

27 JANUARY 2011

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
(24/1/11)

US\$27,700 / 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 DRILLING UPDATE NORTHERN ZONE

HIGHLIGHTS

- First pass reconnaissance drilling (18 holes for 1,981 metres) of the Northern Zone geochemical anomaly at the Achmmach Tin Project is complete
- Three mineralised trends have been tested - the East North East trend (ENE), the North South trend (NS) and the East South East trend (ESE)
- Drilling has generated highly encouraging results and following interpretation, additional drilling will be planned

- The best down hole intercepts from the ENE trend include:

AD066 5 m @ 1.08% Sn from 31m
 7 m @ 0.41% Sn from 41m
(Includes 2 m @ 1.10% Sn from 41m)

AD067 12 m @ 1.06% Sn from 43m
(Includes 3 m @ 3.80% Sn from 46m)

AD068 7 m @ 0.61% Sn from 23m
(Includes 0.7 m @ 3.25% Sn from 28m)

AD069 19 m @ 0.80% Sn from 4m
(Includes 9 m @ 1.05% Sn from 4m)

AD072 21 m @ 0.99% Sn from 7m
(Includes 8 m @ 2.06% Sn from 20m)

The best down hole intercepts from the NS trend include:

AD058 4 m @ 0.50% Sn from 66m
(Includes 1 m @ 1.09% Sn from 68m)

AD061 6 m @ 0.42% Sn from 50m

AD062 14 m @ 0.79% Sn from 47m
(Includes 10m @ 1.08% Sn from 47m)

- Assay results are pending for the ESE trend

SHALLOW TARGETS PROGRAM

FIRST PASS DRILLING RESULTS – NORTHERN ZONE

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 tests geochemical anomalies and seeks to identify shallow tin mineralisation that could be mined by open pit methods.

Typically, tin mineralisation of 0.4 – 0.5% Sn is amenable to open pit mining methods.

Overview

Kasbah has identified three shallow targets to date including the Northern, Western and Eastern Zones. All of these three targets are defined by tin in soil anomalies and supported by high grade tin in rock chip samples and trenches (Figure 1).

The first shallow target tested is the Northern Zone and the results of the first pass reconnaissance drilling of this geochemical anomaly are summarised below.

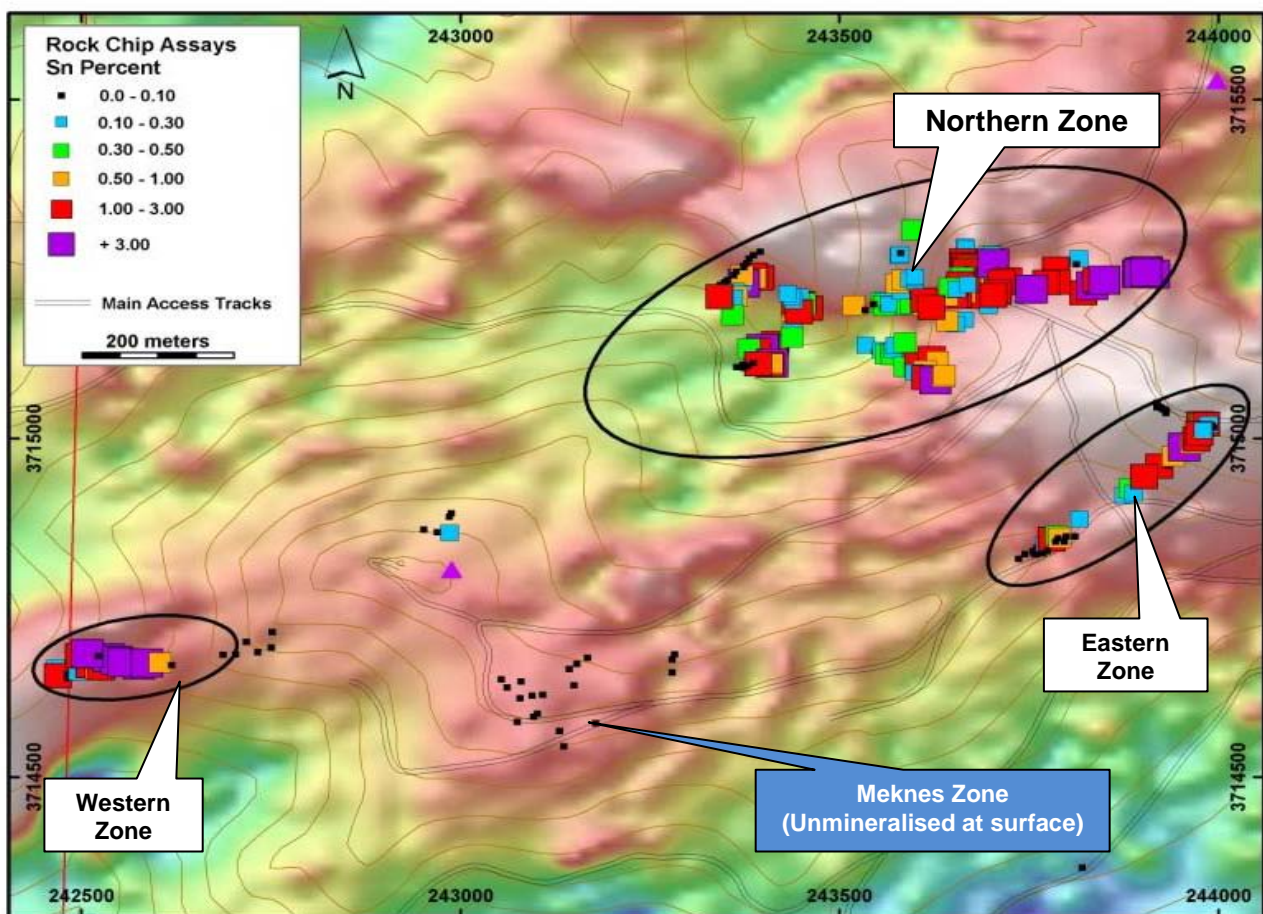


Figure 1

Achmmach - Shallow Tin Mineralised Targets

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

Summary

Shallow reconnaissance drilling of the surface geochemical anomalies within the Northern Zone is complete. This first pass drilling planned to test the open pit potential to 100m vertical depth below outcropping high grade tin mineralisation.

Kasbah has completed 18 angled diamond drill holes for 1,981 metres and has tested three mineralised trends (figure 2) including the East North East trend (ENE), the North South trend (NS) and the East South East trend (ESE). The drilling has been designed to intersect the mineralised zones at high angles.

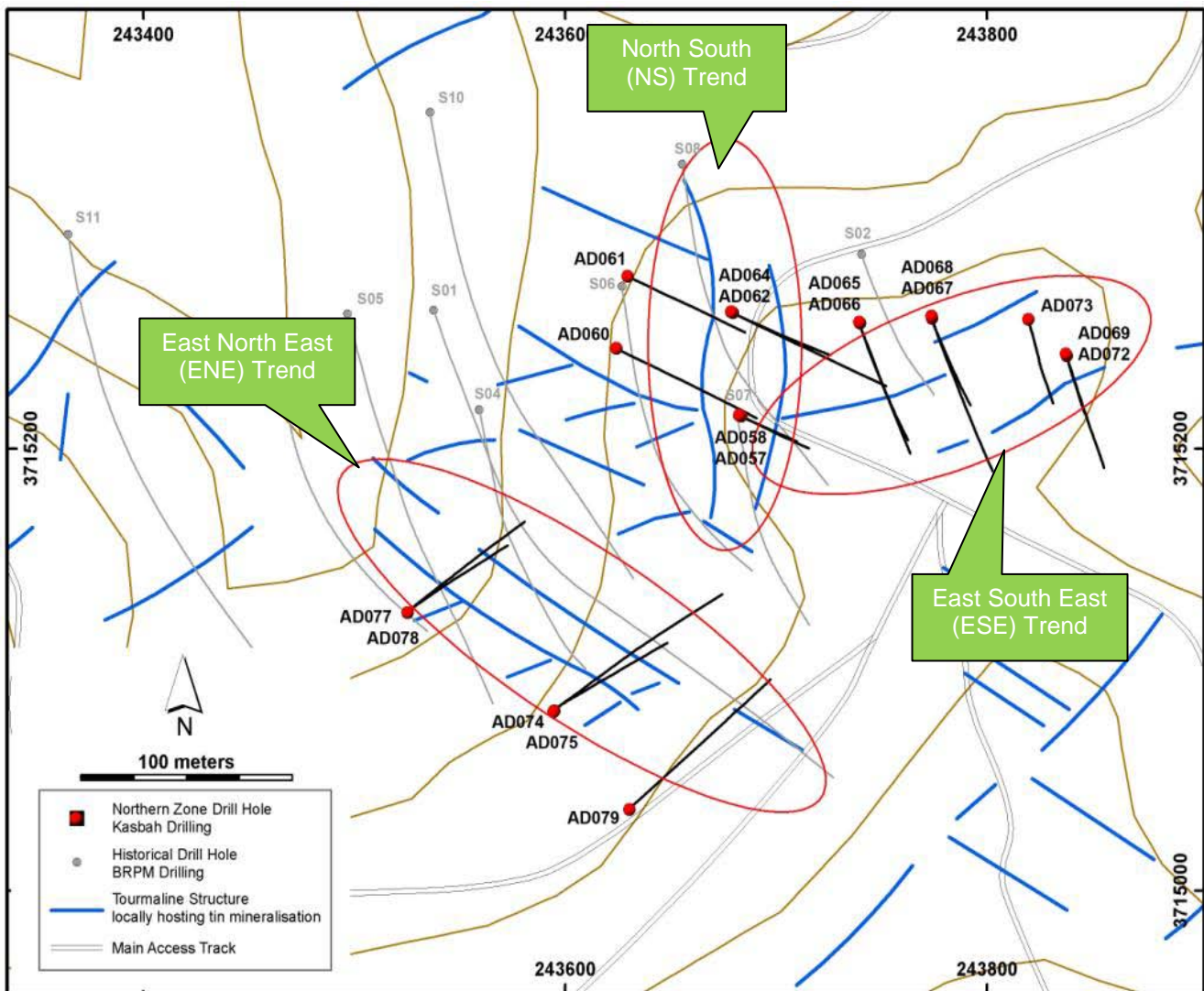


Figure 2

Northern Zone – Main Tin Mineralised Trends and Drill Hole Collar Locations.

The first pass drilling has generated encouraging results with several tin intercepts recording strong tin grades. (For comparison, based upon current commodity prices a 1% tin result equates to approximately 6.4 g/t Au.)

The best down hole intercepts from the ENE trend include:

- **AD066** 5 m @ 1.08% Sn from 31m
7 m @ 0.41% Sn from 41m (including 2 m @ 1.10% Sn from 41m)
- **AD067** 12 m @ 1.06% Sn from 43m (including 3 m @ 3.80% Sn from 46m)
- **AD068** 7 m @ 0.61% Sn from 23m (including 0.7 m @ 3.25% Sn from 28m)
- **AD069** 19 m @ 0.80% Sn from 4m (including 9 m @ 1.05% Sn from 4m)
- **AD072** 21 m @ 0.99% Sn from 7m (including 8 m @ 2.06% Sn from 20m)

The best intercepts from the NS trend include:

- **AD058** 4 m @ 0.50% Sn from 66m (including 1 m @ 1.09% Sn from 68m)
- **AD061** 6 m @ 0.42% Sn from 50m
- **AD062** 14 m @ 0.79% Sn from 47m (including 10m @ 1.08% Sn from 47m)

Assay results are pending for the ESE trend.

Once interpretation of all results is complete, a follow up drilling program will be planned to determine the extent and controls on the shallow tin mineralisation. Drilling has also been planned for the Western Zone and Eastern Zone geochemical anomalies.

A detailed technical summary of work and results completed in the Northern Zone is attached as Appendix A and drill hole details and significant results in Appendix B and C.

For and on behalf of the Board,



Wayne Bramwell
Managing Director

For further information please go to:

www.kasbahresources.com

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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.

APPENDIX A: NORTHERN ZONE TECHNICAL REPORT

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

Drilling

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 1,981 metres was completed in the Northern Zone as part of the Shallow Targets drilling program.

The drilling targeted the subsurface continuity of mineralisation defined by the previous rock chip sampling in all three prospective mineralised structural trends (refer figure 2). Each trend has 2 or 3 sections completed along it (table 1). Sections were at nominal 40 metres spacing and test the mineralisation to approximately 100 metres below the surface.

Preliminary findings from geological logging and drill core assays indicate four 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 Fez and 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).

Results

Results have been received for the NS and ENE trends (tables 2 and 3) with results pending from the ESE trend sections. In general drilling on all sections intersected some significant mineralisation however the strike and dip continuity of mineralised rocks and grades are difficult to interpret at the current drill spacing.

The results for the ENE trend are most encouraging with many high grade intersections from moderate to shallow depths returned.

Table 1: Northern Zone - Drill Hole sections

TARGET	SECTION NAME	DRILL HOLES	COMMENT
NS trend	NZ XS AD057	AD057,AD058, AD060	Three different styles of tin mineralisation intersected
	NZ XS AD061	AD061, AD062, AD064	High grade intersection in AD062
ENE trend	NZ XS AD065	AD065, AD066	AD066 – 5m @ 1.08% Sn from 31m
	NZ XS AD067	AD067, AD068	AD067 – 12m @ 1.06% Sn from 43m
	NZ XS AD069	AD069, AD072, AD073	AD072 – 21m @ 0.99% Sn from 7m
ESE trend	NZ XS AD074	AD074, AD075	Assays Pending
	NZ XS AD077	AD077, AD078	Assays Pending
	NZ XS AD079	AD079	Assays Pending

- ENE Trend (070-090 magnetic)**

Drilling in seven holes on three sections tested approximately 80 metres of the known 400 metres of strike extent of 3 sub-parallel tourmaline structures (table 2). The three structures occupy a zone approximately 80 metres wide.

Table 2: ENE Trend Mineralised Intersections

Drill Section	Hole ID	From (m)	To (m)	interval (m)	Sn ^A %
NZ XS AD065	AD065	48	55	7	0.45
		82	86	4	0.65
	AD066	31	36	5	1.08
		41	48	7	0.41
		Incl.	41	43	2
		89	93	5	0.23
		NZ XS AD067	AD067	28	36
		43	55	12	1.06
	Incl.	46	49	3	3.80
	AD068	23	30	7	0.61
	Incl.	28	28.73	0.73	3.25
NZ XS AD069	AD069	4	23	19	0.80
	Incl.	4	13	9	1.05
	AD072	7	28	21	0.99
	Incl.	20	28	8	2.06

- NS Trend (000-020 magnetic)**

Drilling in six holes on two sections (table 3) tested 80 to 100 metres strike extent of the two sub-parallel mineralised structures. The two structures occupy a zone approximately 50 metres wide (refer figure 2).

In addition to the tin in tourmaline altered structures and breccias which was the primary target, tin mineralisation was found in pyrrhotite veins and in the siltstones as disseminations in the sandstone beds.

AD062 returned the best results of 14m @ 0.79% Sn from 47m which includes 10m @ 1.08% Sn from 47m in tourmaline silica altered sediments in this trend.

Table 3: NS Trend Mineralised Intersections

Drill Section	Hole ID	From (m)	To (m)	interval (m)	Sn ^A %
NZ XS AD057	AD057	37.3	42.5	7.2	0.32
	AD058	66	70	4	0.50
	<i>Incl.</i>	<i>68</i>	<i>69</i>	<i>1</i>	<i>1.09</i>
NZ XS AD061	AD061	50	56	6	0.42
	AD062	47	61	14	0.79
	<i>Incl.</i>	<i>47</i>	<i>57</i>	<i>10</i>	<i>1.08</i>
		73	80	7	0.34
		102	110	8	0.28

^A Significant intersection <100m below natural surface selection criteria:

- ≥ 0.2%Sn and ≥ 5m downhole and ≤ 3m downhole < 0.2%Sn included OR
- ≥ 0.2%Sn and ≥ 1.0 %Sn-metres metal accumulation downhole and ≤ 3m downhole < 0.2%Sn included

• **ESE Trend**

Drilling in five holes on three sections tested approximately 150 metres of the 200 metres of outcropping mineralised tourmaline structures (refer figure 2). The three structures occupy a zone approximately 40 metres wide.

Assays are pending for this trend.

APPENDIX B: Drill Hole Collars and Sections

Table 4: 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

APPENDIX C: Significant Assay Results

Table 5: Complete assay results for mineralised intersections

Hole_ID	Sample	From(m)	to(m)	interval	Sn%
AD057	AX009927	37.3	41.9	4.6	0.42
AD057	AX009928	41.9	43	1.1	0.06
AD057	AX009929	43	44.5	1.5	0.26
AD058	AX010001	66	67	1	0.15
AD058	AX010002	67	68	1	0.31
AD058	AX010003	68	69	1	1.09
AD058	AX010004	69	70	1	0.48
AD061	AX011469	50	51	1	0.40
AD061	AX011471	51	52	1	0.53
AD061	AX011472	52	53	1	0.59
AD061	AX011473	53	54	1	0.49
AD061	AX011474	54	55	1	0.38
AD061	AX011475	55	56	1	0.15
AD062	AX010715	47	48	1	0.39
AD062	AX010716	48	49	1	1.26
AD062	AX010717	49	50	1	1.39
AD062	AX010718	50	51	1	1.16
AD062	AX010719	51	52	1	0.79
AD062	AX010720	52	53	1	0.33
AD062	AX010721	53	54	1	1.29
AD062	AX010722	54	55	1	2.09
AD062	AX010723	55	56	1	1.81
AD062	AX010724	56	57	1	0.33
AD062	AX010725	57	58	1	0.02
AD062	AX010726	58	59	1	0.01
AD062	AX010727	59	60	1	0.01
AD062	AX010728	60	61	1	0.25
AD062	AX010742	73	74	1	0.47
AD062	AX010743	74	75	1	0.15
AD062	AX010744	75	76	1	1.08
AD062	AX010745	76	77	1	0.19
AD062	AX010746	77	78	1	0.16
AD062	AX010747	78	79	1	0.09
AD062	AX010748	79	80	1	0.24
AD062	AX010776	105	106	1	0.20

AD062	AX010777	106	107	1	0.70
AD062	AX010778	107	108	1	0.03
AD062	AX010779	108	109	1	0.22
AD062	AX010780	109	110	1	0.73
AD065	AX011817	48	49	1	0.51
AD065	AX011818	49	50	1	1.73
AD065	AX011819	50	51	1	0.35
AD065	AX011820	51	52	1	0.26
AD065	AX011853	82	83	1	0.72
AD065	AX011854	83	84	1	0.03
AD065	AX011855	84	85	1	0.76
AD065	AX011856	85	86	1	1.10
AD066	AX010825	31	32	1	1.78
AD066	AX010826	32	33	1	1.45
AD066	AX010827	33	34	1	0.67
AD066	AX010828	34	35	1	0.06
AD066	AX010829	35	36	1	1.44
AD066	AX010836	41	42	1	0.43
AD066	AX010837	42	43	1	2.56
AD066	AX010838	43	44	1	0.00
AD066	AX010839	44	45	1	0.01
AD066	AX010840	45	46.5	1.5	0.01
AD066	AX010841	46.5	48	1.5	0.82
AD066	AX010855	60	61	1	0.30
AD066	AX010856	61	62	1	1.07
AD067	AX011674	28	29	1	0.37
AD067	AX011675	29	30	1	0.03
AD067	AX011676	30	31	1	0.63
AD067	AX011677	31	32	1	0.04
AD067	AX011678	32	33	1	0.07
AD067	AX011679	33	34	1	0.03
AD067	AX011680	34	35	1	0.67
AD067	AX011681	35	36	1	0.46
AD067	AX011689	43	44	1	0.35
AD067	AX011691	44	45	1	0.16
AD067	AX011692	45	46	1	0.30
AD067	AX011693	46	47	1	4.17
AD067	AX011694	47	48	1	0.94
AD067	AX011695	48	49	1	6.32
AD067	AX011696	49	50	1	0.05
AD067	AX011697	50	51	1	0.25
AD067	AX011698	51	52	1	0.07

AD067	AX011699	52	53	1	0.10
AD067	AX011700	53	54	1	0.12
AD067	AX011701	54	55	1	0.21
AD068	AX011894	23	24	1	0.24
AD068	AX011895	24	25	1	0.59
AD068	AX011896	25	26	1	0.08
AD068	AX011897	26	27	1	0.02
AD068	AX011898	27	28	1	0.12
AD068	AX011899	28	29	1	4.46
AD068	AX011900	29	30	1	0.12
AD069	AX011985	0	3	3	0.19
AD069	AX011986	3	4	1	0.02
AD069	AX011987	4	5.5	1.5	0.59
AD069	AX011988	5.5	7	1.5	0.14
AD069	AX011989	7	8.5	1.5	0.30
AD069	AX011991	8.5	10	1.5	3.92
AD069	AX011992	10	11	1	0.16
AD069	AX011993	11	12	1	0.44
AD069	AX011994	12	13	1	1.81
AD069	AX011995	13	14.8	1.8	0.05
AD069	AX011996	14.8	16	1.2	0.00
AD069	AX011997	16	17	1	0.05
AD069	AX011998	17	18	1	0.45
AD069	AX011999	18	19	1	1.80
AD069	AX012000	19	20	1	0.03
AD069	AX012001	20	21	1	0.02
AD069	AX012002	21	22	1	0.04
AD069	AX012003	22	23	1	0.12
AD069	AX012004	23	24	1	0.05
AD069	AX012005	24	25	1	0.23
AD069	AX012006	25	26	1	3.77
AD072	AX012225	7	8	1	0.12
AD072	AX012226	8	9	1	0.30
AD072	AX012227	9	10	1	1.13
AD072	AX012228	10	11	1	0.28
AD072	AX012229	11	12	1	0.05
AD072	AX012231	12	13	1	1.91
AD072	AX012232	13	14	1	0.12
AD072	AX012233	14	15	1	0.21
AD072	AX012234	15	16	1	0.18
AD072	AX012235	16	17	1	0.02
AD072	AX012236	17	18	1	0.34

AD072	AX012237	18	19	1	0.03
AD072	AX012238	19	20	1	0.01
AD072	AX012239	20	21	1	0.84
AD072	AX012240	21	22	1	11.4
AD072	AX012241	22	23	1	1.72
AD072	AX012242	23	24	1	0.37
AD072	AX012243	24	25	1	0.83
AD072	AX012244	25	26	1	0.52
AD072	AX012245	26	27	1	0.58
AD072	AX012246	27	28	1	0.19