

12 SEPTEMBER 2012

ASX CODE: KAS

OUR PRIME COMMODITY IS TIN.

LME TIN PRICE
(11/09/12)

US\$20,700/T
(CASH BUYER)

ABOUT KASBAH

KASBAH RESOURCES IS AN AUSTRALIAN LISTED MINERAL EXPLORATION AND DEVELOPMENT COMPANY ADVANCING THE ACHMMACH TIN PROJECT TOWARDS PRODUCTION

PROJECTS

ACHMMACH TIN PROJECT
BOU EL JAJ TIN PROJECT

CAPITAL STRUCTURE

SHARES ON ISSUE:	396M
UNLISTED OPTIONS:	11.5M
CASH @ 1/8/12:	\$28.5M

MAJOR SHAREHOLDERS

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

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Drilling Commences at Bou El Jaj Tin Project



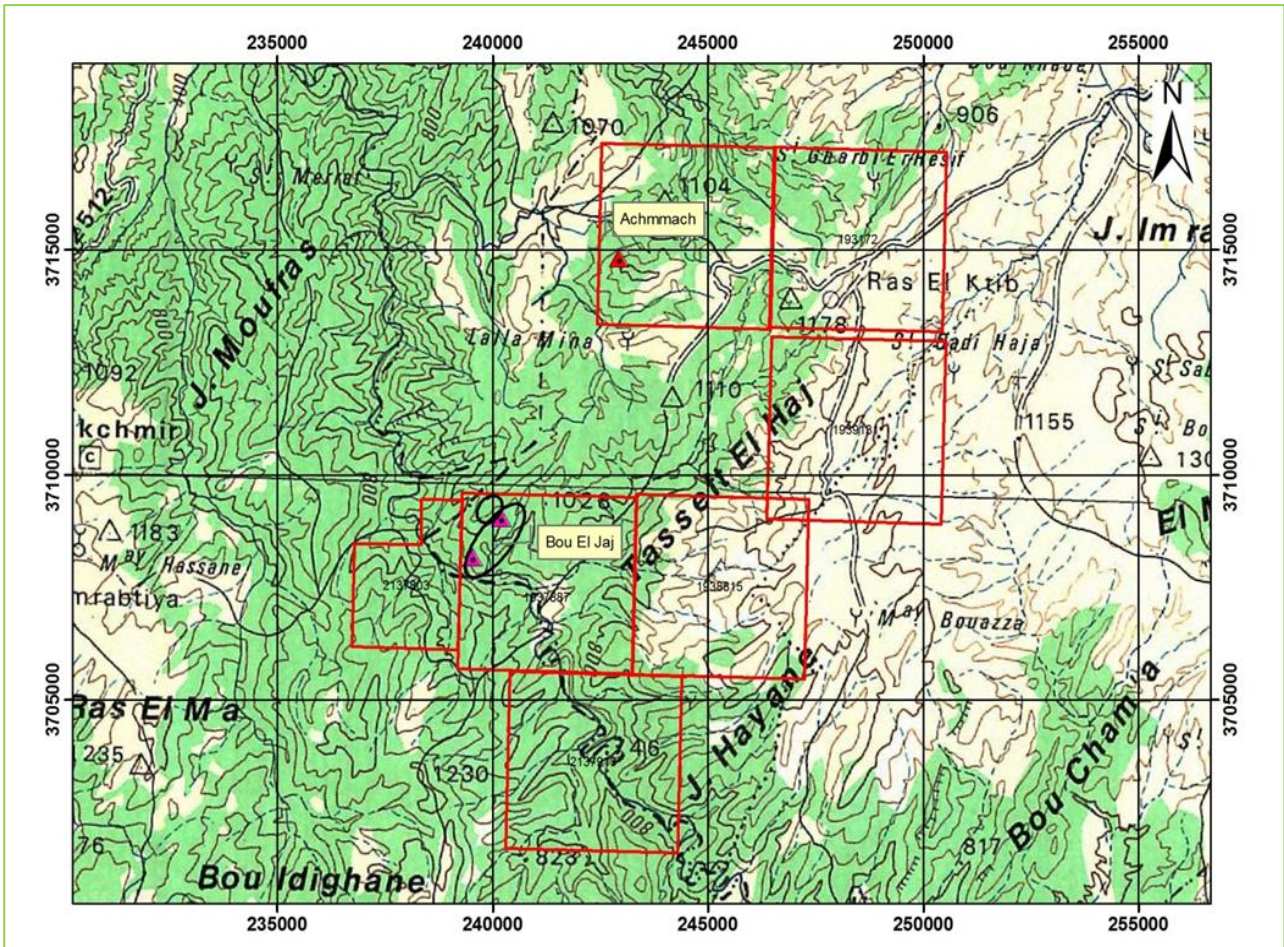
HIGHLIGHTS

- Diamond drilling has commenced at Kasbah's 100% owned Bou El Jaj ("BLJ") Tin Project in Morocco.
- A 5,000m diamond drilling program has commenced with two diamond drill rigs operating and a third rig scheduled to begin drilling in early October.
- The objective of this first phase drilling program is to test the potential for shallow tin mineralisation mineable by surface mining methods to 200m below the natural surface
- Four areas of outcropping tin mineralisation totalling approximately 2,100m of strike length have been identified in the 3,100m of mapped tourmaline-altered rocks in the Ain Karma Trend.

OVERVIEW

Kasbah Resources Limited (“Kasbah”) is pleased to announce that it has commenced a 5,000m diamond drilling program at the Company’s 100% owned Bou El Jaj (“BLJ”) Tin Project in Morocco. BLJ is located 15km by road to the southwest of the Achmmach Tin Project (**refer Figure 1**).

Unlike most of Achmmach, BLJ has a strong surface geochemical signature for tin. Outcropping tin mineralisation is evident along 2,100m of strike length within 3,100m of prospective tourmaline-altered rocks. Kasbah geologists are extending the mapping of this region concurrent with drilling.



**Figure 1: BLJ Location Plan within Kasbah Tenement Holdings
(Grid is 5 km square)**

BLJ lies at the south-westernmost extent of a broad zone of tourmaline alteration hosted by fine grained metamorphosed sandstones and siltstones intruded by multiple dykes of dolerite and microgranite, which extends SW from Achmmach to the river, Oued Beht which traverses the BLJ tenements.

The initial 5,000m program on PE193313 (formerly PR1937887) commenced in September and is scheduled for completion in December 2012. Two new drilling rigs are operating with a third scheduled to be supplied by the drilling contractor in early October.

The objective of this initial drilling program is to test for shallow tin mineralisation potentially mineable by surface mining methods, up to 200m below natural surface.

If the initial drill program provides sufficient encouragement, Kasbah's goal will be to define a mineral resource during 2013 that may be able to provide additional ore to the presently envisaged underground mining and ore treatment project at Achmmach, 15km to the north-east.

The initial drilling, beginning on the Gallery Hill prospect is designed to test areas of outcropping high grade tin mineralisation (**up to 17.9% Sn as previously reported on 5 December 2011**) identified in previous exploration conducted by the Bureau de Recherches et de Participation Minières (BRPM), and extended by recent mapping and sampling by Kasbah geologists within the Ain Karma Trend (**refer Figure 2**).

Ain Karma Trend - Rock Chip Sampling Results

Mapping to date has identified four separate tourmaline-altered structures totalling 3,100m in aggregate length occurring in two sub-parallel SW - NE striking trends, which host outcropping tin mineralisation as quartz-cassiterite veins and breccias. This entire package of tourmaline alteration and tin mineralisation is referred to as the **Ain Karma Trend**.

Within the tourmaline-altered structures of the Ain Karma Trend, four areas of high grade outcropping tin mineralisation consisting of 2,100m of semi-continuous strike length (**refer Figure 2**) have been defined by 761 rock chip samples. These prospect areas are;

1. Gallery Hill
2. Grand Crete,
3. Ain Karma, and
4. Hill 982.

Mineralisation occurs as multiple sub-parallel metre to ten metre scale tourmaline lodes containing mineralized breccia and quartz-cassiterite veins in distinct 30 to 50m wide packages. Geologic mapping and sampling is ongoing.

Ain Karma Trend Drill Targets

The stratigraphy and alteration styles recognised at Achmmach extend discontinuously southwards through the Bou El Jaj Project area based on outcrop observations, review of regional mapping and geophysics. Outcrop and surface geochemistry at BLJ support the hypothesis that BLJ may be analogous to the Achmmach deposit, and both may be part of a larger system.

The conceptual mineralised target is in the range of 2 - 4 M tonnes at 0.7 - 1.0% Sn for approximately 14,000 – 40,000t of contained tin. This equates to a target with the following dimensions:

- Strike length up to 500m, (supported by exposure);
- Accumulated width of 10m (supported by exposure); and
- Dip dimension of 200m from natural surface (supported in part by underground galleries but mainly based on the Achmmach Project resource).

The above target, including potential quantity and grade is conceptual in nature. To date there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Drill access tracks have been completed to Gallery Hill, Ain Karma and Grande Crete prospects, and Kasbah expects to complete first pass drilling of these areas in the initial 5,000m program.

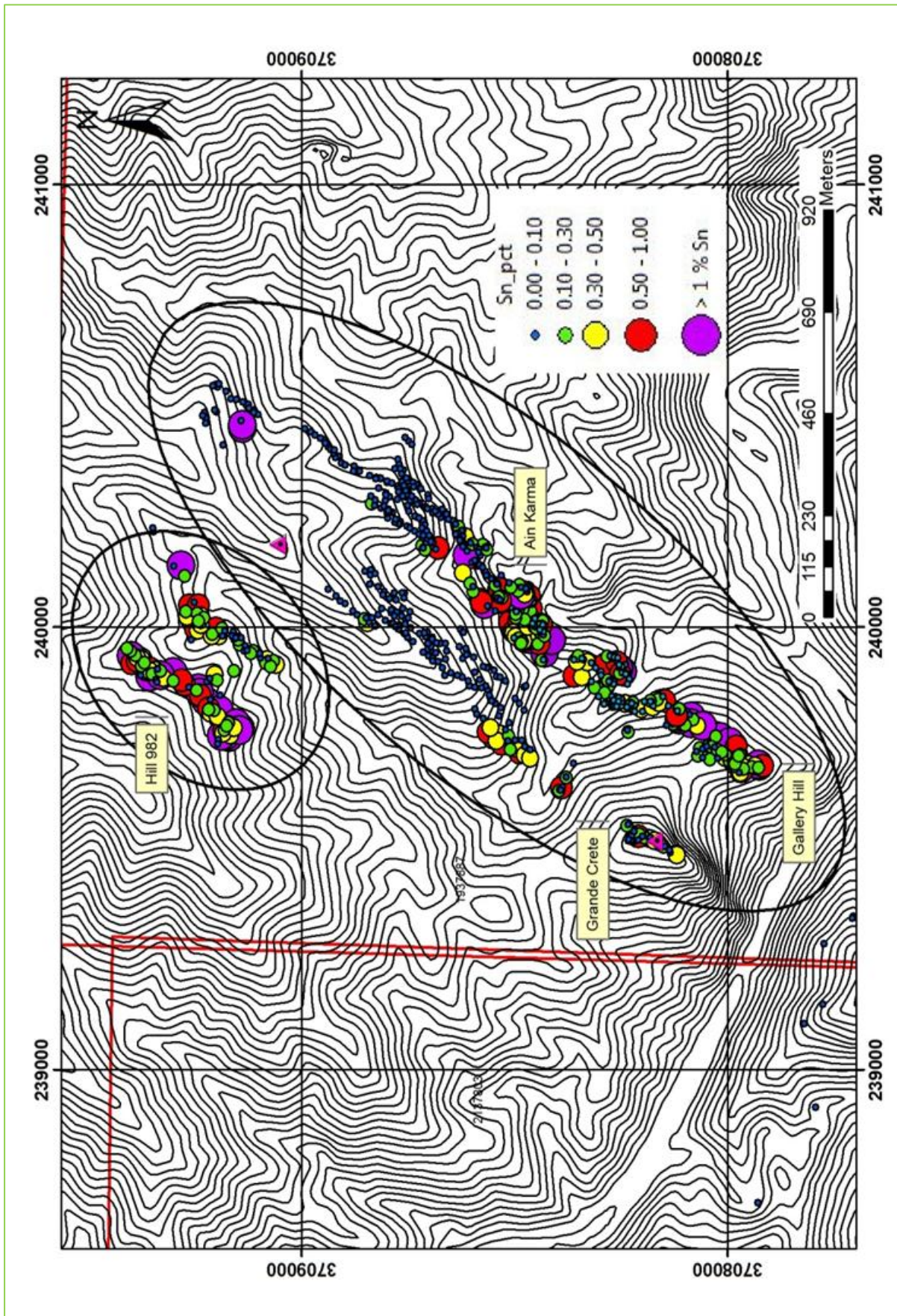


Figure 2: BLJ Prospect Locations and Rock Chip Tin Results on 10m Topographic Contours

- **Gallery Hill**

The initial drilling will focus here. In this location BRPM completed 320m of underground exploration in three galleries but previous results are not available. The galleries have been surveyed and will be geologically mapped and sampled.

Two drill holes SB01 and SB04 were also drilled by BRPM in this area. No assay results are available from this drilling. However, some of the existing core examined by Kasbah geologists with the NITON hand held XRF analyser confirms the presence of tin mineralisation at depth in both holes.

Kasbah has commenced drilling of BD001 at the site of SB01 and BD002 at the site of SB04. A fan of 2-3 holes is planned at each of these locations, which are located 160m along strike from each other. This spacing will be closed up to nominally 80m along strike in the first pass drilling along the nearly 400m of outcropping tourmaline alteration.

- **Ain Karma**

BRPM drill hole SB02 was drilled in the Ain Karma area. No assay results are available for this hole but the upper portion of core from this hole was located by Kasbah and examined with the NITON hand held XRF analyser. This examination confirms the presence of tin mineralisation within the top 50m of the hole.

Kasbah plans to progress drilling along strike from the Gallery Hill area to the Ain Karma area where nearly 500m of outcropping tin mineralisation has been identified by the rock chip samples.

- **Grande Crete**

BRPM completed SB03 along the northeast strike extent of this area. No assay results are available for this hole and no core remains.

- **Hill 982**

No previous work has been completed at this location. Recent mapping and rock chip sampling identified two tourmaline-altered tin mineralised structures. This structure is nearly 300m in length and returned predominantly +1% tin values in rock chip samples.



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Managing Director

For further information please go to:

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The information in this announcement 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.