

ACHMMACH EXPLORATION UPDATE – Phase 1 Results

18 JUNE 2008

HIGHLIGHTS

- Phase 1 diamond drilling program in the Eastern area of the Achmmach Tin Project completed
- Phase 1 tested 650 metres of a 2 kilometre long mineralised system
- Drilling has discovered new shallow tin zones in the Eastern area
- New high grade down hole tin intercepts achieved include;
 - **AD015: 1.9m @ 3.1% Sn from 163.6m;**
 - 5.2m @ 2.0% Sn from 382.9m;**
 - 3.8m @ 1.1% Sn from 392.8m**
 - **AD016: 1.9m @ 1.2% Sn from 121.7m;**
 - 1.0m @ 10.5% Sn from 129.8m**
 - (Including 0.3m @ 31.6% Sn from 130.2m)**
 - 5.2m @ 1.0% Sn from 132.5m**
 - **AD017: 2.0m @ 1.2% Sn from 113.5m**
- Phase 2 drilling has commenced with the aim of the program being to expand the proven mineralisation beyond the existing underground workings in the Western area of the Achmmach tin project.

SNAPSHOT

ASX Code: KAS

Investment Data

Share price 17 June 2008 \$0.21

Shares on Issue 88.5M

Market Cap \$18.6M

High / Low (52 week)

\$0.47 / \$0.17

Board & Management

Graeme Walker - Non Exec Chairman

Wayne Bramwell - Managing Director

Peter Hepburn Brown – Non Exec Director

Rod Marston - Non Exec Director

Rob Weinberg - Non Exec Director

Peter Youd - Company Secretary

Shareholders

Top 20 Hold 75%

Cash Reserves

Cash Balance (31 May 2008) = \$7.6M

Projects - Morocco

Achmmach Tin Project

Tamlalt Gold Project

El Karit Tin Project

More Information

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1.0 ACHMMACH TIN PROJECT

1.1 Phase 1 Objectives

The Phase 1 drill program at the Eastern area of the Achmmach Tin Project has now been completed (Figure 1). A total of 17 diamond core holes (AD001 to AD017) totalling 4192 metres were drilled with the twin objectives of:

- a. investigating the previous drilling undertaken by the Bureau de Recherches et des Participations Minières (BRPM), and
- b. testing the potential for shallow zones of tin mineralisation in the Eastern area.

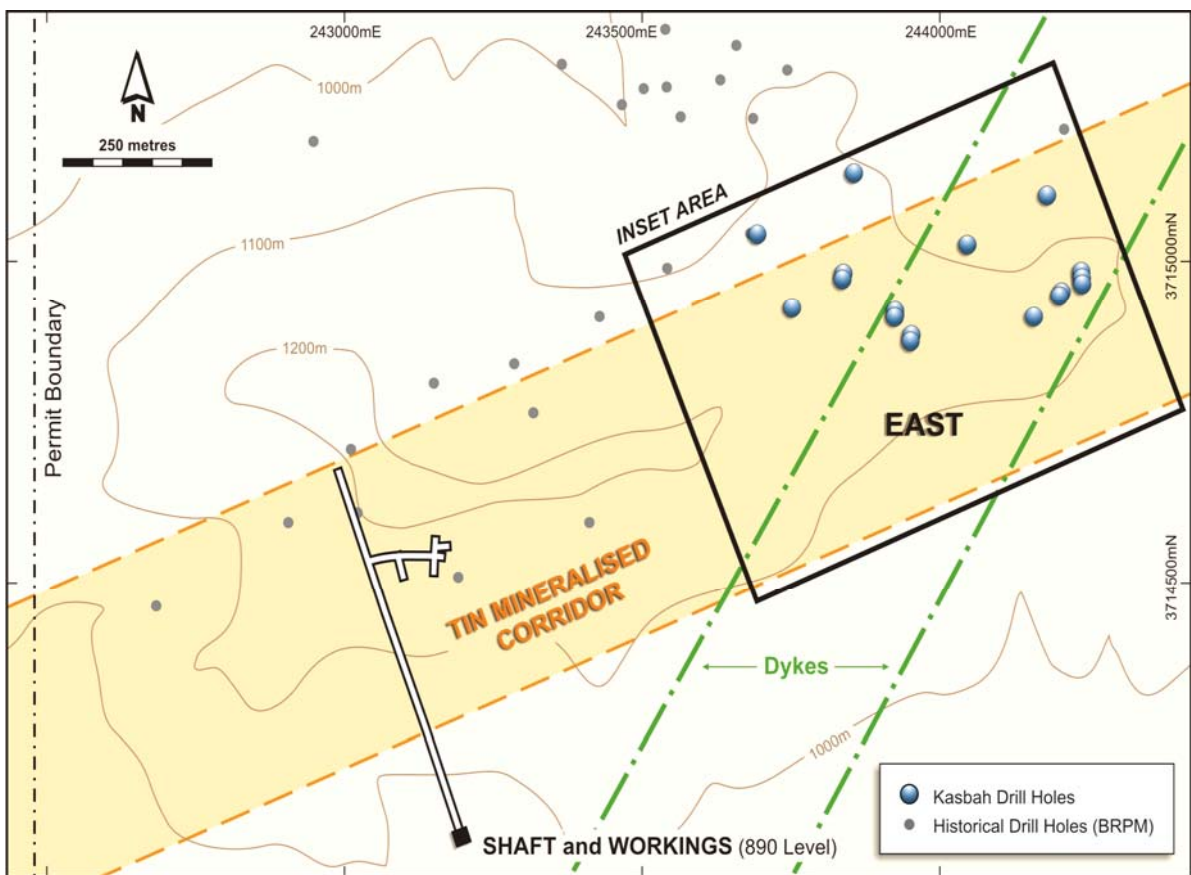


Figure 1
Location of the Historic BRPM and Recent Kasbah Drilling

1.2 Recent Results

In addition to the previously announced results, assay results for the final Phase 1 drill holes (AD015 to AD017) have been received. Significant intersections (Table 1, Figures 3 to 5) include –

Drill hole	From	Width	Grade % Sn
AD015	163.6 m	1.9m	3.1
	382.9 m	5.2 m	2.0
	392.8 m	3.8 m	1.1
AD016	121.7 m	1.9 m	1.2
	129.8 m	1.0 m	10.5
	Including 130.2m	0.3 m	31.6
	132.5 m	5.2 m	1.0
AD017	113.5 m	2.0 m	1.2

NB - AD017 abandoned in broken ground at 239 metres and failed to reach the target depth of 370 metres.

The Phase 1 drilling program has tested and partly in-filled previous drilling by BRPM and defined new zones of tin mineralisation. Kasbah's drilling has located broad widths of potential ore grade mineralization including;

- 8.0m @ 1.1% Sn from 200.0m (AD009)**
- 16.0m @ 0.5% Sn from 70.0m (AD010)**
- 8.8m @ 2.0% Sn from 259.3m (AD014)**
- 8.8m @ 1.2% Sn from 331.2m (AD014)**
- 5.2m @ 2.0% Sn from 382.9m (AD015)**
- 5.2m @ 1.0% Sn from 132.5m (AD016)**

This success is attributed to:

- the shallower drilling dips which allow better coverage across the prospective horizon, and
- greater sample size due to ½ core sampling of HQ core.

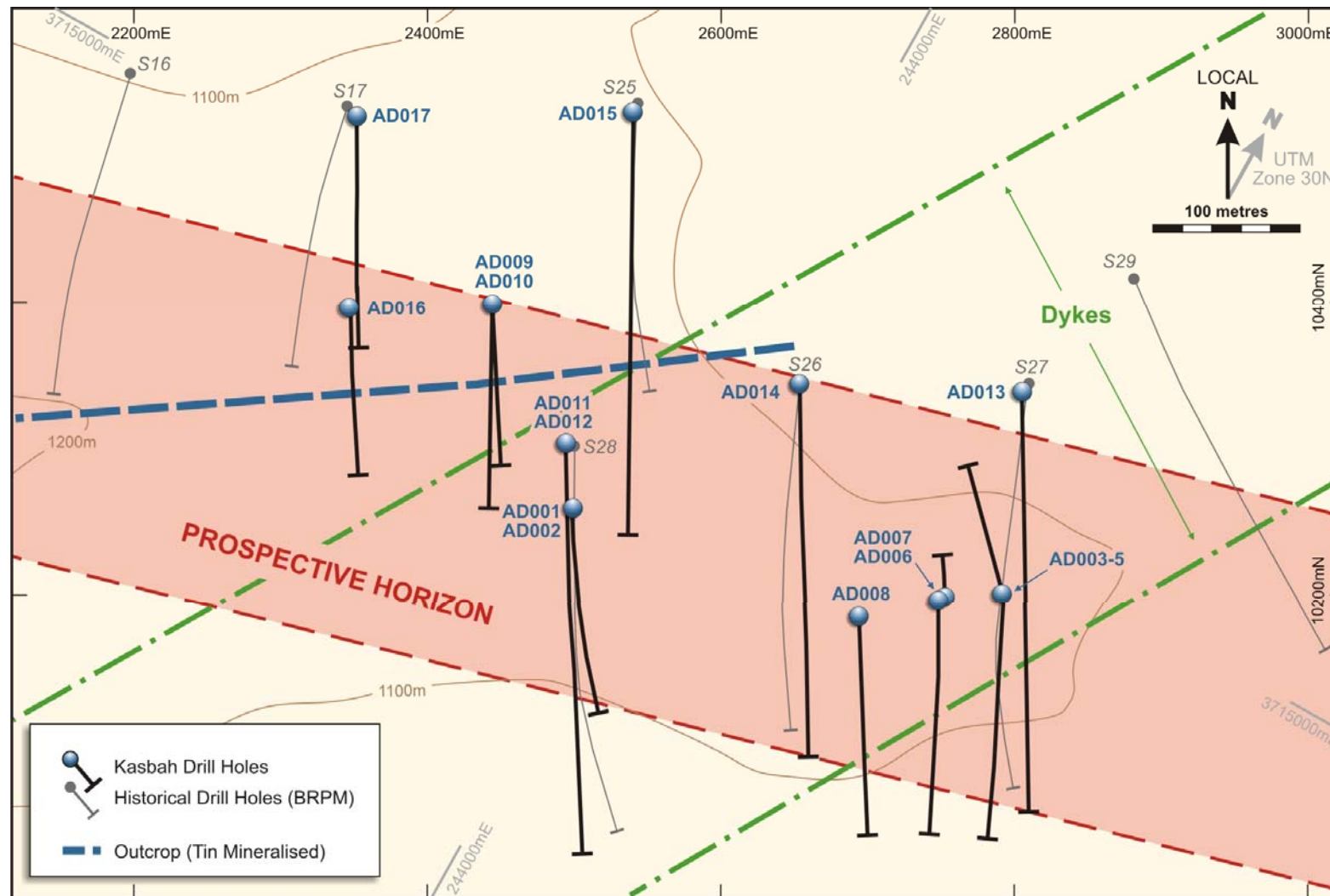


Figure 2

Achmmach Tin Project – Phase 1 Drill Plan (Eastern Area)

With respect to open pittable ore the Kasbah drilling has identified a new shallow ore target in the zone from AD016 to AD014 (between sections 2300E and 2600E). This target is available for future drilling but in terms of scale, it appears that the deeper portions of the Achmmach tin mineralised system have a much greater potential for the discovery of economically viable ore.

In addition to validating some of the BRPM drilling results, the Phase 1 drilling has reaffirmed the BRPM exploration concept for the Achmmach project. Analysis of drilling data and gravity surveys indicate that the tin source granite has intruded into a relatively simple greywacke and siltstone sequence creating a 3D fracture network within the overlying sediments. Hydrothermal fluids, some of which are tin bearing, have penetrated this fracture network resulting in zones of silica-tourmaline alteration, quartz-sulphide veining and crack-seal breccias.

Drilling suggests there is a spatial relationship between low temperature epithermal quartz; either as veining or hydrothermal breccia fill, with higher grade tin mineralisation. Although silica-tourmaline alteration is common, tin mineralisation is generally restricted to where this hard rock has been subsequently micro-fractured proximate to these epithermal quartz occurrences.

This could infer that Kasbah is at the top of a large mineralised system that is largely intact with better potential at depth.

There are several possible mineralised orientations within the Achmmach tin system. Drilling results give some support to the vertical ore model, as proposed by BRPM but other fracture controlled orientations have yet to be clearly defined and warrant additional drilling. (**Figures 3 and 4**).

The Phase 1 drilling has tested only 650 metres of the 2 kilometre long Achmmach tin mineralised system. Given the observed higher grade intersections at depth, conceptually the project may be capable of supporting an underground operation at Achmmach.

Phase 2 is focusing on the Western area of the Achmmach project, where underground workings by BRPM at the 890m level have proven ore continuity.

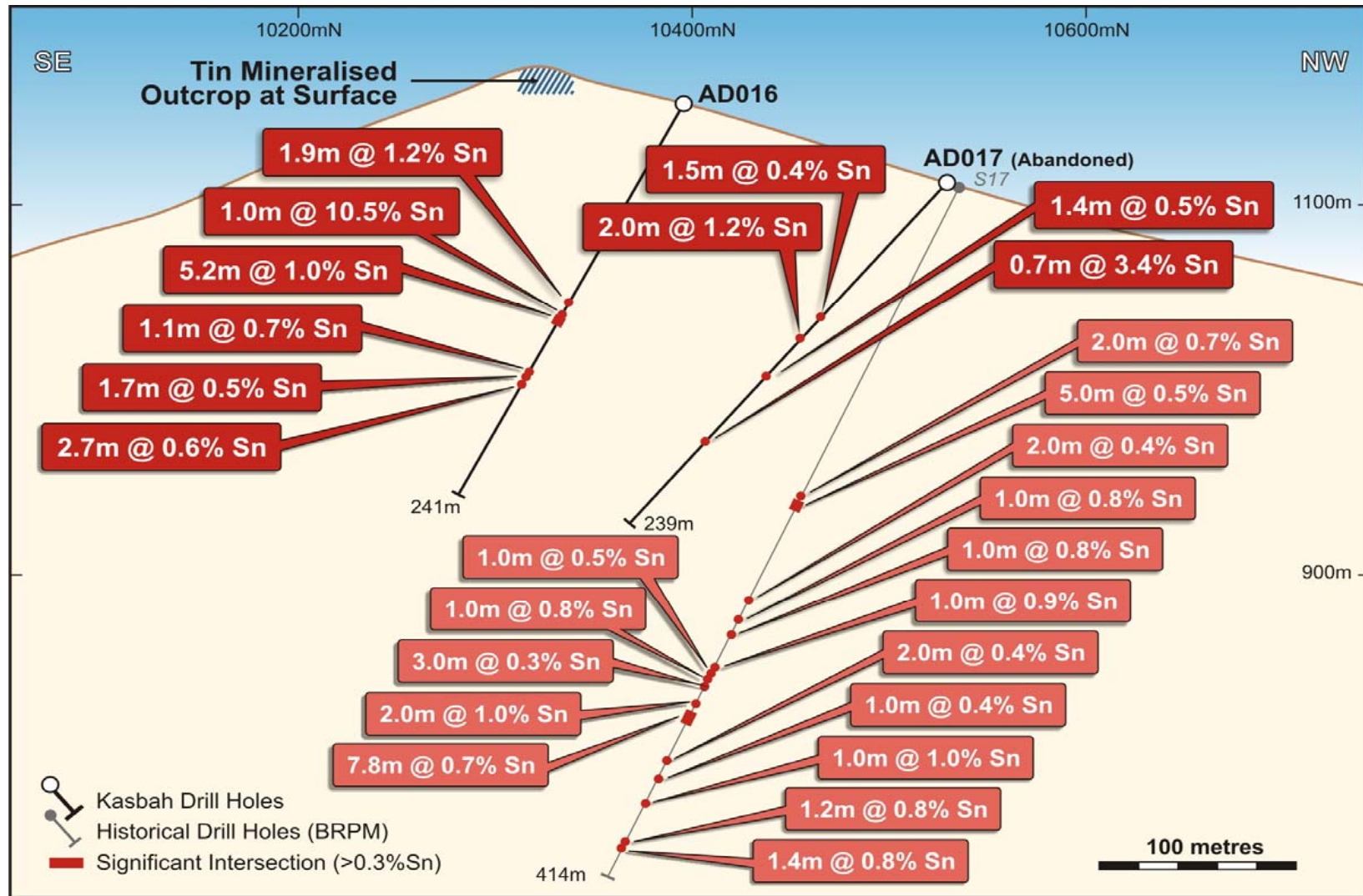


Figure 3 – Section 2350E

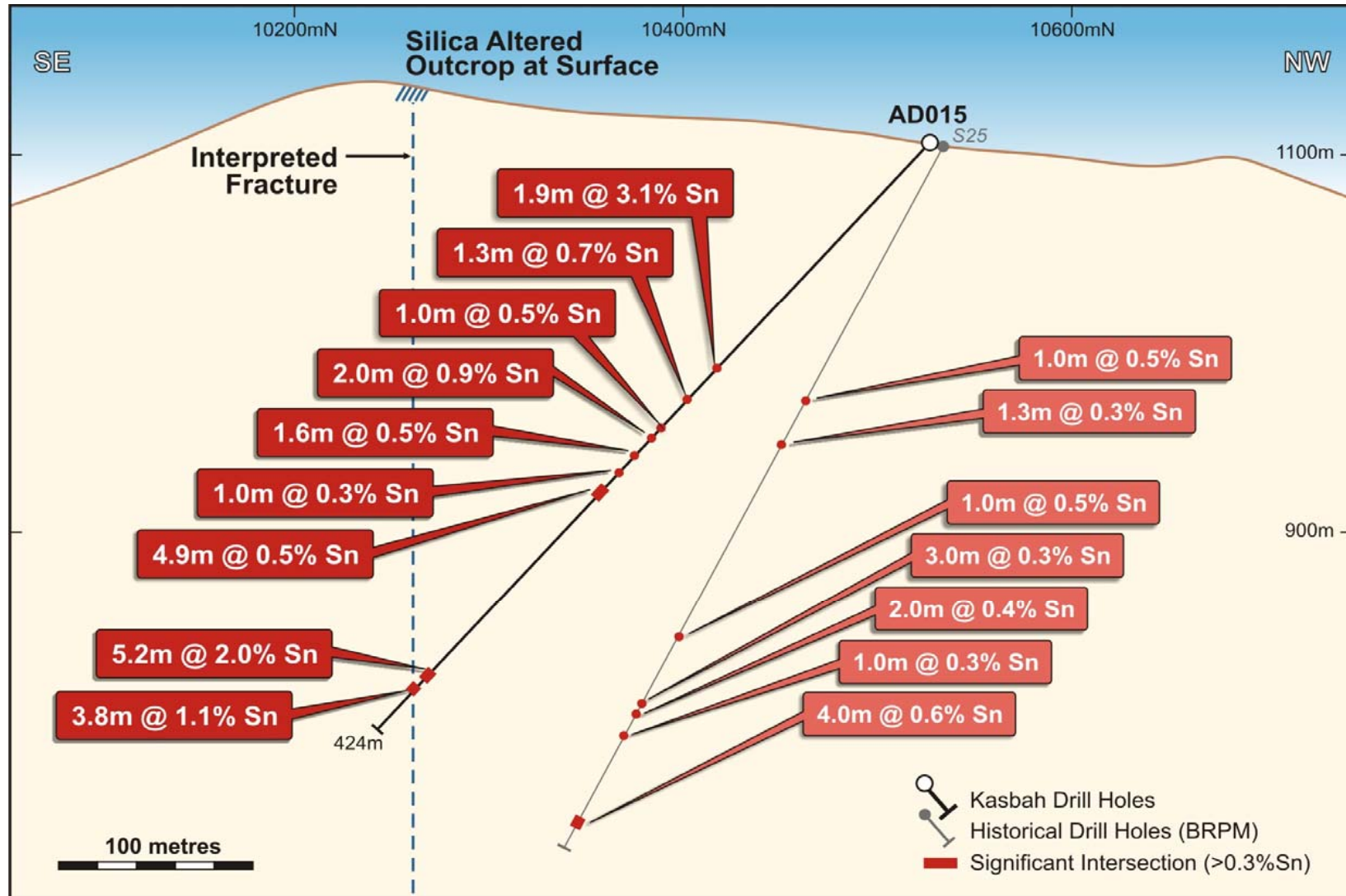


Figure 4 – Section 2550E

Table 1
Achmmach Significant Drill Hole Intersections (0.3% Sn cut)

Hole	From	To	Metres	Sn %
AD009	52.0	53.0	1.0	1.93
AD009	81.0	85.0	4.0	0.35
AD009	91.0	96.0	5.0	0.87
including	93.0	96.0	3.0	1.25
AD009	101.0	102.0	1.0	0.39
AD009	132.0	133.0	1.0	0.33
AD009	140.0	141.0	1.0	1.39
AD009	145.0	146.0	1.0	2.43
AD009	160.0	163.0	3.0	0.34
AD009	200.0	208.0	8.0	1.09
including	200.0	203.0	3.0	1.80
including	200.0	201.0	1.0	4.08
including	205.0	207.0	2.0	1.19
AD009	211.0	212.0	1.0	0.56
AD010	54.0	55.0	1.0	0.50
AD010	63.0	65.0	2.0	0.85
AD010	70.0	86.0	16.0	0.50
including	77.0	81.0	4.0	1.01
AD010	85.0	86.0	1.0	0.71
AD010	122.0	123.0	1.0	0.51
AD011	185.0	187.0	2.0	0.47
AD011	201.0	202.0	1.0	1.87
AD011	226.0	227.0	1.0	0.50
AD011	236.0	237.0	1.0	1.32
AD011	311.0	312.0	1.0	1.16
AD011	360.0	362.0	2.0	0.76
AD011	367.0	368.0	1.0	0.35
AD011	372.0	373.0	1.0	0.30
AD011	382.0	383.0	1.0	0.46
AD012				NS
AD013	302.0	304.0	2.0	0.69
AD013	360.1	366.4	6.3	0.71
including	360.1	362.4	2.3	0.97
including	364.1	365.5	1.4	0.97
AD013	369.8	372.0	2.2	0.39
AD013	377.7	378.7	1.0	0.30
AD013	398.1	399.1	1.0	0.98
AD013	407.0	409.4	2.4	0.65
AD013	412.5	416.6	4.1	0.49
AD013	419.6	421.6	2.0	0.52
AD013	423.5	424.9	1.4	0.36
AD013	428.6	434.0	5.4	0.39
AD013	444.7	451.6	6.9	0.35
AD013	453.9	457.6	3.7	1.05
including	455.6	456.6	1.0	1.89

AD014	34.1	36.4	2.3	0.56
AD014	259.3	268.1	8.8	2.02
including	262.7	268.1	5.4	2.77
including	266.5	267.3	0.8	4.71
AD014	287.0	289.1	2.1	0.58
AD014	331.2	340.0	8.8	1.20
including	336.3	337.4	1.1	3.34
including	336.3	336.9	0.6	4.69
AD015	163.6	165.5	1.9	3.15
AD015	187.1	188.4	1.3	0.68
AD015	207.1	208.1	1.0	0.50
AD015	214.1	216.1	2.0	0.88
AD015	227.2	228.8	1.6	0.46
AD015	239.2	240.2	1.0	0.31
AD015	250.8	255.7	4.9	0.50
AD015	382.9	388.1	5.2	2.04
including	385.2	388.1	2.9	3.30
AD015	392.8	396.6	3.8	1.12
including	394.3	395.7	1.4	1.88
AD016	121.7	123.6	1.9	1.22
AD016	129.8	130.8	1.0	10.48
including	130.2	130.8	0.6	17.25
including	130.2	130.5	0.3	31.63
AD016	132.5	137.7	5.2	1.02
including	134.7	136.4	1.7	2.32
including	134.7	135.8	1.1	3.11
AD016	162.8	163.9	1.1	0.72
AD016	165.3	167.0	1.7	0.53
AD016	171.5	174.2	2.7	0.56
AD017	98.5	100.0	1.5	0.40
AD017	113.5	115.5	2.0	1.22
AD017	140.5	141.9	1.4	0.54
AD017	188.0	188.7	0.7	3.38

- ❑ Significant defined as $\geq 1\text{m}$ and $\geq 0.3\%$ Sn with $\leq 1\text{m}$ internal dilution
- ❑ NS - not sampled
- ❑ NSR - no significant results
- ❑ AR - awaiting results
- ❑ S - sampling in progress
- ❑ Sn % - determined by XRF/ICP-AES method
- ❑ Sample prep and analyses by Reminex Lab, Marrakech, Morocco
- ❑ Reminex are certified ISO9001 by SGS and ISO17025 by Cofrac
- ❑ AD001-11 samples were HQ $\frac{1}{4}$ core, subsequent sampling was HQ $\frac{1}{2}$ core

Table 2
Achmmach Phase 1 Drill Collars

HOLE		LOCAL GRID				UTM ZONE 30N	
ID	Depth	East	North	Elevation	Dip	East	North
No.	m	m	m	m	deg	m	M
AD001	101.1	2498	10259	1153	-75	243951	3714876
AD002	235.1	2501	10259	1153	-53	243953	3714877
AD003	124.4	2793	10201	1117	-60	244236	3714970
AD004	154.2	2794	10200	1117	-55	244237	3714970
AD005	240.9	2792	10200	1117	-45	244236	3714969
AD006	234.1	2749	10195	1128	-45	244201	3714944
AD007	121.0	2753	10197	1128	-75	244203	3714947
AD008	212.2	2695	10185	1131	-45	244159	3714908
AD009	243.0	2445	10399	1144	-60	243836	3714971
AD010	204.6	2445	10398	1144	-45	243836	3714970
AD011	430.3	2495	10302	1150	-48	243927	3714911
AD012	153.0	2494	10303	1150	-80	243926	3714912
AD013	464.6	2806	10338	1071	-50	244180	3715096
AD014	370.1	2654	10341	1084	-45	244046	3715024
AD015	423.5	2541	10529	1108	-45	243855	3715132
AD016	241.0	2347	10397	1157	-60	243752	3714921
AD017	239.1	2352	10526	1108	-45	243692	3715036
<i>1. Unsurveyed collars, UTM XY locations defined by handheld GPS then converted to local grid</i>							
<i>2. 4,192 m drilled to date</i>							
<i>3. AD017 abandoned at 239.1m in broken ground.</i>							

1.3 Phase 2 Drilling – Western Zone

The Phase 2 drilling has now commenced with the focus being around the existing underground workings developed in the Western area of the Achmmach project by BRPM.

These workings at the 890m level (approximately 280m from the surface) have intersected proven ore zones and this phase of drilling will seek to define and extend the ore zones in this location.

Figure 5
AD016 – Core sample (31% Sn)



For and on behalf of the Board,



Wayne Bramwell
Managing Director

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Chief Financial Officer

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The information in this report is based on information compiled by Mr. John Bishop, a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bishop 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. Bishop consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.