six holes on two sections tested 80 to 100metres strike extent of the two sub parallel mineralised structures. The three structures occupy a zone approximately 50metres wide.

- **ENE Trend**

Drilling in seven holes on three sections tested approximately 80metres of the known 400metres of strike extent of 3 sub-parallel tourmaline structures. The three structures occupy a zone approximately 80metres wide.

- **ESE Trend**

Drilling in five holes on three sections tested approximately 150metres of the 200metres of outcropping mineralised tourmaline structures. The three structures occupy a zone approximately 40metres wide.

Results

Early findings from geological logging and spot NITON XRF analysis indicate four (4) different styles of tin mineralisation are present across all three domains. Mineralisation styles include;

- 1) quartz cassiterite veins and breccias in tourmaline altered rock (similar to style in Meknes system);
- 2) sandstone hosted disseminated to bedding parallel mineralisation in moderately silica-tourmaline altered rocks; (similar to style in Western Zone)
- 3) cassiterite associated with pyrrhotite veins in weakly altered siltstone / sandstone host rocks;
- 4) tin associated with milky quartz in shear zones (less common).

Assays results are now pending.

APPENDIX B

Table 1: ENE Trend Rock Chip Results

Sample_ID	UTM_E	UTM_N	RL	% Sn	Width (m)
KAS4187	243422	3715139	1050	0.23	2.5
KAS4188	243415	3715141	1053	2.01	2.0
KAS4189	243415	3715137	1051	0.24	2.0
KAS4190	243416	3715135	1050	0.44	1.5
KAS4191	243405	3715139	1064	0.57	1.5
KAS4192	243402	3715135	1059	0.17	1.5
KAS4193	243401	3715133	1058	5.50	3.0
KAS4194	243399	3715133	1065	3.80	3.0
KAS4195	243392	3715131	1071	2.36	1.5
KAS4196	243381	3715133	1063	0.36	2.0

Table 2: ENE Trend Rock Chip Results

Sample_ID	UTM_E	UTM_N	RL	% Sn	Width (m)
KAS4197	243396	3715238	1036	2.3	2.0
KAS4198	243392	3715239	1035	0.79	2.5
KAS4199	243387	3715242	1043	1.92	2.5
KAS4200	243389	3715237	1041	0.71	2.5
KAS4201	243374	3715230	1041	3.79	2.5
KAS4202	243373	3715230	1040	0.14	2.0
KAS4203	243372	3715241	1039	0.41	2.5

Table 3: NS Trend Rock Chip Results

Sample_ID	UTM_E	UTM_N	RL	% Sn	Width (m)
KAS4212	243447	3715202	1030	0.15	2.0
KAS4213	243449	3715200	1037	1.11	2.0
KAS4214	243452	3715195	1046	0.28	2.0
KAS4215	243444	3715198	1037	0.18	2.0
KAS4216	243447	3715196	1037	0.21	2.5
KAS4217	243447	3715191	1052	0.21	2.5
KAS4218	243442	3715189	1046	1.72	2.5
KAS4219	243438	3715168	1036	0.48	2.0
KAS4220	243438	3715165	1037	0.45	2.0
KAS4221	243438	3715162	1039	0.13	2.0
KAS4222	243438	3715150	1037	0.24	2.0

Table 4: NS Trend Rock Chip Results

Sample_ID	UTM_E	UTM_N	RL	% Sn	Width (m)
KAS4204	243363	3715218	1057	0.22	2.5
KAS4205	243363	3715215	1057	0.06	2.5
KAS4206	243365	3715210	1056	0.51	2.5
KAS4207	243361	3715208	1058	0.23	2.5
KAS4208	243359	3715183	1058	0.38	2.5

Table 5: Northern Zone drill hole collars (WGS84 UTM30N)

Hole_ID	Easting	Northing	Height (m)	Dip	Direction	Depth (m)	Target Trend
AD057	243680	3715217	1098	-45	115	50.5	NS
AD058	243680	3715217	1098	-70	115	89.5	NS
AD060	243627	3715242	1070	-50	115	112.5	NS
AD061	243633	3715280	1070	-50	115	95.9	NS
AD062	243679	3715264	1093	-50	115	120.7	NS
AD064	243679	3715264	1093	-65	115	124.9	NS
AD065	243737	3715259	1103	-50	160	100.4	ENE
AD066	243737	3715259	1103	-65	160	144	ENE
AD067	243773	3715269	1115	-50	160	119.7	ENE
AD068	243773	3715269	1115	-65	160	112.5	ENE
AD069	243830	3715240	1103	-50	160	86	ENE
AD072	243830	3715240	1103	-65	160	70	ENE
AD073	243822	3715261	1108	-65	160	96	ENE
AD074	243596	3715084	1050	-50	50	146	ESE
AD075	243596	3715084	1050	-65	50	140	ESE
AD077	243524	3715128	1047	-50	50	106	ESE
AD078	243524	3715128	1047	-65	50	127.3	ESE
AD079	243634	3715043	1103	-50	50	139.5	ESE

Table 6: Northern Zone - Drill hole sections

TARGET	SECTION NAME	DRILL HOLES	COMMENT
NNE trend	NZ XS AD057	AD057,AD058, AD060	Assays Pending
	NZ XS AD061	AD061, AD062, AD064	Assays Pending
ENE trend	NZ XS AD065	AD065, AD066	Assays Pending
	NZ XS AD067	AD067, AD068	Assays Pending
	NZ XS AD069	AD069, AD072, AD073	Assays Pending
ESE trend	NZ XS AD074	AD074, AD075	Assays Pending
	NZ XS AD077	AD077, AD078	Assays Pending
	NZ XS AD079	AD079	Assays Pending