



21 June 2011

Tonia Oliveira
Adviser, Listings (Perth)
ASX Compliance Pty Ltd
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

By: Fax (9221 2020)

Dear Tonia

PRICE QUERY

I refer to your letter dated 21 June 2011 in regards to the recent decrease in share price for the Company's securities. The Company responds as follows:

1. The Company is not aware of any information concerning it that has not been announced which if known could be an explanation for the recent price decrease in the securities of the Company.
2. Not applicable.
3. The Company notes the current political situation in Morocco which centres on a movement for constitutional change that has been prominent since mid-February when a small, peaceful demonstration took place in Rabat (the capital of Morocco). This low key event coincided with uprisings in Tunisia and Egypt. Subsequent small scale and peaceful protests have been reported in March and again this month. The King of Morocco has responded to these protests in a positive and conciliatory manner with a speech to the nation on the 17th of June. Kasbah does not expect any of the above to materially affect its activities in Morocco.

The Company also notes the recent negative sentiment in the commodity markets including base metals. In particular the price of tin as reported on the London Metals Exchange has fallen from a high of approximately US\$33,000 per tonne in mid-April 2011 to US\$24,670 per tonne on 20 June 2011.



4. The Company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.

Should you require any further information please do not hesitate to contact the Company.

Yours faithfully

A handwritten signature in black ink, appearing to read "Trevor O'Connor", written over a light blue horizontal line.

Trevor O'Connor
Company Secretary



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21 June 2011

Mr Trevor O'Connor
Company Secretary
Kasbah Resources Limited

By email: toconnor@kasbahresources.com

Dear Trevor

Kasbah Resources Limited (the "Company")

PRICE QUERY

We have noted a change in the price of the Company's securities from a closing price on Tuesday 14 June 2011, of 22.5 cents to an intra-day high today, Tuesday 21 June 2011, of 16.5 cents.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 11:00am (WST) today, Tuesday 21 June 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Tonia Oliveira

Adviser, Listings (Perth)