ASX RELEASE

28 October 2009

SNAPSHOT

ASX Code: KAS

Projects - Morocco

- Achmmach Tin Project
- Tamlalt Gold Project
- El Karit Tin Project

Investment Data

Shares on Issue 177M

Shareholders

Top 20 Hold 64%

Cash Reserves

Cash Balance (30/09/09) $3.5M

Board & Management

Graeme Walker
Non Executive Chairman

Wayne Bramwell
Managing Director

Peter Hepburn Brown
Non Executive Director

Rod Marston
Non Executive Director

Rob Weinberg
Non Executive Director

Trevor Hart
Chief Financial Officer /
Company Secretary

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QUARTERLY ACTIVITIES REPORT
30 September 2009

Meknes Zone Indicated (MZI) Resource Drilling Programme Commenced

AD029 - 21.0m @ 0.68 % Tin (from 346m)

HIGHLIGHTS - TIN

MZI Resource drilling commenced 13 August

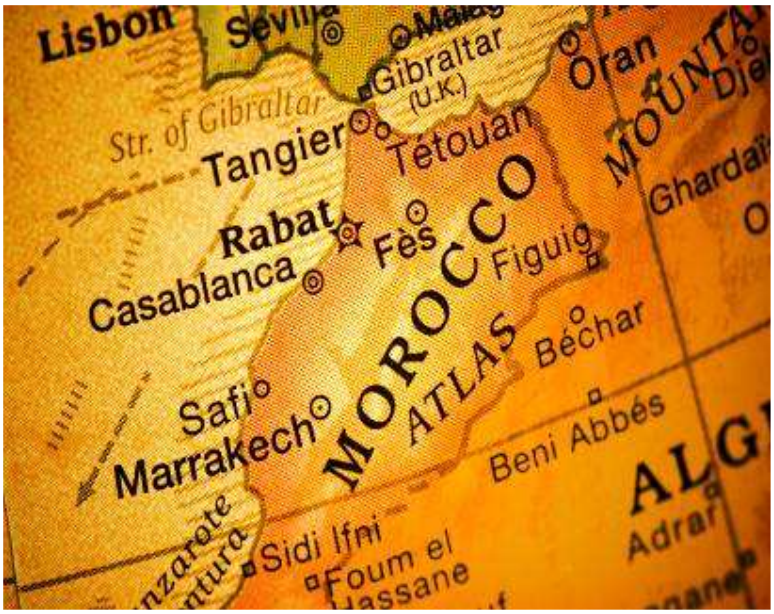
First drill hole (AD029) confirms the vertical and lateral continuity of mineralisation encountered in drill holes AD018-019 and in the previous exploration underground workings.

AD029 – 21m @ 0.68% tin (from 346m)

Including:

- **6.0m @ 1.02% tin from 353m**

Structural geological measurements on oriented drill core in AD029 confirms sub-vertical interpretation of mineralisation.



1.0 OVERVIEW

Kasbah Resources Limited (Kasbah) is pleased to provide this update on the company's progress in Morocco. Drilling commenced at the Achmmach Tin Project on 13 August 2009. This Meknes Zone Indicated (MZI) Resource drill program aims to:

- close the drill spacing in this area to nominally 50m centres,
- test continuity over mining intervals, and
- collect sufficient data for the estimation of a Indicated Resource in the range of 1- 2 Mt (from within the existing Inferred Resource of 6Mt @ 0.9% Sn).

During the quarter Kasbah commissioned international tin expert Dr Roger Taylor to undertake a site visit and provide a detailed mineralogical assessment of Achmmach Tin Project. Critical insights about the formation of the Achmmach tin mineralisation were gained and confirm the earlier hypotheses about the style and form of the tin mineralisation.

Most significantly, on the deposit scale Dr. Taylor concluded that the current level of tin mineralisation (at about the 900mRL) in the western end of the Achmmach hill, is the top of the system. Dr. Taylor notes that this style of tin mineralisation can be expected to have at least 500 to 1,000m of vertical extent and this is supported by drill hole AD025 (25m @ 1.29% tin from 502m) with significant mineralisation intersected on the 730mRL (170m below most of the current drilling.)

Significantly, results from the 569.7m of oriented diamond drilling in this quarter combined with the extensive surface mapping and re-logging of the previous drill holes completed has allowed Kasbah geologists to link the historic underground development, diamond drilling and surface mapping (figure 2). Locations of the mineralised lodes (some of which have a tin association) can now be predicted more confidently and the true width of mineralisation can be estimated more accurately.

The structural measurements of the oriented core from the mineralisation in drill hole AD029 that returned 21m @ 0.68% Sn from 346m show that quartz-cassiterite veins which form the bulk of the tin mineralisation dip steeply to the north-northwest and northwest. This confirms the initial interpretations of the 070-080 striking sub-vertical orientation of the main mineralised structures in the Meknes zone.

The intersection of pyrrhotite – cassiterite mineralisation, not seen before in the Meknes Zone, confirms this zone as a point of multiple re-activation and mineralisation. Previously this style of mineralisation was only seen in drilling in the Eastern zone (approximately 1km away). The ongoing MZI drilling will test the predicted mineralised positions of these tourmaline lodes, which are interpreted as the channel pathways that carry the mineralising tin fluids.

Site infrastructure works were commenced during the quarter including the construction of a sample preparation facility onsite. The focus is to set the site up for a multi-rig operation and to reduce the time taken for assay turnaround. Preparation of crushed rock samples on site for dispatch will reduce the lag time in receipt of assays and the cost to the company.

Additional works included upgrades to site communications systems, camp accommodation, core cutting and core storage facilities.

2.0 ACTIVITIES FOR THE QUARTER

2.1 Achmmach Tin Project

Work completed during this quarter at Achmmach included;

- 569.7m of diamond drilling,
- 235 follow-up / in-fill soil geochemistry samples,
- completion of a 10 hectare topographic site survey over the planned northern exploration decline location,
- commencement of sample preparation and exploration camp expansion, and
- a site visit by Dr. Roger G. Taylor, a tin expert and author of "The Geology of Tin Deposits", to develop a report on the paragenesis (mineral evolution) of the tin mineralisation.

Results from 211 reconnaissance soil samples collected from the NW of lease PE2912 sent for assay late last quarter were received.

2.1.1 MZI Drilling Results

AD029 Geology and Mineralisation

The drill hole AD029 was drilled to test the continuity of mineralisation of the western extent of Meknes zone at the 900mRL on the 243050m easting at approximately 3714525mN (Table 1, Figure 1).

Table 1

September Quarter Significant Drill Hole Intersections

Drill Hole	From (m)	To (m)	Intersection Width	Tin Grade	Comments
AD029	***346***	***367***	***21.0m***	***0.68%***	
including	*353*	*359*	***6.0m***	***1.02%***	
Note: assays based on ½ HQ core with 0.3% Sn cut-off and ≤ 3m internal down hole dilution used					

Table 2

September Quarter Drill Hole Collar Locations

Hole	Easting WGS84 UTM30	Northing WGS84 UTM30	RL (m)	Azimuth Mag.	Dip	Depth (m)
AD029	243010	3714700	1202	168°	-58°	446.7 EOH
AD030	243110	3714692	1197	172°	-54°	123
TOTAL						**569.7m**

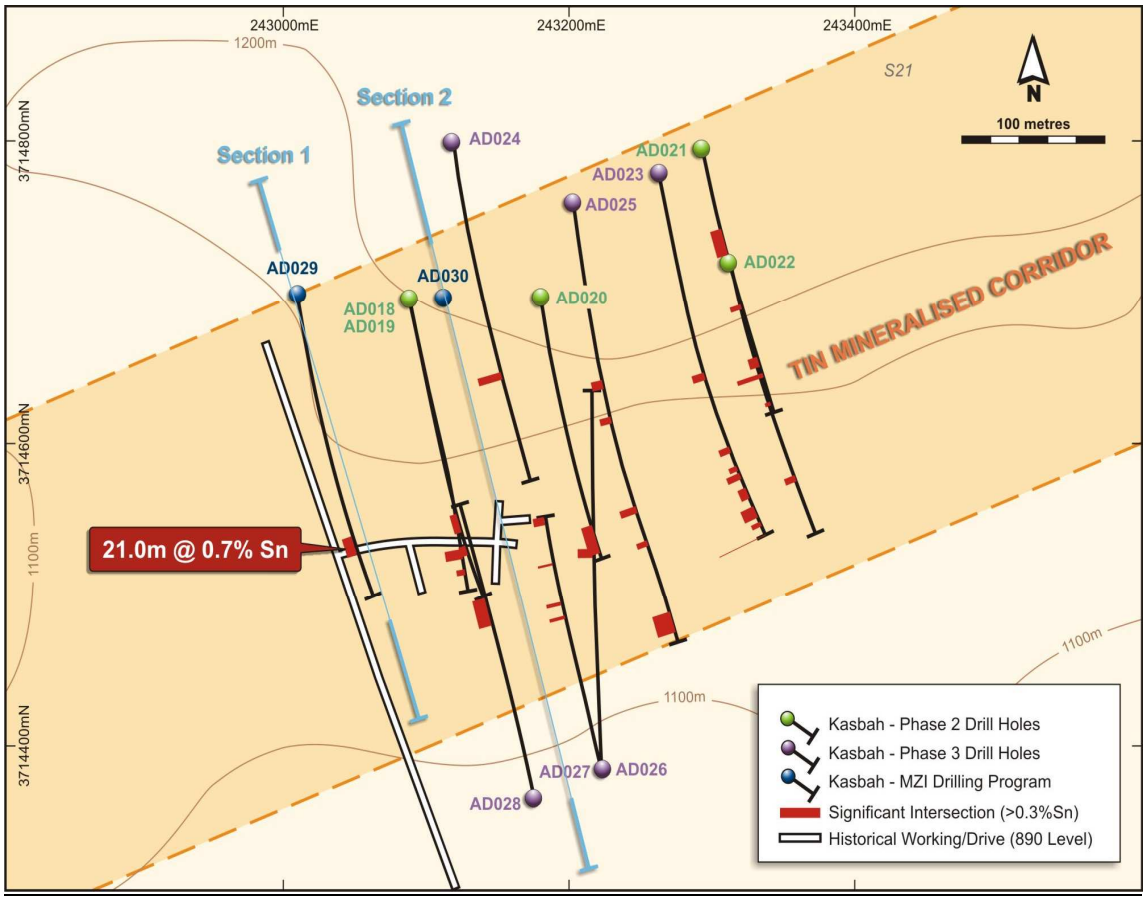


Figure 1

Achmmach Tin Project – Western Area Drill Plan WGS84 UTM30

Here the Meknes zone on the 900mRL is composed of two main tourmaline lodes recognised in the underground exploration development and interpreted from AD018, AD019 and AD028 on section 243125mE +/- 25m. The underground lodes were previously interpreted by the BRPM linking to the mapped surface Structure B and Structure C (Figure 2).

However more detailed mapping and interpretation of the drilling suggests that Structure C indentified on the surface is not intersected by the underground workings but is intersected by drill hole AD028 about 40m south of the explored underground lodes where it returned 38m @0.93% Sn from 235m down hole.

Underground, Structure B is defined by two parallel closely spaced mineralized tourmaline alteration lodes (figure 2).

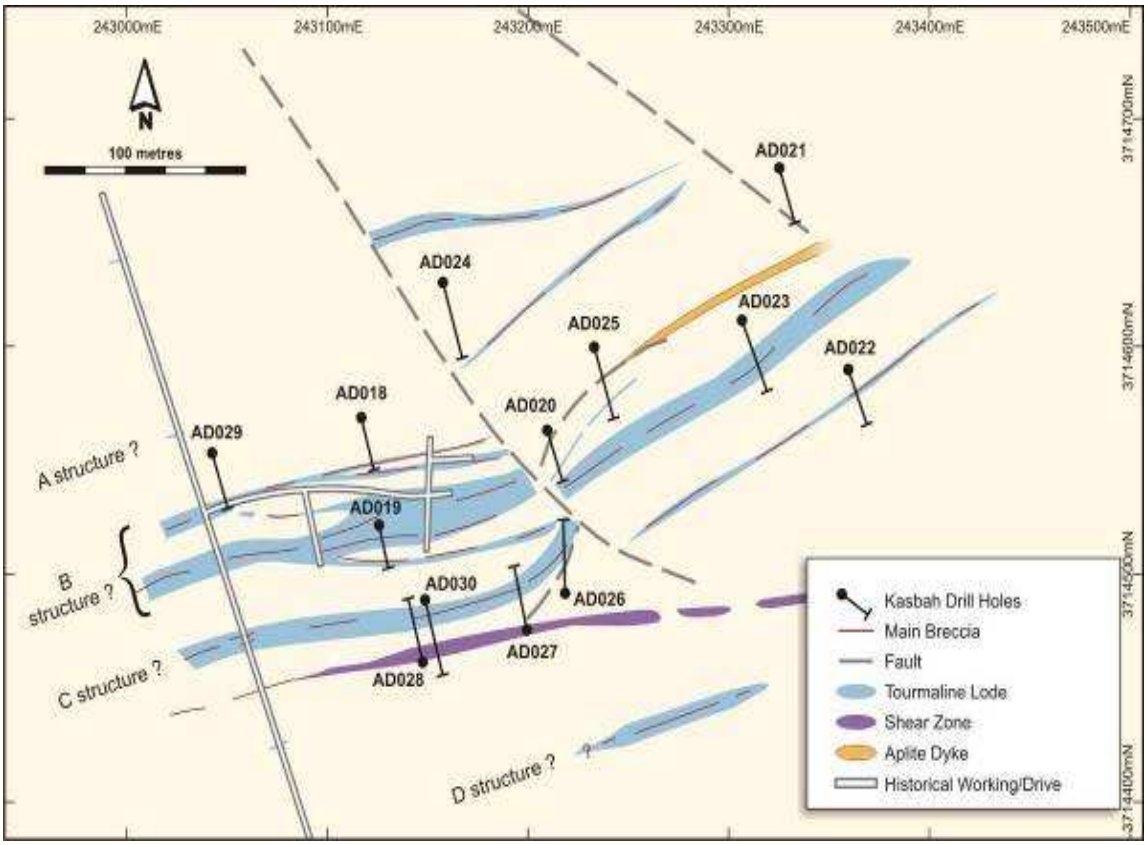


Figure 2

Mineralised lodes and main structures on the 900m RL level plan

Two different styles of mineralisation were intersected. The previously recognized Meknes Zone style corresponds to a brittle-ductile shear zone replaced by intense pervasive silica tourmaline alteration where visible cassiterite is associated with millimetre to centimetre scale quartz veins (figure 4 and 5).

The second style of mineralisation is similar to that seen in the Eastern Zone of the Achmmach hill, where tin is associated with pyrrhotite veins. This type of mineralisation has not previously been intersected in the Meknes Zone.

The drill hole has been divided into two different domains on the basis of structural geological style. The first domain from the surface to 275 metres depth and the second domain from 275 m depth to the end of hole at 446.7m (figure 3).

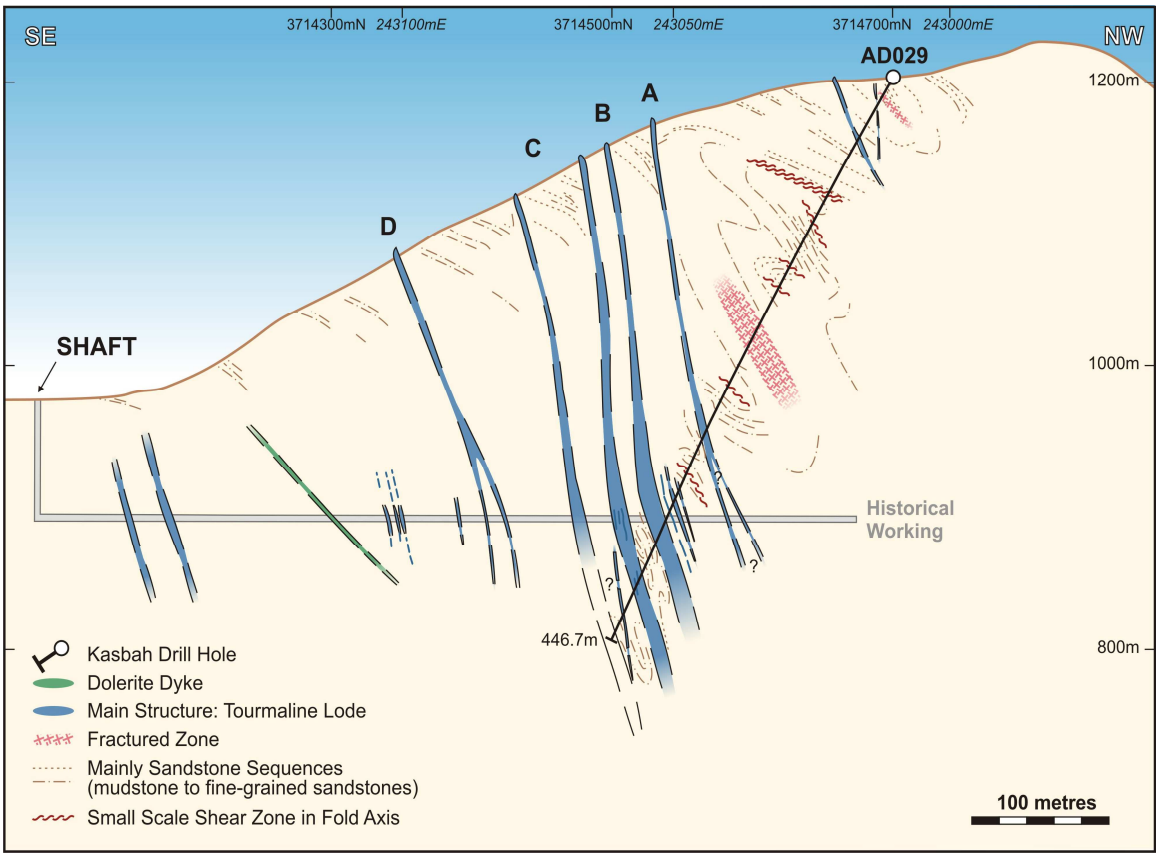


Figure 3

AD029 Cross section - Achmmach Tin Project

The first domain is a succession of tightly folded interbedded sandstones to mudstones. This series is dominated by the sandstones, where sequences of graded bedding show the rocks are overturned. The folds can be identified in the drill hole by the sudden variation in the alpha angle of the bedding to the core axis. There are long sections where the alpha angle is constant at about 35 degrees to the core axis and shorter intervals where the alpha angle is perpendicular to highly disrupted and frequently associated with opaque white quartz veins and small scale shear zones.

These zones are interpreted to represent the fold closures.

The second domain corresponds to the package of steeply dipping tourmaline lodes which are the host for the mineralisation. The meta-sediments are totally disrupted, folded and sheared in between the structures. Four main structures were intersected into drill hole AD029, combined with smaller scale structures.

The AD029 drill hole extends the mineralisation intersected in the historic underground exploration workings to approximately 10 metres down dip from the 890mRL to the 880mRL and this indicates a potential true width of 8 - 10 metres (Figures 2 and 3). Assays from bulk samples taken previously by the BRPM in the underground exploration gallery (from a 24m long and 2-3 metre wide 070 oriented strike drive on the 890mRL which is centred 10 metre above the drill hole trace) returned a bulk grade of 24m @ 0.91% tin.

Ongoing drilling in the next quarter on the 243050mE section is planned to test this new 21m intersection (in drill hole AD029) 50m to 100m down dip on the 850mRL and the 800mRL.

AD029 Structural Orientations

The entire mineralised zone in AD029 has been oriented using the EzyMark down hole tool. Generally the quartz – cassiterite veins and the pyrrhotite – tin veins dip steeply to the north-northwest and northwest, confirming the initial interpretations of the 070-080 striking sub-vertical orientation of the main mineralised structures. This is consistent with the regional structural fabric the host sediments strike predominately northeast dipping moderately to steeply to the northwest.

The quartz-cassiterite veins (defined as those with visible cassiterite), veinlets and cracks are mainly mm scale veins but the size varies up to 10 cm width vein (Figure 4). The cassiterite occurs as small brown-purple grains on the quartz crystals.

The main brittle ductile shears/structures are defined by opaque white quartz veins and associated brecciation. This part of the structure in AD029 tray 80 in is highly mineralised (Figure 4).

Figure 4

AD029 core tray 79 (from 351.10m to 356m) - Regular spaced quartz-cassiterite-sulphide veins in tourmaline altered sediments.

Figure 5

AD029 tray 80 from 356m to 360.30m, which is highly mineralised and contains fine grained cassiterite within the clasts of the altered sandstones.

AD030 Target

AD030 aims to test the continuity of the 12m @1.2% Sn intersected in AD019 at the 935mRL on section 243150mE at about 3714525mN (Figure 6, Table 1). It targets the continuation of this mineralised structure approximately 275 to 300 metres down hole. At the end of the quarter it was at 123m depth.

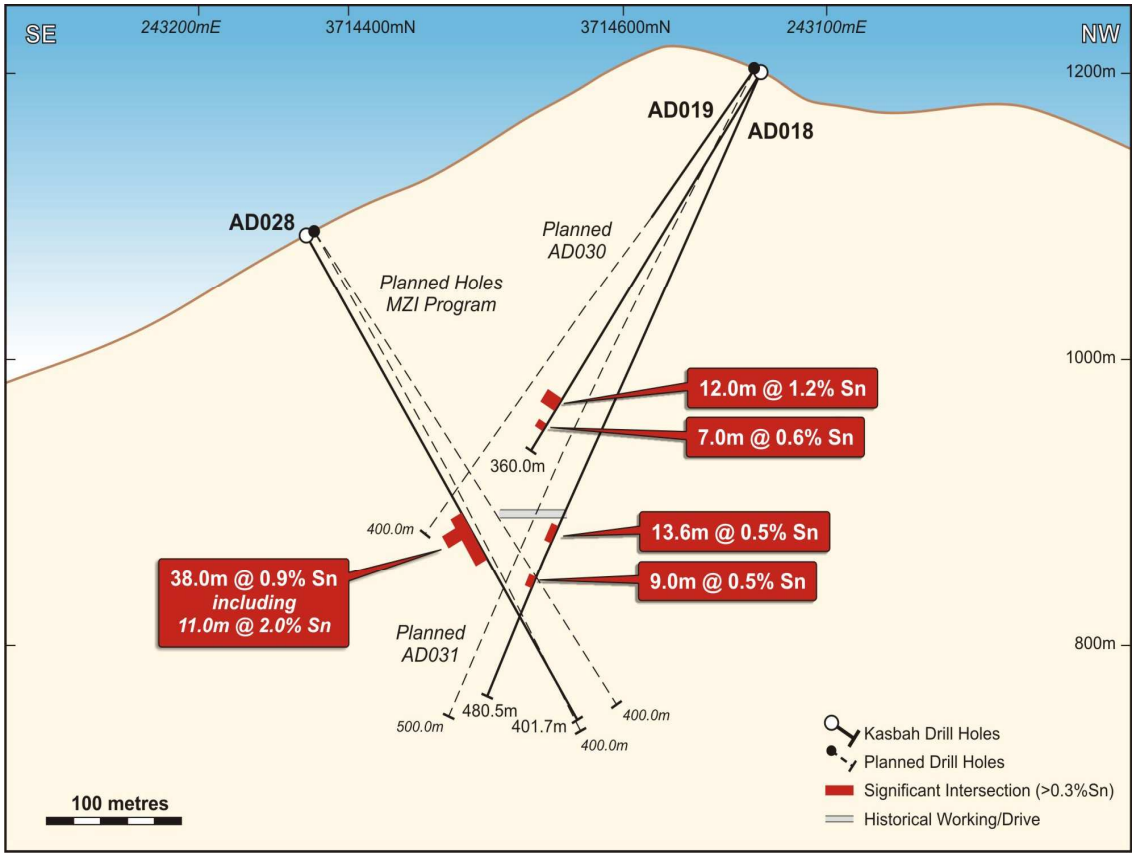


Figure 6

AD030 Planned Cross Section - Achmmach Tin Project

2.2 Achmmach Paragenetic Model

Kasbah commissioned Dr. Roger G. Taylor to interpret a paragenetic sequence based on drill core observations. Dr Taylor spent 8 days on site at Achmmach with Kasbah geologists studying cores and the comments that follow are based heavily on his observations and independent report.

Multiple stages of hydrothermal activity were noted. The mineralising sequence commences with tourmaline and proceeds through arsenopyrite, cassiterite, pyrrhotite, pyrite, quartz and carbonate dominant stages. A generalised paragenetic sequence built from these observations is shown in Figure 8.

The overlapping paragenetic stages obscure any vertical zonation and all stages are strongly developed at the current level of exposure and drilling. This is encouraging because it is suggestive that the economic grades would be expected to be persistent over significant vertical extent. It is interpreted that the main cassiterite stage should continue at depth much as seen on the current levels. The current drill program programme will test this expectation down to the 800mRL.

2.3 NW Reconnaissance Soil Sample Results (PE2912)

Late in the last quarter a reconnaissance soil sample program on an 80m x 160m grid was completed over the large magnetic complex identified in the NW of PE2912. Results from the 211 samples collected were received.

In the NW corner of PE2912 an 800m long, ENE striking, weak coherent gold anomaly (green and red dots figure 7) is associated with an underlying magnetic high. Surface mapping identified numerous ENE trending shear zones cutting the fine grained meta-sediments here. The spot high to the east is associated with the contact of a NE trending intermediate dyke and the spot high to the west is associated with the contact between the overlying limestone and sediments.

No coherent tin anomaly was identified in this soil sampling (Figure 8). Tin values greater than 20 ppm are associated with the limestone to the northwest and the coarser sediments to the southeast compared to the sheared fine grained sediments which host the weak gold anomaly. The three spot highs greater than 60 ppm (red dots) are associated with shearing along the contacts of the rock units.

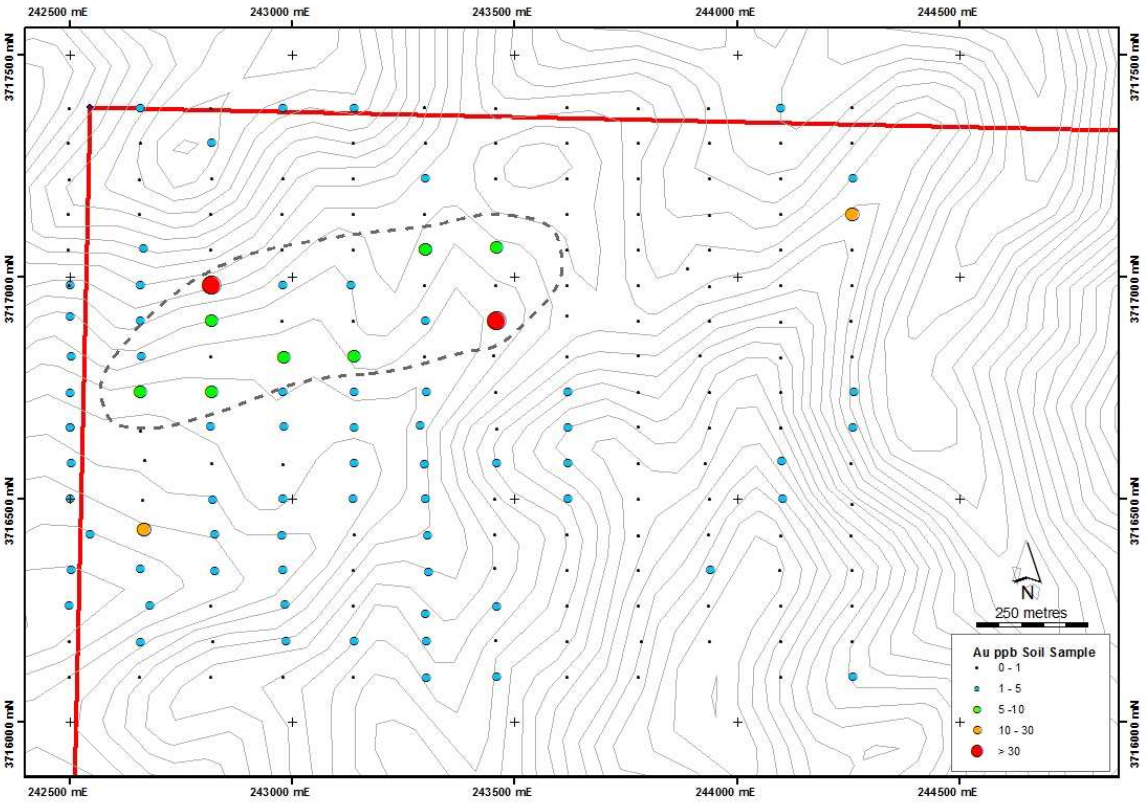


Figure 7

NW Reconnaissance Soil Sample Results Gold

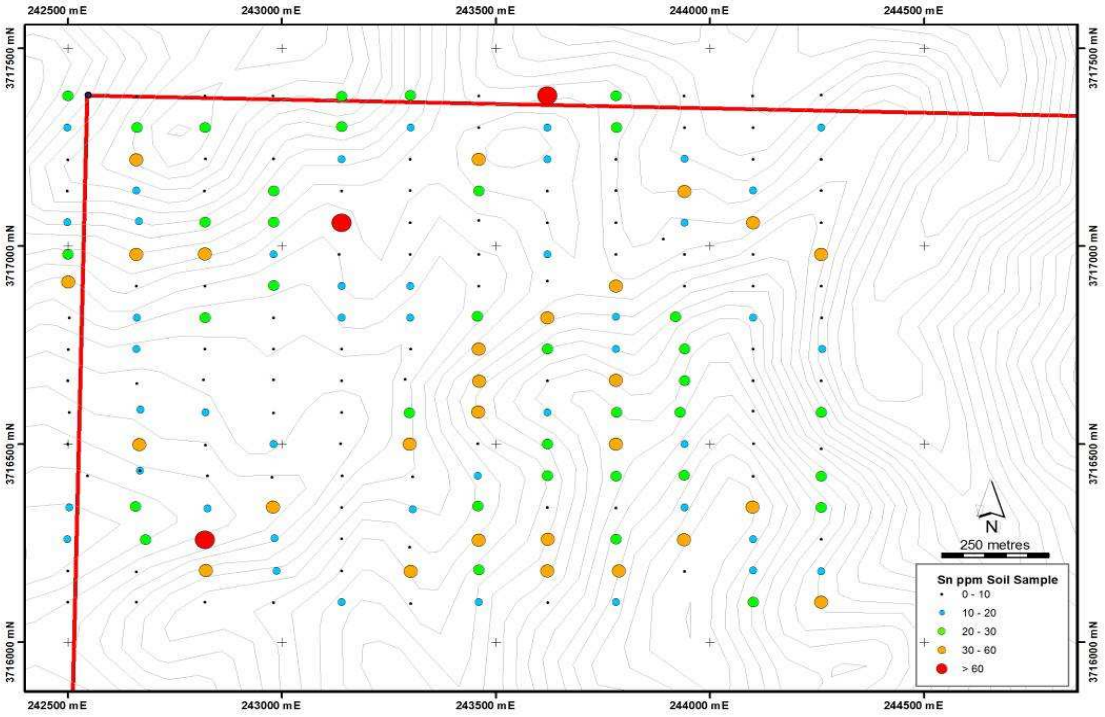


Figure 8

NW corner soil sample results for Tin - Achmmach Tin Project

2.4 Follow-up of Regional Soil Sampling

A total of 235 soil samples were collected and assays are pending. These consist of;

- 117 follow-up samples on an 80m x 40m grid of the Northern zone mineralisation reported last quarter;
- 83 samples on a 160m x 80m grid over a large magnetic high NE along strike from the main Achmmach mineralisation and,
- 35 samples on a 400m x200m grid as part of the systematic regional soil geochemistry program on the eastern lease.

2.5 Future Work

Ongoing work will include:

- continuation of the current (MZI) drilling program;
- systematic regional soil sampling / mapping of the eastern lease (PE 193172),
- completion of site infrastructure projects.

3.0 TAMLALT GOLD PROJECT

3.1 Exploration Activities for the Quarter

The focus during this quarter has been the commencement of the MZI Resource drilling program at Achmmach and as a result no work was undertaken at Tamlalt.

3.2 Future Work

A new surface sampling programme is planned for Tamlalt the next quarter.

4.0 EL KARIT TIN PROJECT

4.1 Exploration Activities for the Quarter

The focus during this quarter has been the commencement of the MZI Resource drilling program at Achmmach and as a result no work was undertaken at El Karit.

4.2 Future Work

No work is planned during the next quarter.

5.0 CORPORATE

During the quarter Kasbah;

- Appointed Mr Trevor Hart as Chief Financial Officer / Company Secretary;
- Completed and lodged the 2009 Financial Accounts.

The company's Annual General Meeting will be held at 11am on Friday 20th November at the Perth Zoo Function Centre, Labouchere Road South Perth.

ASX RELEASE

For and on behalf of the Board,

Wayne Bramwell
Managing Director

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The information in this report 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.

The information on the Achmmach Mineral Resource contained in this release is based on data compiled by Dr S Carras of Carras Mining Pty Ltd, a Fellow of the Australasian Institute of Mining and Metallurgy who has been involved in resource estimation for over 30 years. Dr Carras has experience which is relevant to the style of mineralisation and type of deposit under consideration and in the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and consents to the inclusion of the information in the form and context in which it appears.