ASX RELEASE

Continuity and Grade Continue in Shallow and Deeper Drilling at Achmmach

HIGHLIGHTS

- Drilling in the Eastern Zone of the Meknes Trend (section 2970mE) has successfully intersected new mineralised structures within 160m of the surface and confirms continuity of:
  - the deeper mineralised targets at higher grade and broader thickness than predicted; and
  - the recently identified high-grade Eastern Zone Shallow mineralisation.
- Best drilling results from 2970mE include:
  - 4m @ 2.17% Sn from 186m (AD228)
  - 4.0m @ 0.87% Sn from 89m (AD231)
  - 18m @ 1.03% Sn from 352m (including 8m @ 1.52% Sn from 357m) (AD231)
  - 23m @ 0.57% Sn from 357m (including 9m @ 0.91% Sn from 368m) (AD233)
- Drilling continues across Achmmach to potentially:
  - Increase the Measured and Indicated resource categories' tonnages; and
  - Define potential new resource tonnage within the Eastern Zone Shallow (EZS) target
- Next resource update expected in Quarter 3, 2013.

27 March 2013

ASX CODE: KAS

OUR PRIME COMMODITY IS TIN

LME TIN PRICE (25/03/13)

US$22,990 / 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:	23.4M
CASH @ 31/12/12:	$19.1M

MAJOR SHAREHOLDERS

WORLD BANK (IFC)	15.8%
AFRICAN LION GROUP	15.1%
TRANSAMINE	3.3%
TRAXYS	3.3%
MGMT & DIRECTORS	3.1%
THAISARCO	2.0%

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OVERVIEW

Kasbah Resources Limited ("Kasbah", ASX:KAS) is pleased to report the continuation of high grade tin mineralisation from its 40m-spaced in-fill drilling program at the Achmmach Tin Project in Morocco.

The latest section completed along the Menes Trend, (section 2970mE) has:

- continued to demonstrate continuity of shallow and deeper mineralised targets at grades higher than predicted; and
- identified new, shallow tin intervals.

DRILLING OBJECTIVE

The Meknes Trend within the Achmmach hill has an interpreted strike length of approximately 2 km and has been the prime focus of Kasbah's drilling to date. Approximately 1.6 km of the Meknes Trend was modelled in the March 2013 Mineral Resource Estimate **(refer Table 1)** and this resource model was based predominantly upon 40m-spaced drill sections (but included three 20m-spaced sections) drilled up to January 2013.

Table 1
Achmmach Tin Project - Mineral Resource Estimate (undiluted)
March 2013 (@ 0.5% Sn cut off grade)

Category	M Tonnes	Sn %	Contained Tin (k tonnes)
Measured	0.5	1.20	6.0
Indicated	14.2	0.85	120.7
Inferred	0.6	0.70	4.2
Total	**15.3**	**0.85**	**130.9**

The remaining objectives of the resource development drilling program post the release of the March 2013 Mineral Resource at Achmmach include:

- extending the 20m-spaced in-fill drill sections (between 2270mE and 2670mE);
- completion of 40m-spaced in-fill and extensional drilling across the Eastern Zone (on sections 3330mE to 3370mE); and
- completion of close-spaced drilling of the Eastern Zone Shallow ("EZS") mineralisation centred on 3050mE.

If successful, this drilling may increase the Measured and Indicated component of the next mineral resource estimate and further define the shapes of the high grade (>1% Sn) tin zones.

Post mid-year completion of all drilling across the Meknes Trend, a further resource upgrade at Achmmach is expected in Quarter 3, 2013. This estimate will be used in the Definitive Feasibility Study and will incorporate drilling completed across the shallow and deeper targets within the Meknes Trend at Achmmach.

KEY POINTS – 2970mE

Section 2970mE is the fifth 40m-spaced drill section completed in the Eastern Zone area of the Meknes Trend **(refer Figure 1).** The four new diamond holes (AD228, AD231, AD233 and AD240) were testing Inferred Resources where the grade, widths and spatial location of interpreted structures were approximate and of lower confidence compared to other resource categories.

The holes were drilled from one drill site with variable dip angles and totalled 1686.2m. Three of these holes were included in the March 2013 mineral resource estimate (AD228, AD131 and AD233) whilst AD240 will be included in the Q3 2013 resource update.

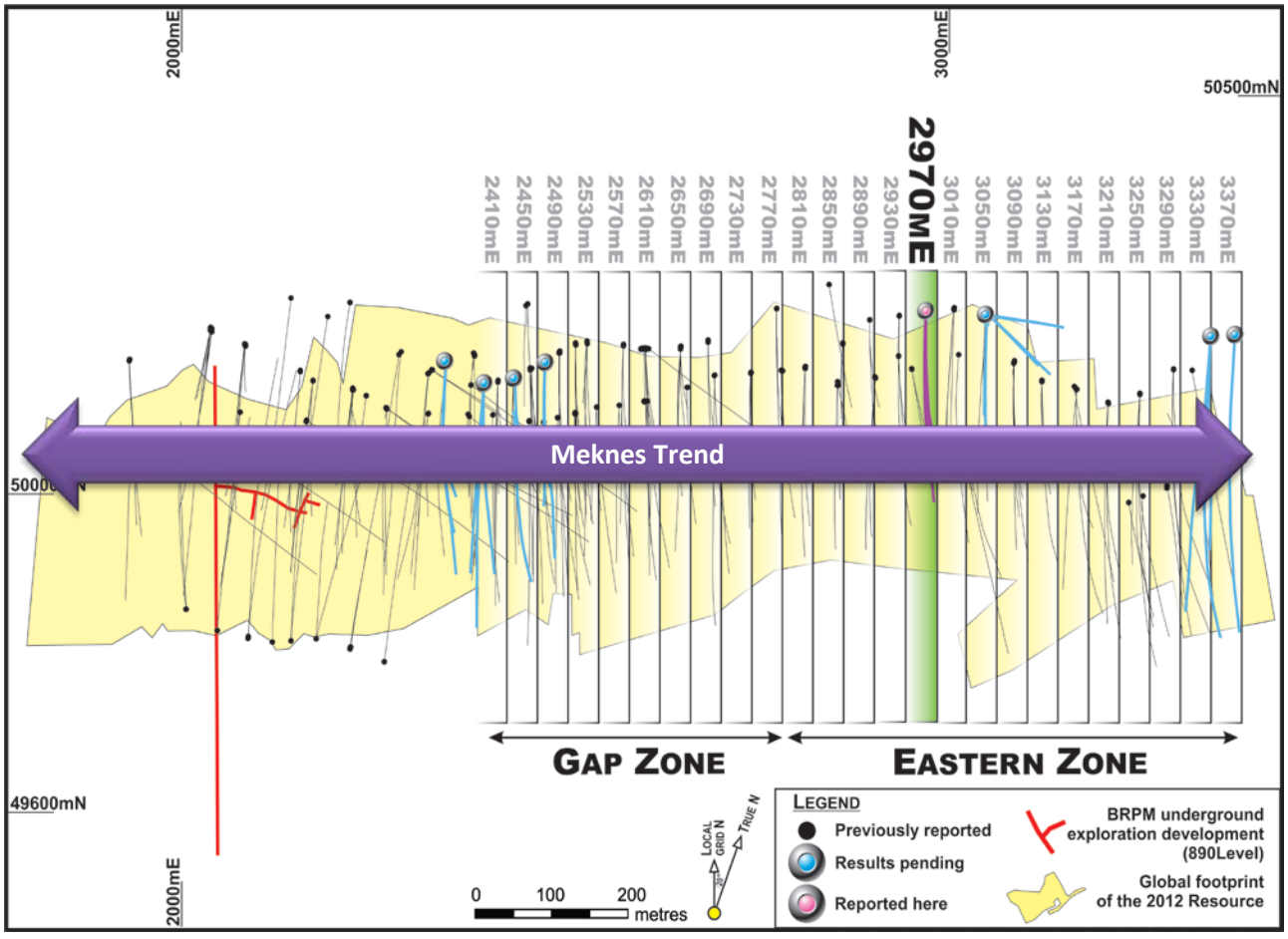

Figure 1: Drill Plan of the Achmmach Tin Deposit - Meknes Trend

Section **2970mE** is located between previously reported sections 2930mE to the west (reported on 06/02/13) where AD220 returned **9.5m @ 1.79% Sn** from 102.5m and **7.9m @ 1.19% Sn** from 383.1m and section 3010mE to the east (reported on 20/11/12) where AD175 **returned 8m @ 1.61% Sn** from 99m and AD178 **had 7m @ 1.08% Sn** from 320m).

On 2970mE, the 2012 Achmmach Resource Model predicted the occurrence of four discrete stacked tourmaline envelopes with the first (TZ301) and the third (TZ502) carrying moderate grades of tin **(refer Figure 2)**.

Drilling on 2970mE has confirmed the continuity of Eastern Zone Shallow mineralisation and obtained unexpectedly better grade and thickness in the deepest target envelope on the section compared to the 2012 Resource model.

The Eastern Zone Shallow ("EZS") mineralisation identified recently between sections 2930mE to 3050mE was intersected on 2970mE over relatively narrow intervals around RL1050m (≈80m below surface). The mineralisation again was not related to significant tourmaline alteration and demonstrated elevated grade and width variability but nevertheless confirmed the general continuity of the structure between sections 2930mE and 3010mE.

This shallow ENE-striking and moderately north-dipping mineralised zone has already been intersected along 160m of strike length. A separate drilling program focused on this shallow mineralised zone commenced in February 2013 and the first results are expected to be reported in Quarter 2, 2013.

At intermediate depths around RL990m (<160m below surface) drilling intersected consistent tourmaline associated mineralisation with moderate to high grades. These intercepts were not predicted and indicate a complementary NNW-striking controlling structure.

The Company is also pleased to report that the deepest tourmaline envelope (TZ601) which was not expected to carry significant grade across this section, encountered continuously mineralised structures with moderate to high grades often across broad intervals. These results suggest conformity of mineralisation in TZ601 from section 2930mE to 3010mE and thus support the continuity of this moderately north-dipping tourmaline envelope across 200m of strike length.

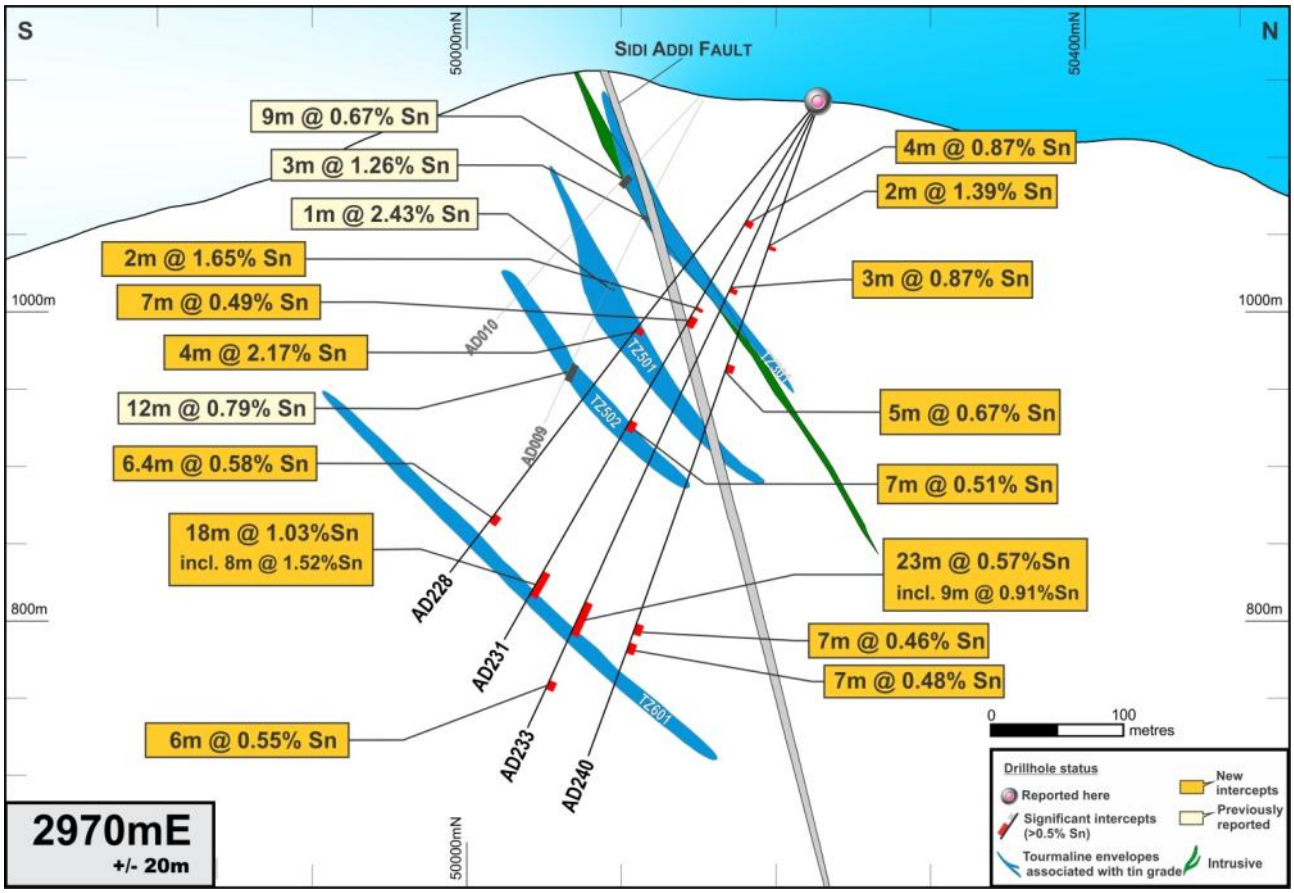

Figure 2: Cross Section 2970mE

Best drilling results from recent drilling into the Eastern zone on section 2970mE include:

AD228:

- **4.0m @ 2.17% Sn from 186.0m; and**
- **6.4m @ 0.58% Sn from 338.6m.**

AD231:

- **4.0m @ 0.87% Sn from 89.0m;**
- **2.0m @ 1.65% Sn from 154.0m;**
- **7.0m @ 0.49% Sn from 161.0m;**
- **7.0m @ 0.51% Sn from 239.0m; and**
- **18.0m @ 1.03% Sn from 352.0 (TZ601) (including 8.0m @ 1.52% Sn from 357.0m).**

AD233:

- **3.0m @ 0.87% Sn from 133.0m;**
- **23.0m @ 0.57% Sn from 357.0m (TZ601) (including 9.0m @ 0.91% Sn from 368.0m); and**
- **6.0m @ 0.55% Sn from 413.0m.**

AD240:

- **2.0m @ 1.39% Sn from 99.0m;**
- **5.0m @ 0.67% Sn from 180.0m;**
- **7.0m @ 0.46% Sn from 358.0m (TZ601); and**
- **7.0m @ 0.48% Sn from 371.0m (TZ601).**

LOOKING FORWARD

The current drilling at Achmmach is aimed at:

1. increasing the Measured component of the resource and the total resource tonnage;
2. further defining the high-grade core of the deposit; and
3. defining the extent of the EZS target.

As such five diamond rigs continue to be employed in the ongoing resource development program and are focused on:

- 20m-spaced in-fill drill sections (between 2270mE and 2670mE);
- 40m-spaced in-fill and extensional drilling across the Eastern Zone (on sections 3330mE to 3370mE); and
- Close-spaced drilling of the Eastern Zone Shallow ("EZS") mineralisation centred on 3050mE.

All in-fill and extensional drilling across Achmmach will be complete mid-year with a further resource upgrade at Achmmach expected to be reported in Quarter 3, 2013.

The DFS remains on track for a Q4 2013 completion.

Wayne Bramwell
Managing Director

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ABOUT KASBAH

Kasbah Resources Limited ("Kasbah", ASX: KAS) is rapidly advancing its 100% owned Achmmach Tin Project located in the Kingdom of Morocco. The definitive feasibility study ("DFS") into the development of a 1Mtpa underground mine, concentrator and associated infrastructure is due for completion in Q4 2013, and Kasbah is targeting first tin production in 2015.

Toyota Tsusho Corporation ("TTC") of Japan is Kasbah's development partner in Achmmach. TTC has a right to acquire 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.

COMPETENT PERSONS' STATEMENTS

The information in this announcement is based on information compiled by Mr Jeffrey Lindhorst, a Member of the Australasian Institute of Geoscientists (AIG). 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 this 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 March 2013 Mineral Resource estimate for the Achmmach Tin Project is based on information compiled by Michael Job, who is a full time employee of Quantitative Group Pty Ltd. and a Fellow 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 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves" (JORC Code). Michael Job verifies that this Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in the supporting documentation relating to Mineral Resources.

APPENDIX A: Significant Intersections[A]

Hole ID	Section ID	Collar UTM 30N WGS84 N	Collar UTM 30N WGS84 E	From (m)	To (m)	Down-hole interval (m)	Tin Grade[B] Sn %
AD228	2970mE	3715044	243831	186	190	4	2.17
				338.6	345	6.4	0.58
AD231	2970mE	3715044	243831	89	93	4	0.87
				154	156	2	1.65
				161	168	7	0.49
				239	246	7	0.51
				352	370	18	1.03
			incl.	357	365	8	1.52
AD233	2970mE	3715045	243831	133	136	3	0.87
				357	380	23	0.57
			incl.	368	377	9	0.91
				413	419	6	0.55
AD240	2970mE	3715045	243831	99	101	2	1.39
				180	185	5	0.67
				358	365	7	0.46
				371	378	7	0.48

[A] Significant intersections

>100m below natural surface selection criteria:

≥ 0.5% Sn and ≥ 5m down-hole and ≤ 3m down-hole < 0.5% Sn included; or
≥ 0.5% Sn and ≥ 2.5 %Tin-metres metal accumulation down-hole and ≤ 3m down-hole consecutive < 0.5% Sn included.

[B] grades adjusted for recovery.

APPENDIX B: Drill-Hole Collar Details

Hole ID	Collar UTM 30N WGS84 N	Collar UTM 30N WGS84 E	RL (m)	Azimuth TRUE	Dip	Depth
AD228	3715044	243831	1136	162	-50	386.5
AD231	3715044	243831	1136	162	-58	403.1
AD233	3715045	243831	1136	162	-64	447.1
AD240	3715045	243831	1136	162	-70	449.5

APPENDIX C: Assay Data

Drill Hole	From (m)	To (m)	Sample Width	Tin Grade[B] Sn%
AD228	186.00	187.00	1.00	0.67
	187.00	188.00	1.00	4.73
	188.00	189.00	1.00	2.28
	189.00	190.00	1.00	1.02
	338.60	339.90	1.30	0.92
	339.90	340.90	0.60	0.17
	340.90	341.90	1.00	0.30
	341.90	342.90	1.00	0.96
	342.90	344.10	1.00	0.52
	344.10	345.00	0.90	0.49
AD231	89.00	90.00	1.00	1.54
	90.00	91.00	1.00	0.78
	91.00	92.00	1.00	0.07
	92.00	93.00	1.00	1.10
	154.00	155.00	1.00	1.81
	155.00	156.00	1.00	1.50
	161.00	162.00	1.00	0.75
	162.00	163.00	1.00	0.25
	163.00	164.00	1.00	0.74
	164.00	165.00	1.00	0.57
	165.00	166.00	1.00	0.17
	166.00	167.00	1.00	0.49
	167.00	168.00	1.00	0.47
	239.00	240.00	1.00	0.76
	240.00	241.00	1.00	0.10
	241.00	242.00	1.00	0.64
	242.00	243.00	1.00	0.47
	243.00	244.00	1.00	0.56
	244.00	245.00	1.00	0.49
	245.00	246.00	1.00	0.56
	352.00	353.00	1.00	1.66
	353.00	354.00	1.00	0.82
	354.00	355.00	1.00	0.17
	355.00	356.00	1.00	0.09
	356.00	357.00	1.00	0.10
	357.00	358.00	1.00	2.06
	358.00	359.00	1.00	2.59
	359.00	360.00	0.90	0.63
	360.00	361.00	1.00	1.38

Drill Hole	From (m)	To (m)	Sample Width	Tin Grade[B] Sn%
AD231	361.00	362.00	1.00	0.85
	362.00	363.00	1.00	0.64
	363.00	364.00	1.00	0.95
	364.00	365.00	0.80	3.42
	365.00	366.00	1.00	1.20
	366.00	367.00	1.00	0.57
	367.00	368.00	1.00	0.42
	368.00	369.00	1.00	0.44
	369.00	370.00	1.00	0.65
AD233	133.00	134.00	1.00	0.59
	134.00	135.00	1.00	1.24
	135.00	136.00	1.00	0.79
	357.00	358.00	1.00	0.57
	358.00	359.00	1.00	0.08
	359.00	360.00	1.00	0.28
	360.00	361.00	1.00	0.49
	361.00	362.00	1.00	0.39
	362.00	363.00	1.00	0.03
	363.00	364.00	1.00	0.33
	364.00	365.00	1.00	1.05
	365.00	366.00	1.00	0.13
	366.00	367.00	1.00	0.09
	367.00	368.00	1.00	0.20
	368.00	369.00	1.00	1.60
	369.00	370.00	1.00	1.64
	370.00	371.00	1.00	0.61
	371.00	372.00	1.00	0.86
	372.00	373.00	1.00	0.51
	373.00	374.00	1.00	0.62
	374.00	375.00	1.00	0.24
	375.00	376.00	1.00	0.99
	376.00	377.00	1.00	1.14
	377.00	378.00	1.00	0.37
	378.00	379.00	1.00	0.41
	379.00	380.00	1.00	0.48
	413.00	414.00	1.00	0.84
	414.00	415.00	1.00	0.23
	415.00	416.00	1.00	0.20
	416.00	417.00	1.00	0.46
	417.00	418.00	1.00	1.01
	418.00	419.00	1.00	0.58

Drill Hole	From (m)	To (m)	Sample Width	Tin Grade[B] Sn%
AD240	99.00	100.00	1.00	2.17
	100.00	101.00	1.00	0.60
	180.00	181.00	1.00	0.58
	181.00	182.00	1.00	0.04
	182.00	183.00	1.00	0.52
	183.00	184.00	1.00	0.84
	184.00	185.00	1.00	1.37
	358.00	359.00	1.00	0.54
	359.00	360.00	1.00	0.28
	360.00	361.00	1.00	0.37
	361.00	362.00	1.00	0.16
	362.00	363.00	1.00	0.28
	363.00	364.00	1.00	0.60
	364.00	365.00	1.00	0.95
	371.00	372.00	1.00	0.49
	372.00	373.00	1.00	0.50
	373.00	374.00	1.00	0.15
	374.00	375.00	1.00	0.71
	375.00	376.00	1.00	0.76
	376.00	377.00	1.00	0.30
	377.00	378.00	1.00	0.46

[B] grades adjusted for recovery