



28 October 2013

ASX CODE: KAS

OUR PRIME COMMODITY IS
TIN

LME TIN PRICE (24/10/13)

US\$22,840 / T
(CASH BUYER)

ABOUT KASBAH

KASBAH IS AN AUSTRALIAN LISTED MINERAL EXPLORATION AND DEVELOPMENT COMPANY.

THE COMPANY IS ADVANCING THE ACHMMACH TIN PROJECT IN THE KINGDOM OF MOROCCO TOWARDS PRODUCTION.

PROJECTS

ACHMMACH TIN PROJECT
BOU EL JAJ TIN PROJECT

CAPITAL STRUCTURE

SHARES ON ISSUE:	396M
UNLISTED OPTIONS:	20.5M
CASH @ 30/09/13:	\$9.6M

MAJOR SHAREHOLDERS

WORLD BANK (IFC)	15.8%
AFRICAN LION GROUP	15.1%
TRANSAMINE	3.3%
TRAXYS	3.3%
MGMT & DIRECTORS	3.0%
THAISARCO	2.0%

CONTACTS

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ASX RELEASE

SEPTEMBER QUARTERLY REPORT

Kasbah Resources Limited (Kasbah, ASX: KAS) is pleased to report its activities for the September 2013 Quarter on the Company's tin projects in Morocco.

- Drilling in the Western Zone Shallow ("WZS") target announced on 8 October 2013. Best down hole drilling intersections included:
 - 10.7m @ 0.62% Sn from 8m
(including 4.4m @ 1.11% Sn from 8m) (WZD009)
 - 17.1m @ 0.57% Sn from 10.9m
(including 4.1m @ 1.23% Sn from 22.9m) (WZD007)
 - 6m @ 1.21% Sn from 18m
(including 2.8m @ 2.30% Sn from 20m) (WZD003)
 - 11m @ 0.94% Sn from 27m
(including 3m @ 2.57% Sn from 27m) (WZD004)
 - 7.7m @ 1.11% Sn from 35.3m
(including 2.1m @ 2.12% Sn from 40.9m) (WZD007)
 - 10.3m @ 1.41% Sn from 81.7m
(including 1.1m @ 6.49% Sn from 86.9m) (WZD002)
- Eastern Zone Shallow ("EZS") resource announced
 - **0.7 Mt @ 0.85% Sn for 5.8 kt contained tin**
- Achmmach Resource Update announced
 - **14.6 Mt @ 0.85% Sn for 123.1 kt contained tin**
- DFS programme for underground advanced
- Cash Position at 30 September 2013 is **\$9.6M**

Kasbah Managing Director Wayne Bramwell said:

"Based upon the WZS drill results exceeding our expectations and the emergence of the EZS as an open pit target, Kasbah and its development partners are now considering a short extension of the DFS to Quarter 1, 2014.

The positive economic impact of open pit ore in the early years of operations could be significant and a short extension to incorporate these opportunities is being reviewed".

SEPTEMBER QUARTERLY REPORT

OVERVIEW

Kasbah is pleased to report this quarterly progress update from its Achmmach and Bou El Jaj Tin Projects in Morocco. This report summarises the key technical and commercial deliverables from the September Quarter and covers the period up to and including 25 October 2013.

During this period Kasbah made the following key ASX releases:

- **08 October 2013** – Drilling Success in the Western Zone Shallows (“WZS”)
- **26 September 2013** – Kasbah Defines Potential Open Pittable Resource in Eastern Zone Shallows (“EZS”)
- **10 September 2013** – 220% Increase in Measured Category Tonnage at Achmmach;
- **8 August 2013** – Achmmach DFS Drilling Complete; and
- **1 August 2013** – Gap Zone High-Grade Continuity Confirmed.

Please refer to the individual releases for the detailed results at www.kasbahresources.com.

The three critical milestones for Kasbah during the Quarter included:

- 1. the completion of all DFS related drilling on the deeper areas of the Meknes Trend at Achmmach;**
- 2. the upgrade of all defined Meknes Trend mineral resources to Measured and Indicated status; and**
- 3. the emergence of two potentially open-pittable targets (the EZS and the WZS).**

Kasbah has now drilled the 1.6km long Meknes Trend at Achmmach to 40m-spacings. The central area of the ore body (the Meknes-Gap Zone) has been drilled to 20m-spacings and the Company now has a high definition view of the area scheduled for first underground ore extraction. The quality of the overall resource is supported by the fact that the Meknes Trend resource is now defined to Measured and Indicated status. Additional resource extensions may exist at depth and along strike.

The emergence of a potentially open pitable target in the EZS (on the Meknes Trend) is an important development as the EZS could provide early stage shallow ore feed (and cash flow) to the project, reducing the start-up risk and enhancing the overall project economics. A preliminary open pit optimisation of the EZS is currently underway to quantify the economic impact of shallow ore supply in the early years of operations.

The first shallow drill results from the WZS were highly encouraging as the Sidi Addi Trend is located only 200m to the north of the Meknes Trend. The emergence of the WZS indicates the possibility of another small open pit proximate to the Meknes Trend and the broader exploration potential of this highly prospective (but largely untested) 2km long, parallel tin system.

Based upon the WZS drill results and the definition of a resource within the EZS, Kasbah and its development partners are now considering a short extension of the DFS (to Quarter 1, 2014) to integrate these shallow opportunities into the mine design and schedule.

Figure 1 depicts the location of the defined resources and additional targets across the Achmmach Tin Project.

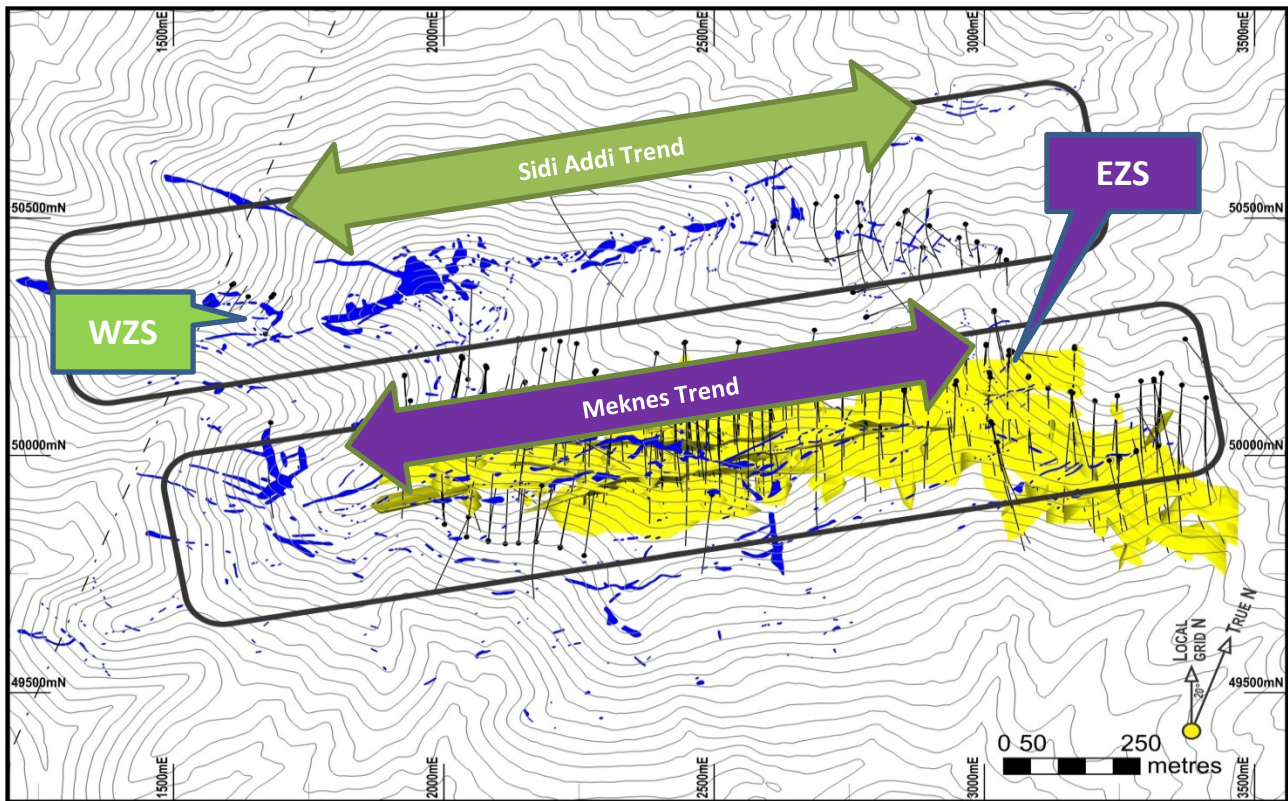


Figure 1: Achmmach Tin Project (Meknes Trend, EZS and WZS target depicted)

PROJECT DEVELOPMENT UPDATE

Kasbah is pleased to report completion of the resource development programmes at Achmmach during the quarter. The deeper resource development programme across the Meknes Trend at Achmmach achieved the objective of upgrading Indicated resource tonnage to the higher confidence Measured category with Kasbah reporting **14.6Mt @ 0.85% Sn for 123.1 kt** to the ASX on 10 September 2013 (refer Table 1*).

Table 1: September 2013 Mineral Resource Estimate (undiluted)			
Achmmach Tin Project @ 0.5% Sn cut off grade ^A			
Category	M Tonnes	Sn %	Contained Tin (Kt)
Measured	1.6	1.0	16.1
Indicated	13.0	0.8	107.0
Inferred	-	-	-
Total	14.6	0.85	123.1

^A The tin grade has been rounded to the nearest 0.05% Sn. The 0.5% Sn cut-off grade used for reporting the resource is based on a tin price of US\$23,000/tonne and a total estimated operating cost of US\$79/tonne (mining US\$27/tonne, processing US\$38/tonne and smelting US\$14/tonne). Processing recovery for tin at an average head grade of 0.85% Sn will be approximately 70%.

Bulk density was estimated by Ordinary Kriging, and has an average value within the mineralised zones of 2.89t/m³.

A second objective was to extend the EZS drilling in order to quantify open-pit potential at this location. On 26 September 2013 a new mineral resource estimate was released to the ASX for the Eastern Zone Shallows (refer Table 2*).

**Table 2: Eastern Zone Shallows - September 2013 Mineral Resource Estimate
(@ 0.35% Sn cut off grade^B)**

Category	M Tonnes	Sn %	Contained Tin (kt)
Measured	-	-	-
Indicated	0.7	0.85	5.8
Inferred	-	-	-
Total	0.7	0.85	5.8

^B The tin grade has been rounded to the nearest 0.05% Sn. The 0.35% Sn cut-off grade used for reporting the resource is based on a tin price of US\$23,000/tonne and a total estimated operating cost of US\$57/tonne (mining US\$5/tonne, processing US\$38/tonne and smelting US\$14/tonne). Processing recovery for tin at an average head grade of 0.80% Sn will be approximately 70%.

Bulk density was estimated by Ordinary Kriging, and has an average value within the mineralised zones of 2.89t/m³.

For clarity, it should be noted that the EZS is not an addition to, but is a subset of the larger Achmmach September 2013 mineral resource (refer Table 1) that can be reported at a lower cut-off grade due to its amenability to lower cost, open pit mining.

The definition of this potentially open pitable resource at Achmmach during the Quarter is significant.

The EZS (and potentially the WZS) has the potential to provide open pit ore to the project during the early phase of operations. Open pit ore delivered to the processing facility whilst the main underground mine is being established from the Central Portal would reduce operational risk in the early years of the project and contribute early cash flow during the critical start-up phase.

This opportunity warrants further investigation and preliminary pit optimisation on the EZS is currently underway.

* The Company confirms that it is not aware of any new information or data that materially affects the Resource Estimates included above and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

DEFINITIVE FEASIBILITY STUDY

The current DFS is based upon 100% underground ore extraction. Currently two portals are planned with the Central Portal (in the Meknes-Gap Zone) and the Eastern Portal (in the Eastern Zone). Open pit ore modelling is underway and the company is seeking to integrate the shallow ore target (EZS) into the Eastern Zone mine design, once the pit optimisation is completed.

A summary of progress of the Achmmach DFS work packages follows:

▪ **Resource Estimation**

Independent resource consultant Quantitative Group (“QG”) of Western Australia completed estimations of the Achmmach Meknes Trend and EZS Resources. QG is currently preparing a new mineral resource estimate for the Sidi Addi Western Zone, which will be of relevance to the Achmmach Tin Project.

▪ **Mine Design**

Mining One Pty Limited (“Mining One”) progressed mine design, mine schedule development, mine development and operating costs during the quarter. The initial basis for mine design was the March 2013 resource block model. The release of the September 2013 Resource has provided Mining One with an updated block model. This will form the basis of the final mine design and cost estimation.

▪ **Metallurgy**

The metallurgical programme continued, with testing of gravity concentration methods applicable to fine cassiterite recovery. This work was carried out in the laboratories of BRL (Tasmania), Nagrom (Perth) and Metsolve (Canada). This work, which is targeting recovery of final concentrate by upgrading flotation concentrate, remained in progress at the end of the quarter.

Additional high-intensity magnetic clean-up of concentrates was also tested during the quarter. This programme will be completed during the coming quarter.

▪ **Process Design and Engineering**

DRA Pacific Pty Ltd (“DRA”) – DRA completed the technical components of the DFS surface treatment and infrastructure designs and specifications. The principal activity for the quarter was the estimation of project capital and operating costs and the review of cost inputs from Morocco.

▪ **Tailings Management Facility (“TMF”)**

Golder progressed the TMF design to final draft stage. The concept of harvesting rainfall run-off into an on-site water storage dam was developed to final draft status as harvesting of surface run-off reduces supplementary water requirements. The site seasonal water balance was completed during the quarter. This links operational and seasonal water dynamics into a single model.

The collection of relevant Moroccan earthworks and civil construction costs continued during the quarter. Geochemical and geotechnical testing of the process tailings was completed during the quarter. CPC of Perth completed the design and specification of the paste backfill preparation facility and commenced cost estimation activities during the quarter.

▪ **Geotechnical**

All site geotechnical testing was completed during the quarter.

- **Environmental and Social Impact Assessment (“ESIA”)**

The Achmmach Public Consultation process took place between 17 July and 6 August 2013 under supervision of the office of the Governor of El Hajeb Province. The report on the outcome was delivered to the National Committee for Environmental Impact Studies during the Quarter.

No adverse comments were lodged during the consultation period. Kasbah and Artelia Group of France completed preparations for participation in the Committee review session, which took place on 3 October 2013.

EXPLORATION

Kasbah’s exploration activities for Quarter 3, 2013 are summarised below:

- **Bou El Jaj Tin Project (“BLJ”)**

A geochemical survey programme of the BLJ tenement area to the south of Oued Beht was initiated during the quarter.

- **Achmmach Tin Project**

- **Eastern Zone Shallow (Meknes Trend)**

First results from the EZS were reported during June 2013 with a maiden resource reported to the ASX on 26 September 2013.

- **Western Zone (Sidi Addi Trend)**

A short, shallow diamond reconnaissance drilling programme was completed in the Western Zone (“WZ”) of the Sidi Addi Trend during the quarter to test prominent outcropping tin mineralisation that had previously returned positive rock-chip results.

A total of 585m of close-spaced, shallow diamond holes was drilled to 14 July 2013 to complete the programme with a release to the ASX made on 8 October, 2013. Resource estimation on the WZS has commenced with a resource announcement due this quarter.

- **Ezzhiliga Permits**

During the Quarter the company acquired 12 exploration permits over prospective Sn-W ground at a nominal application cost.

CORPORATE

- **Cash Reserves**

Cash reserves at 30 September 2013 were **\$9.6M**.

TIN MARKET OVERVIEW

Tin price has surged on the back of the Indonesian export restrictions testing the US\$23,000 – US\$24,000/t range in early October 2013. The creation of the Indonesia Commodities and Derivatives Exchange (“ICDX”) as the prime export outlet for Indonesian tin has curtailed much of the Indonesian supply to the market and this has triggered a rise in the tin price.

The publicly stated strategy from the Indonesian government is for the ICDX to become the “price maker” in the international tin market. Tin volumes on the ICDX to date have been small and the tin exit door appears to be controlled by only three companies: PT Timah, PT Refined Bangka Tin and Toyota Tsusho.

Seven private tin smelters have recently joined the ICDX as members. A rival tin exchange in Indonesia (supported by non-ICDX aligned smelters) is not expected to be successful and hence the ICDX may gain additional support if other non-aligned companies join. During this period of uncertainty forecast total tin production from Indonesia is expected to reduce from 2012 levels (approximately 100,000 tonnes) and the current tin price may be supported at current levels or may test higher levels if end-users sense further tightening of supply.

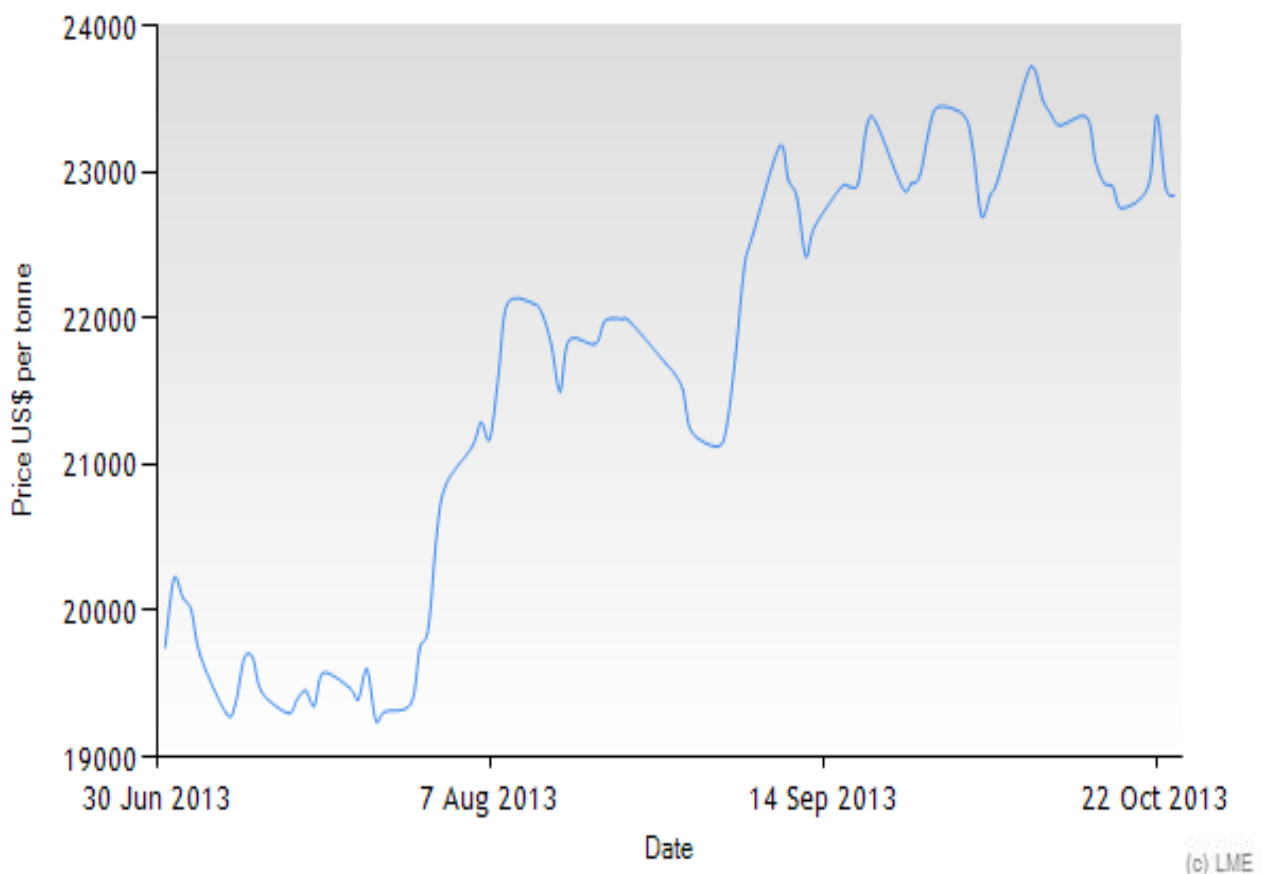


Figure 2: LME Tin Cash Buyer Price (30 June 2013 to 25 October 2013)

LOOKING FORWARD

During Q4 2013, Kasbah will target the following milestones:

- Decision on possible DFS extension to Quarter 1, 2014;
- Completion of the open pit mine design for the EZS;
- Completion of the Achmmach DFS metallurgical programme and underground cost estimations;
- Advancement of the project economic analysis;
- Advancement of all other associated DFS work programmes; and
- Approval of the Achmmach ESIA.

For and on behalf of the Board



Wayne Bramwell
Managing Director

For further information please go to:

www.kasbahresources.com

Or email:

info@kasbahresources.com

KASBAH - AN EMERGING TIN PRODUCER

Kasbah currently has two tin projects located in the Kingdom of Morocco. Nittetsu Mining Co. Ltd ("NMC") and Toyota Tsusho Corporation ("TTC") of Japan are Kasbah's strategic development partners in the Achmmach Tin Project. NMC has secured a 5% interest in the Achmmach Tin Project and TTC can secure a 20% interest in the Achmmach Tin Project (having earned a nominal interest of 18.8% to date by paying \$16 million in cash to Kasbah in 2012). TTC is required to make a final payment to Kasbah within 90 days of completion of the DFS to earn its 20% interest. Kasbah retains a 100% interest in the Bou El Jaj Tin Project 10km from the Achmmach Tin Project.

The definitive feasibility study into the development of a 1Mtpa underground mine, concentrator and associated infrastructure at Achmmach is proceeding, with Kasbah targeting first tin production in 2015.

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

KASBAH RESOURCES LIMITED

ABN

78 116 931 705

Quarter ended ("current quarter")

30 SEPTEMBER 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(3,581)	(3,581)
(b) development	-	-
(c) production	-	-
(d) administration	(880)	(880)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	46	46
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	2	2
Net Operating Cash Flows	(4,413)	(4,413)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(25)	(25)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Payment for security deposits & bonds	(15)	(15)
Net investing cash flows	(40)	(40)
1.13 Total operating and investing cash flows (carried forward)	(4,453)	(4,453)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,453)	(4,453)
	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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(4,453)	(4,453)
1.20	Cash at beginning of quarter/year to date	14,110	14,110
1.21	Exchange rate adjustments to item 1.20	(20)	(20)
1.22	Cash at end of quarter	9,637	9,637

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
1.23	Aggregate amount of payments to the parties included in item 1.2	248
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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	2,203
4.2 Development	-
4.3 Production	-
4.4 Administration	848
Total	3,051

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	1,336	9,489
5.2 Deposits at call	8,138	4,340
5.3 Bank overdraft	-	-
5.4 Other (provide details) - Cash held in Morocco	163	281
Total: cash at end of quarter (item 1.22)	9,637	14,110

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		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	PR210349	Ezzhiliga - Acquisition	-	100%
	PR210350	Ezzhiliga - Acquisition	-	100%
	PR210351	Ezzhiliga - Acquisition	-	100%
	PR210352	Ezzhiliga - Acquisition	-	100%
	PR210353	Ezzhiliga - Acquisition	-	100%
	PR210354	Ezzhiliga - Acquisition	-	100%
	PR210355	Ezzhiliga - Acquisition	-	100%
	PR210356	Ezzhiliga - Acquisition	-	100%
	PR210357	Ezzhiliga - Acquisition	-	100%
	PR210358	Ezzhiliga - Acquisition	-	100%
	PR210359	Ezzhiliga - Acquisition	-	100%
	PR210361	Ezzhiliga - Acquisition	-	100%

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 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	395,912,596	395,912,596		
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.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry Date</i>
	KASAAB	2,500,000	-	\$0.25	26 August 2014
	KASAAB	4,000,000	-	\$0.25	24 November 2014
	KASAQ	500,000	-	\$0.10	5 October 2015
	KASAAC	1,500,000	-	\$0.28	20 July 2015
	KASAAD	2,000,000	-	\$0.26	23 November 2015
	KASAAE	10,000,000	-	\$0.26	23 November 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,000,000 450,000	- -	\$0.25 \$0.26	11 July 2013 23 November 2015
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____ Date: 28 October 2013
Chief Financial Officer / Company Secretary

Print name: Trevor O'Connor

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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