

12 MARCH 2012

ASX CODE: KAS

OUR PRIME COMMODITY IS TIN.

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**

LME TIN PRICE (08/03/12)

**US\$22,850/T
(CASH BUYER)**

BOARD & MANAGEMENT

**MIKE SPRATT
NON-EXECUTIVE CHAIRMAN**

**WAYNE BRAMWELL
MANAGING DIRECTOR**

**ROD MARSTON
NON-EXECUTIVE DIRECTOR**

**ROB WEINBERG
NON-EXECUTIVE DIRECTOR**

**GARY DAVISON
NON-EXECUTIVE DIRECTOR**

**IAN McCUBBING
NON-EXECUTIVE DIRECTOR**

**TREVOR O'CONNOR
CFO / COMPANY SECRETARY**

**MIKE KITNEY
CHIEF OPERATING OFFICER**

**CHRIS BOLGER
GM EXPLORATION & RESOURCE
DEVELOPMENT**

WWW.KASBAHRESOURCES.COM

**TOYOTA TSUSHO
TO ACQUIRE INTEREST IN
ACHMMACH TIN PROJECT**



- Kasbah has signed a Memorandum of Understanding (MOU) with Toyota Tsusho Corporation (Toyota Tsusho) to acquire an interest in the Achmmach Tin Project in Morocco
- Under the terms of the MOU, Toyota Tsusho has the option to earn up to a 20% interest by making staged milestone payments
- Toyota Tsusho is the premier tin trading house in Asia with over 30 years' experience in the tin market. The introduction of Toyota Tsusho into the Achmmach Tin Project will provide Kasbah with access to increased technical, marketing and financing capability
- The MOU provides for the following staged payments to Kasbah:
 - **AU\$1,000,000** - on signing the MOU (non-refundable);
 - **AU\$15,000,000** - on near term project milestones^A; and
 - **A Final Payment^B** – calculated from the NPV of the definitive feasibility study (DFS) and paid within 90 days of completion of the DFS
- The funding from Toyota Tsusho will be applied to accelerate development works and expand the exploration program at Achmmach
- The non-refundable payment of **AU\$1,000,000** is being processed.

TOYOTA TSUSHO TO ACQUIRE INTEREST IN ACHMMACH TIN PROJECT

Kasbah Resources Limited (Kasbah) is pleased to announce that it has signed a Memorandum of Understanding (MOU) with Toyota Tsusho Corporation (Toyota Tsusho) granting Toyota Tsusho an option to acquire up to a 20% interest in the Company's 100% owned Achmmach Tin Project.

Toyota Tsusho is a Toyota Group Company and Asia's premier tin trading house and among the largest trading companies in the world. Toyota Tsusho trades approximately 8% of the global tin market and over 50% of all tin consumed in Japan. The Toyota Motor Corporation is the largest shareholder (22%) alongside Toyota Industries Corporation (11.1%) and a group of major Japanese banks.

Under the terms of the MOU, Toyota Tsusho has the option to earn up to a 20% interest in the two exploitation permits that constitute the Achmmach Tin Project by making a series of payments to Kasbah and finalising a joint venture agreement. The initial funds will be applied to the exploration and development works at Achmmach, with the Final Payment to be used at Kasbah's sole discretion.

The Final Payment and signing of a joint venture agreement will secure Toyota Tsusho's 20% interest and entitle Toyota Tsusho, on mutually agreeable commercial terms, to a minimum 20% off take of tin produced from these two exploitation permits.

Kasbah will manage and operate the joint venture.

If the option payments are made by Toyota Tsusho, Kasbah will provide security over shares in Kasbah Gold SARLAU (which holds the Achmmach permits) to Toyota Tsusho and this security can be enforced in the event that Kasbah has not completed the Pre-Feasibility Study (PFS) by 31 December 2012 or the Definitive Feasibility Study (DFS) by 31 December 2013.

If Toyota Tsusho does not complete its payment obligations or fails to finalise the joint venture agreement in the specified timeframes, or alternatively if Toyota Tsusho elects not to proceed at any point, Kasbah may activate an Exit Option removing Toyota Tsusho from the project. This Exit Option provides a mechanism whereby Kasbah, at its sole election, can either issue Toyota Tsusho, Kasbah ordinary shares to a value equal to 50% of Toyota Tsusho's payments (using a 14 day VWAP calculation) or alternatively remit cash equal to 50% of the payments received.

Toyota Tsusho General Manager of Metal and Mineral Resources Department, Mr Naoto Yamagishi said:

"The Achmmach Tin Project is one of the most exciting new tin projects in the World and Toyota Tsusho looks forward to working alongside Kasbah in its development."

Kasbah Managing Director Wayne Bramwell said:

“This is a strategic move for both parties.

The joint venture is consistent with Kasbah’s corporate strategy as it substantially de-risks development of our Achmmach Tin Project. For Toyota Tsusho it provides an entry into a new, long term source of tin concentrates.

The additional funding provides further scope for Kasbah to accelerate our development works and expand our exploration programs at Achmmach. Toyota Tsusho’s expertise can be utilised to maximise our concentrate marketing strategy, whilst their relationship with Japan Oil, Gas and Metals National Corporation (JOGMEC) may provide another project financing option for Achmmach.

On a higher level, Toyota Tsusho’s global reach could potentially catalyse other new tin opportunities for Kasbah.

The execution of this agreement significantly raises the commercial profile of the Achmmach Tin Project to the global tin market and creates significant value for all Kasbah shareholders.

The Board of Kasbah welcomes Toyota Tsusho to the Achmmach team.”

ENDS

For further information visit www.kasbahresources.com, or please contact

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^A AU\$4,000,000 within 45 days of signing the MOU and AU\$11,000,000 within 60 days of completion of the PFS.

^B The Final Payment will be calculated as the lesser of either:

- a. (20% - Toyota Tsusho’s Nominal Project %) x DFS NPV; or
- b. 20% of DFS NPV – AU\$15,000,000.

Toyota Tsusho’s Nominal Project % = Approximately 4% (subject to AU\$ / US\$ exchange rate fluctuation)
plus
AU\$11,000,000 / US\$ PFS NPV%