

1035L LICENCE BOUNDARY CHANGE ACQUIRES ADDITIONAL MAGNETITE PROSPECTS

17th November 2010

Baobab Resources plc ('Baobab' or the 'Company'), the iron ore, base and precious metals explorer with a portfolio of mineral projects in Mozambique, is pleased to announce that its application to alter the boundary of exploration licence 1035L, one of three licences comprising the Tete iron/vanadium/titanium project, has been successfully executed.

Detail

- Exploration licence 1035L, overlying the Massamba Group trend, has been adjusted by relinquishing 7,000ha of tenure not considered prospective to the west and acquiring 7,000ha to the east.
- The newly acquired ground includes the Tenge and Ruoni prospects which comprise a series of magnetite-ilmenite ridges. First pass rock chip sampling recently completed by the Company has returned head grades averaging 48.9% Fe.
- New Resolution Geophysics (NRG) have been contracted to complete a high resolution aeromagnetic and radiometric survey of the new area in December 2010 / January 2011.
- The new area also contains a large portion of a Lower Karoo sub-basin which may be prospective for coal. Consultants, Gondwana Consultorias Lda, have been commissioned to complete a preliminary assessment of the basin.

Commenting today, Ben James, Baobab's Managing Director, said: *"The licence boundary alteration opens up additional magnetite targets for exploration in 2011. The initial results from rock chip sampling certainly show promise, however we will have to wait for the magnetics to get a better feel for how big that potential is."*

A COPY OF THIS ANNOUNCEMENT AND ACCOMPANYING LOCATION PLAN IS AVAILABLE FOR DOWNLOAD FROM THE COMPANY'S WEBSITE
www.baobabresources.com

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