

17 December 2012

ASX CODE: KAS

OUR PRIME COMMODITY IS TIN.

LME TIN PRICE (13/12/12)

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

ABOUT KASBAH

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

PROJECTS

ACHMMACH TIN PROJECT
BOU EL JAJ TIN PROJECT

CAPITAL STRUCTURE

SHARES ON ISSUE:	395.4M
UNLISTED OPTIONS:	26.4M
CASH @ 30/11/12:	\$21.1M

MAJOR SHAREHOLDERS

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

CONTACT US

☎: +61 8 9463 6651
✉: info@kasbahresources.com
🌐: www.kasbahresources.com

FIRST DRILLING AT BOU EL JAJ PROJECT INTERSECTS SHALLOW TIN MINERALISATION



HIGHLIGHTS

- First phase diamond drilling at Kasbah's second tin project in Morocco, Bou El Jaj ("BLJ"), has intersected shallow tin mineralisation at BLJ
- Gallery Hill and Grand Crete are the first two prospects tested, of four shallow targets to be tested
- Gallery Hill** prospect - six sections completed across 400m of strike:
 - BD011** returned:
 - 9m @ 1.03% Sn from 27m; including 1m @ 6.12% Sn from 35m
 - BD007** returned:
 - 5.5m @ 0.53% Sn from 6.7m; and
 - 5.0m @ 0.80% Sn from 49.0m
 - BD009** returned:
 - 3.5m @ 0.52% Sn from 12.5m;
 - 4.9m @ 0.51% Sn from 17.0m; and
 - 3.7m @ 0.54% Sn from 27.9m
- Grande Crete** prospect - two sections completed across 120m of strike length (assays pending)
- Drilling at remaining two shallow targets (**Ain Karma** and **Hill 982**) is underway with completion expected in December 2012
- Based on early success, the diamond drill programme has been expanded from 5,000 metres to 8,000 metres

OVERVIEW

Kasbah Resources Limited (“Kasbah” or “the Company”) is pleased to announce early results from the first phase of exploration diamond drilling at the Company’s 100% owned Bou El Jaj (“BLJ”) Tin Project in Morocco.

The BLJ Tin Project comprises four outcropping tin targets, and is located only 15km by road to the southwest of the Achmmach Tin Project (**refer Figure 1**). The close proximity of the BLJ Tin Project and the Achmmach tin deposit provides potential for strong synergies between the two projects, particularly if open pittable mineralisation is identified at BLJ.

The diamond drilling program at the BLJ Project is testing underneath high grade surface tin anomalies and is testing four prospects, being Gallery Hill (reported here), Grande Crete (assays pending), Ain Karma (assays pending) and Hill 982 (drilling underway). All of these targets are defined by anomalous rock chip samples within the broader Ain Karma Trend. This program across the four prospects aims to identify shallow tin mineralisation of sufficient grade, widths and tonnage which may be mineable by open cut methods.

Drilling to date on Gallery Hill section 78860mN has shown that tin mineralisation extends beneath the anomalous rock chip samples to nearly 50m down dip at 30m below the surface. This drilling confirms the presence of tin mineralisation at shallow depths beneath the rock chip anomaly (although insufficient data is available to date to determine the down dip and along strike variability of these results).

Based on the strength of these early drilling results, the Company has expanded the drill programme from 5,000m to 8,000m, and expects drilling to be completed during December 2012.

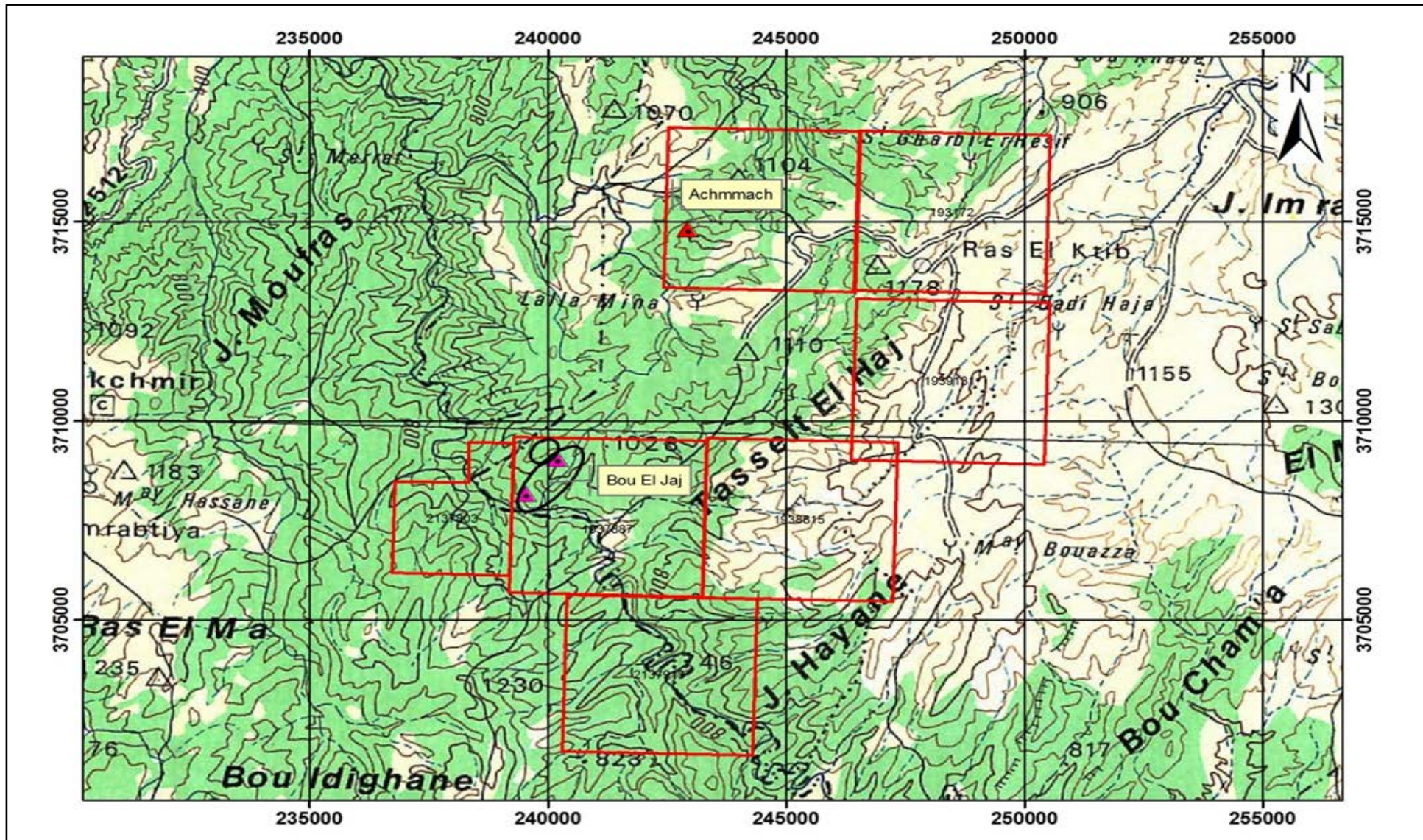


Figure 1 BLJ Location Plan (Kasbah Tenement Holdings shown in red)

KEY POINTS - MINERALISED INTERSECTIONS

Assays have been received from 16 of the 23 drill holes completed at Gallery Hill. Assays are outstanding for drill holes BD008, BD012, BD013 and BD021, in the northern part of the prospect on sections 79040mN and 78880mN and BD022, BD023, BD025, and BD027 on section 78720mN at the southern end of the prospect (refer Figure 2).

Assays are pending for all of the holes at the Grande Crete prospect.

For the assays received to date at Gallery Hill, the mineralised downhole intersections greater than 3m in length and greater than 0.5% tin are listed in Table 1 below.

Table 1
Gallery Hill Significant Intersections^A

Hole ID	Collar Local mN	Collar Local mE	From (m)	To (m)	Down-hole interval (m)	Tin Grade ^B Sn %	
BD007	78861	40158	6.70	12.50	5.80	0.54	
			49.0	54.0	5.0	0.80	
BD009	78861	40157	12.5	16.0	3.5	0.52	
			17.0	21.9	4.9	0.51	
			27.9	31.6	3.7	0.54	
BD011	78860	40119	27.0	36.0	9.0	1.03	
			Incl.	35.0	36.0	1.0	6.12
			60.0	64.4	4.4	0.58	
All Assays for Intervals reported in Appendix C							

^A significant intersection < 100m below natural surface selection criteria:

- $\geq 0.5\%$ Sn and $\geq 5\text{m}$ down-hole and $\leq 3\text{m}$ down-hole < 0.5% Sn included; or
- $\geq 0.5\%$ Sn and $\geq 2.5\%$ Tin-metres metal accumulation down-hole and $\leq 3\text{m}$ down-hole < 0.5% Sn included.

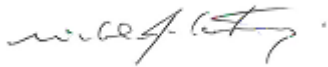
^B grades adjusted for recovery.

Early drilling results to date show the structures interpreted from the geologic mapping and rock chip sampling host tin mineralisation at shallow depths.

Over 1,000 samples from Gallery Hill, Grande Crete and Ain Karma prospects are awaiting assay. No samples have been processed yet for the ongoing Hill 982 drilling.

This first phase 8,000m drilling program is expected to be completed during December 2012.

Appendix A provides a technical summary while **Appendices B and C** detail drill hole coordinates and assays respectively.



Mike Kitney
Chief Operating Officer

For further information please go to:

www.kasbahresources.com

Or email:

info@kasbahresources.com

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. 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.

APPENDIX A – TECHNICAL SUMMARY

AIN KARMA TREND DRILL TARGETS

Prospects:

Figure 2 below shows the locations of the four prospects within the BLJ project area.

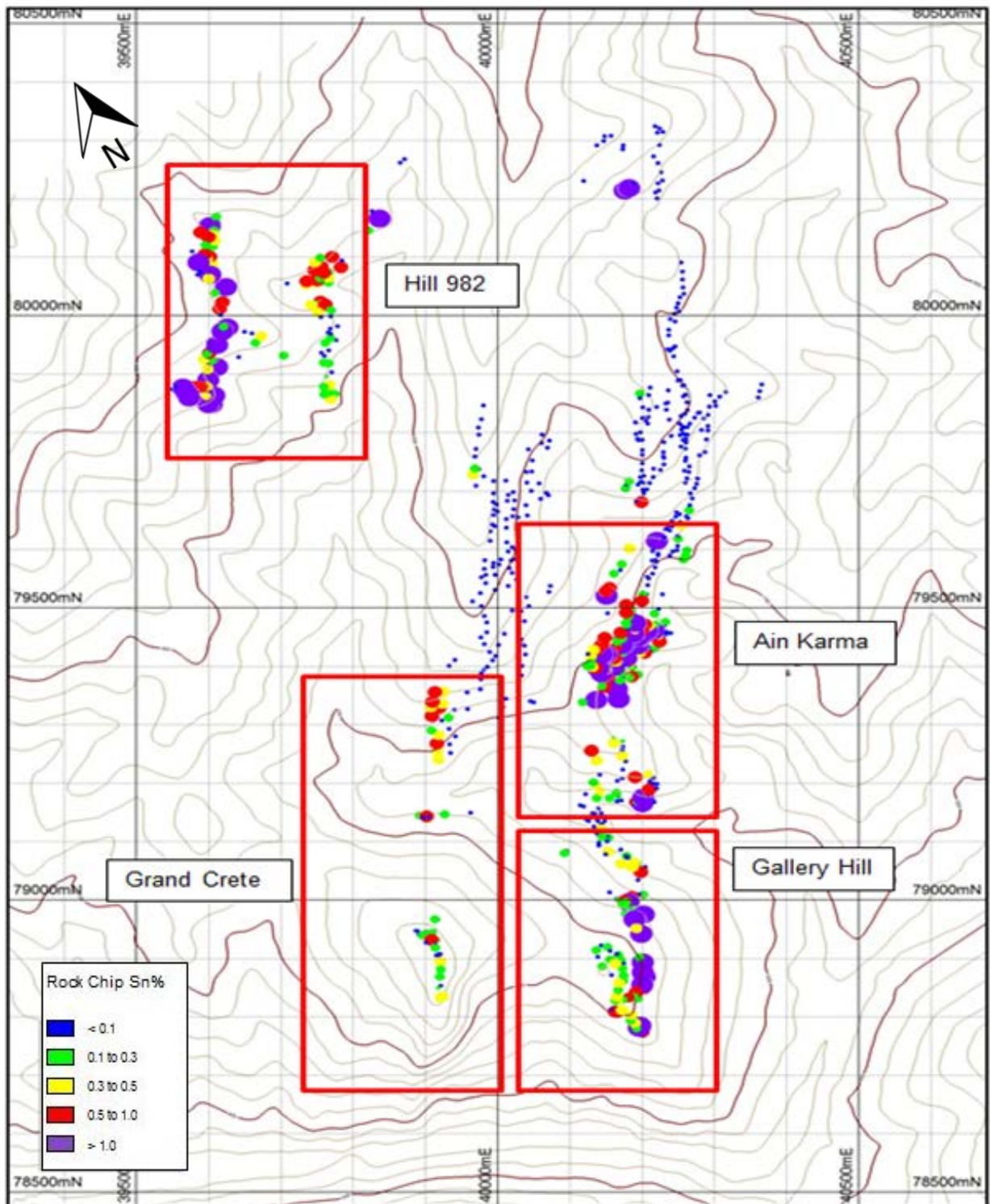


Figure 2: BLJ Prospect Locations (grids are 100m square)

▪ Gallery Hill Prospect

A total of 2,916 metres of drilling has been completed in 23 drill holes; BD001-014, BD016-019, BD021-023, BD025 and BD027. The initial drilling focused on 6 local sections 78720mN (4 holes), 78800mN (2 holes), 78860mN (5 holes), 78900mN (6 holes), 78980mN (4 holes) and 79060mN (2 holes) covering about 400m of strike length of outcropping tourmaline alteration (refer Figure 3). This zone which returned anomalous rock chip samples in previous sampling stretches from the entrance of Bureau des Recherches et de Participations Minières (“BRPM”) Gallery 2 in the south to BRPM drill hole SB01 in the north (refer Figure 3).

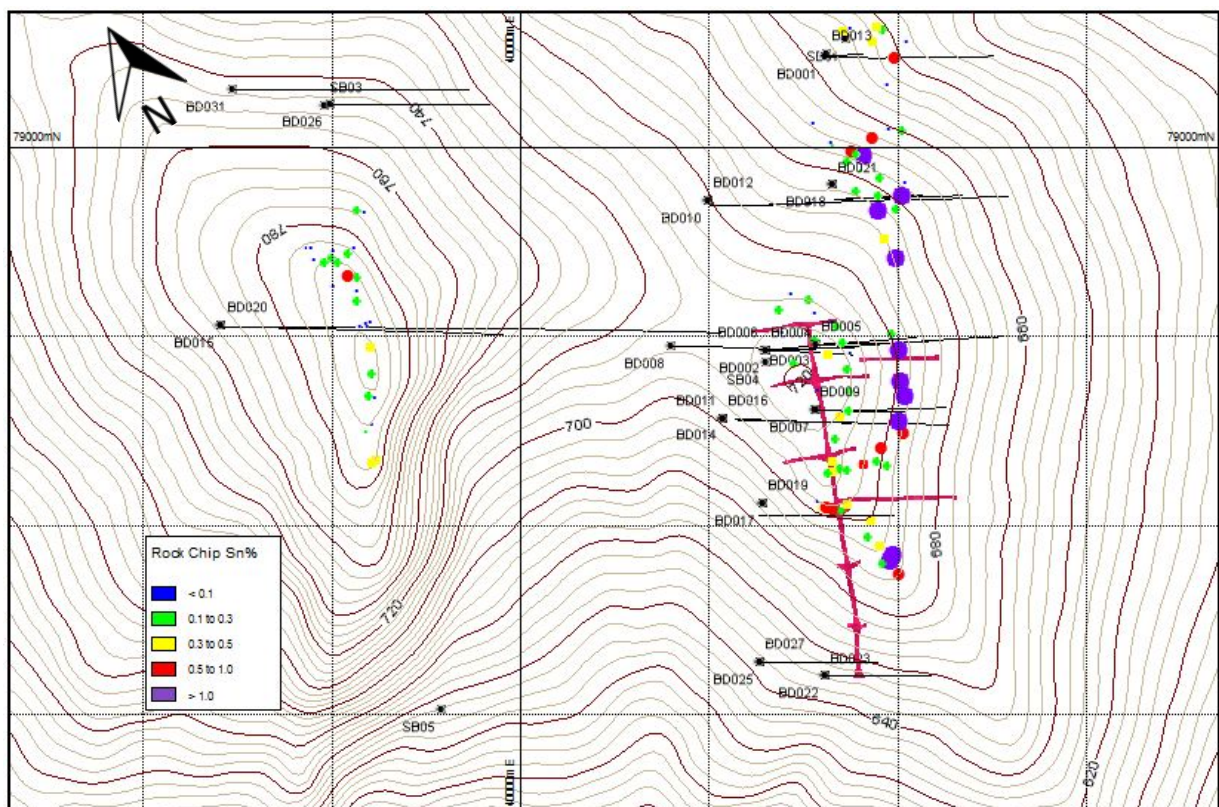


Figure 3: Gallery Hill - Grand Crete Drill Hole Locations and BRPM Gallery Layout shown in red (grids are 100m square)

Section 78860mN Results

Five holes were completed from two drill locations on this section (refer Figure 4). Drill holes BD007 and BD009 drilled from the upper pad and drill hole BD011 drilled from the lower western pad intersected significant mineralisation (refer Table 1) confirming the down dip continuity from the surface of Structure A and Structure B identified in previous mapping and rock chip sampling.

Drill hole BD014 and BD016 also intersected these structures but the widths and/or grade of mineralisation was not sufficient to qualify as a significant intersection as defined in Table 1.

Structure A is represented in BD014 by an intersection of 10.8m @ 0.25% Sn from 8.2m and Structure B is represented by an intersection of 5m @ 0.15% Sn from 67m. In BD016 Structure A is represented by a zone of anomalous tin > 0.05% Sn from 11.3m to 20m and Structure B is represented by an intersection of 1m @ 0.43% Sn from 89m. (refer Figure 4)

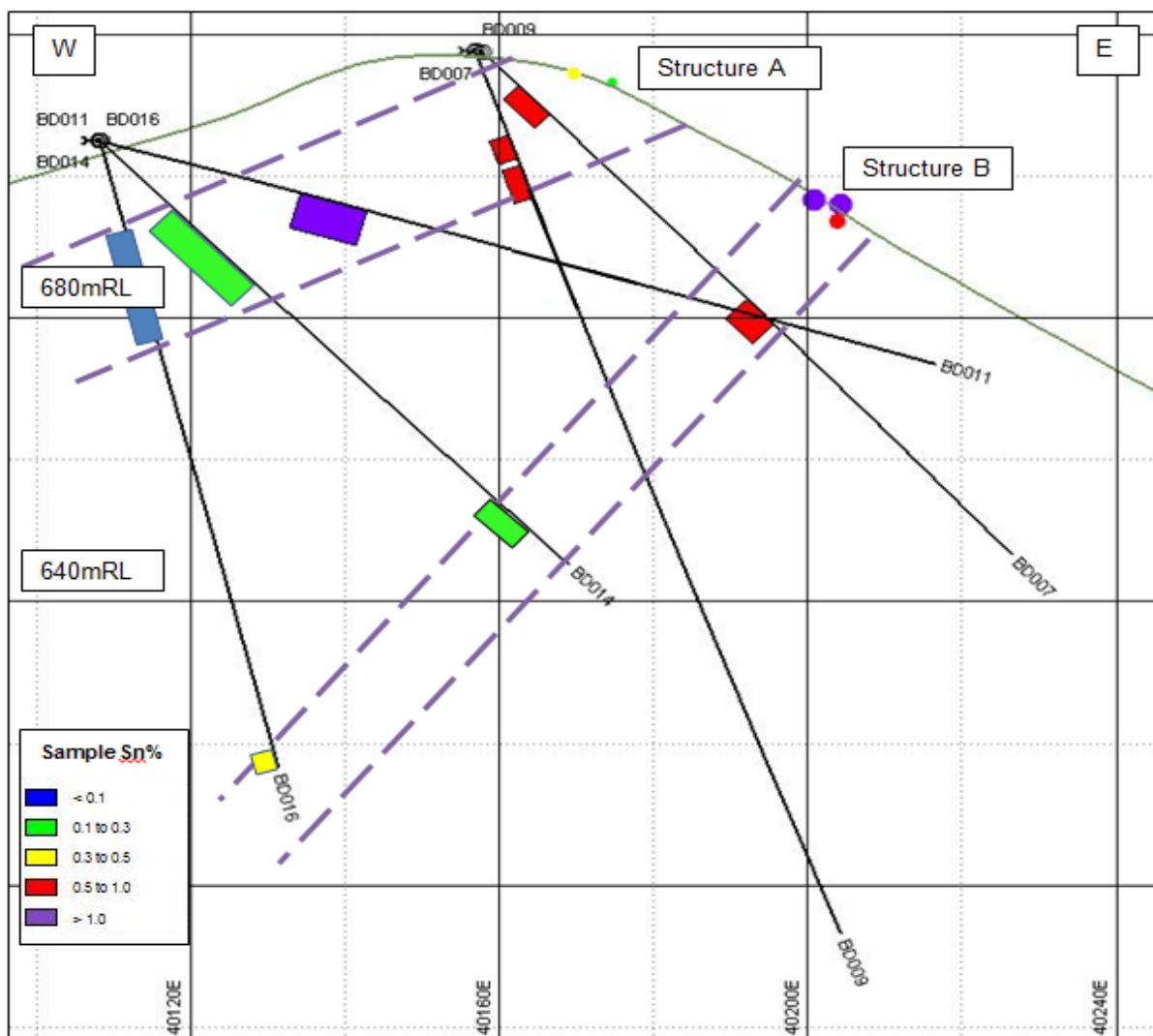


Figure 4: Gallery Hill Prospect Section 78860mN

In addition to the drilling, 1:500 scale geologic mapping has been completed in the galleries and underground sampling is planned for early in 2013.

Grande Crete

The drilling focused here on 2 local sections; 78900mN (BD015 and BD020), 79020mN (BD026 and BD031), covering about 140m of strike length of outcropping tourmaline alteration. Drill holes BD015 and BD020 were drilled deeper under the rock chip anomaly to test the relationship between the Grand Crete and Gallery Hill prospects. A thick dyke/sill was intersected in these holes near the bottom. Drill holes BD026 and BD030 were testing the mineralisation previously intersected in BRPM drill hole SB03. No results are available yet for these holes.

APPENDIX B: DRILL-HOLE COLLAR DETAILS

Hole ID	Collar Local mN	Collar Local mE	RL (m)	Azimuth LOCAL	Dip	Depth
BD001	79048	40162	657	90	-50.00	142.60
BD002	78892	40131	716	90	-50.00	201.30
BD003	78896	40158	717	90	-45.00	82.40
BD004	78892	40131	716	90	-60.00	94.00
BD005	78896	40157	717	90	-60.00	110.10
BD006	78893	40130	716	90	-80.00	156.20
BD007	78861	40158	718	90	-45.00	98.90
BD008	78894	40081	709	90	-70.00	282.80
BD009	78861	40157	718	90	-70.00	133.30
BD010	78972	40100	700	90	-50.00	243.50
BD011	78860	40119	705	90	-15.00	112.90
BD012	78972	40100	700	90	-75.00	235.40
BD013	79049	40163	663	90	-75.00	90.00
BD014	78856	40108	705	90	-45.00	85.50
BD015	78906	39842	774	90	-45.00	371.30
BD016	78856	40108	705	90	-75.00	91.50
BD017	78812	40129	707	90	-45.00	101.30
BD018	78980	40166	710	90	-45.00	95.60
BD019	78812	40129	707	90	-75.00	110.20
BD020	78906	39842	774	90	-75.00	554.90
BD021	78980	40166	710	90	-70.00	137.70
BD022	78720	40162	650	90	-45.00	79.40
BD023	78720	40162	650	90	-75.00	54.70
BD024	79023	39900	747	90	-45.00	15.10
BD025	78727	40128	647	90	-45.00	88.30
BD026	79023	39900	747	90	-45.00	120.30
BD027	78727	40128	647	90	-45.00	88.00
BD028	79291	40143	685	90	-45.00	129.60
BD029	79458	40162	701	90	-50.00	120.60
BD030	79393	40107	700	90	-60.00	150.90
BD031	79030	39849	745	90	-45.00	176.10

Hole ID	Collar Local mN	Collar Local mE	RL (m)	Azimuth LOCAL	Dip	Depth
BD032	79457	40138	710	90	-70.00	130.20
BD033	79293	40118	692	90	-60.00	179.70
BD034	79671	40039	746	90	-65.00	14.30
BD035	79671	40039	746	90	-55.00	118.90
BD036	79786	40093	791	90	-60.00	300.90
BD037	79671	40039	746	90	-75.00	156.90
BD038	80143	39529	907	90	-45.00	125.00
BD039	80143	39529	907	90	-70.00	176.00
BD040	80100	39700	853	90	-50.00	132.40

APPENDIX C: ASSAYS

Drill Hole	From (m)	To (m)	Sample Width	Tin Grade ^B Sn%
BD007	6.70	7.70	1.00	0.49
	7.70	8.60	0.90	0.25
	8.60	9.90	1.30	0.27
	9.90	11.30	1.40	1.01
	11.30	12.50	1.20	0.52
	49.00	50.00	1.00	0.78
	50.00	51.00	1.00	0.71
	51.00	52.50	1.50	1.32
	52.50	54.00	1.50	0.32
BD009	12.50	13.80	1.30	0.62
	13.80	14.90	1.10	0.47
	14.90	16.00	1.10	0.46
	17.00	18.00	1.00	0.45
	18.00	19.00	1.00	0.43
	19.00	20.30	1.30	0.70
	20.30	21.90	1.60	0.45
	27.90	29.00	1.10	0.47
	29.00	30.40	1.40	0.39
BD011	30.40	31.60	1.20	0.76
	27.00	28.00	1.00	0.56
	28.00	29.00	1.00	0.45
	29.00	30.00	1.00	0.30
	30.00	31.00	1.00	0.31
	31.00	32.00	1.00	0.41
	32.00	33.00	1.00	0.60
	33.00	34.00	1.00	0.29
	34.00	35.00	1.00	0.24
	35.00	36.00	1.00	6.12
	60.00	61.00	1.00	0.39
61.00	62.00	1.00	0.38	
62.00	63.00	1.00	0.05	
63.00	64.40	1.40	1.23	

^B grades adjusted for recovery