



BAOBAB  
RESOURCES

**SOUTH ZONE DRILL RESULTS:**  
**CONTINUING TO DELINEATE SUBSTANTIAL MAGNETITE MINERALISATION**  
**22<sup>nd</sup> FEBRUARY 2011**

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 present an update on the exploration activities currently underway at the Tete iron/vanadium/titanium project.

**Highlights:**

- **Analytical results have been returned from a three hole RC (reverse circulation) drilling cross section located in Block 1, the southernmost portion of the South Zone prospect. A broad, 140m wide, body of heavily mineralised magnetite is being delineated. (Refer to Tables 1 & 2 below for details).**
- **Mineralised intercepts reported best concentrate grades of:**
  - TRC0031 – two significant intercepts, totaling 59m, including:*  
25m @ 64.0% Fe, 0.65% V<sub>2</sub>O<sub>5</sub> and 32.3% mass recovery from 32m
  - TRC0032 – three significant intercepts, totaling 38m, including:*  
20m @ 65.2% Fe, 0.65% V<sub>2</sub>O<sub>5</sub> and 28.6% mass recovery from surface and  
16m @ 64.7% Fe, 0.71% V<sub>2</sub>O<sub>5</sub> and 31.2% mass recovery from 65m
  - TRC0033 – five significant intercepts, totaling 76m, including:*  
15m @ 60.1% Fe, 0.74% V<sub>2</sub>O<sub>5</sub> and 29.7% mass recovery from 48m and  
48m @ 60.0% Fe, 0.59% V<sub>2</sub>O<sub>5</sub> and 47.1% mass recovery from 91m
- **Results from the next Block 1 section expected to become available within the next two weeks. Current drilling continues to delineate substantial mineralisation to the north.**

**Mr Ben James, Baobab's Managing Director, said:** "Block 1 is demonstrating excellent continuity between completed drill sections with current work programmes pushing the model out to the north.

*"We are pleased to advise shareholders that all areas drilled to date have delineated substantially wider zones of mineralisation than anticipated. Following earlier positive results, Baobab's exploration management team has designed an expansion drilling programme to test continuations of the ore zones," Mr James said. "The Company recommenced drilling in early February and intends to have 3 RC rigs set to be operational by the end of the month."*

**Step-out RC Drilling Programme – South Zone Prospect (Massamba Group)**

Due to the significant widths and interpreted lateral continuity of mineralisation at the South Zone, the prospect has been prioritised for step-out reverse circulation (RC) drilling. The programme is systematically assessing a sequence of seven mineralised zones (Blocks 1 to 7) over a strike length of some 2km, drilling on traverses spaced 100m apart.

A total of 50 RC drill holes have been planned for a combined meterage of 7,000m. Drilling commenced in August and to date thirty three holes have been completed for an aggregate total of approximately 4,500m. All areas drilled to date have delineated substantially wider zones of mineralisation than anticipated. Baobab's exploration management team has designed an expansion drilling programme, representing an additional 4,000m, to test the down dip and along strike continuations of the ore zones.



**TABLE 1:South Zone 8,257,950mN Section Drilling Results: Significant Intercepts**

HOLEID	Depth From (m)	Depth To (m)	Length (m)	Fe Head (%)	Mass Recovery (%)	Davis Tube Recovery (DTR) Product							Section Reference
						Fe Conc (%)	V2O5 Conc (%)	TiO2 Conc (%)	Al2O3 Conc (%)	P Conc (%)	S Conc (%)	SiO2 Conc (%)	
TRC0031	2	57	55	42.4	20.4	59.9	0.63	4.76	1.76	0.002	0.075	0.68	1
<i>including:</i>	32	57	25	38.1	32.3	64.0	0.65	5.60	1.83	0.001	0.102	0.73	
TRC0031	69	73	4	15.2	12.7	68.6	0.59	1.89	1.32	<0.001	0.004	0.72	2
TRC0032	0	20	20	38.7	28.6	65.2	0.65	2.64	1.19	0.002	0.003	0.59	3
TRC0032	65	81	16	35.2	31.2	64.7	0.71	4.76	2.83	<0.001	0.217	0.73	4
TRC0032	85	87	2	15.4	10.4	65.2	0.66	4.02	2.52	<0.001	0.223	0.85	5
TRC0033	0	1	1	22.9	12.7	65.6	0.71	4.17	1.82	0.012	0.006	0.75	
TRC0033	25	33	8	32.0	19.2	65.7	0.77	3.30	1.62	0.014	0.004	1.36	6
TRC0033	48	63	15	33.1	29.7	60.1	0.74	9.45	4.17	0.004	0.161	1.34	7
TRC0033	91	139	48	39.7	47.1	60.0	0.59	10.76	3.45	<0.001	0.197	0.75	8
TRC0033	147	151	4	20.2	15.9	63.5	0.71	3.70	3.28	<0.001	0.644	1.60	9

Sample preparation at 1m composite intervals was completed by ACT-UIS laboratories in Tete, Mozambique prior to despatch to ALS Chemex laboratories in Perth, Western Australia for further compositing (maximum composite length of 4m) and Davis Tube Recovery (DTR) analysis (conducted at a 38µm fraction and 3000G). Head and magnetic concentrate sub-samples were analysed by X-ray Fluorescence Spectrometry (XRF). All values are calculated as weighted averages over the reported interval. Maximum length of internal dilution = 6m. Only intervals with a calculated mass recovery of >10% are presented. Interval lengths are measured down-hole and should not be interpreted as true width.

**TABLE 2:South Zone 8,257,950mN Section Drill Hole Location Details**

HOLEID	TOTAL DEPTH (m)	EAST (m)	NORTH (m)	RL (m)	AZIMUTH (Deg)	DIP (Deg)
TRC0031	82	571422	8257951	369	270	-60
TRC0032	138	571470	8257953	369	270	-60
TRC0033	163	571520	8257950	361	270	-60

Coordinate system WGS84 UTM zone 36S.

### Tete Project – Overview

The Tete Project, covering an area of 632km<sup>2</sup>, is located immediately north of the provincial capital of Tete and shares licence boundaries with Vale and Riversdale's mega coal projects. The project is strategically located to access abundant, low tariff hydro-electric power from existing and developing schemes on the Zambezi River. The ports of Beira and Nacala are being refurbished, as are the rail corridors through to Tete.

The project contains two areas of magnetite-ilmenite mineralisation; the Singore area to the south and the Massamba Group trend in the north. The 8km long Massamba Group trend is composed of a series of five prospects (Chitongue Grande, Pequeno, Caangua, Chimbala and South Zone) that have experienced little or no historical exploration.

The Company commenced exploration initiatives in mid 2008 and has focused its efforts to date on the Massamba Group area. The Singore area remains largely untested, but highly prospective (refer to announcement dated 28 January 2010 for results to date).

Work completed by the Company during 2009 culminated in the estimation of a 47.7mt maiden Inferred Mineral Resource over a 500m portion of the Chitongue Grande prospect and a 400mt to 700mt Exploration Target over the broader Massamba Group area. Independent scoping metallurgical studies and financial modelling indicate positive project economics in the production of high quality magnetite (iron and vanadium) and ilmenite (titanium) concentrate commodities (refer to announcements dated 24 September 2009, 29 September 2009 and 8 October 2009).

A scout drilling programme, designed to assess the Chimbala and South zone prospects of the Massamba Group trend, has been completed for an aggregate total of approximately 7,500m. The purpose of the campaign has been two-fold: to improve confidence in the Company's Exploration Target and to clarify geological domains for continued metallurgical test-work. For detailed information on the scout drilling programme, please refer to announcements dated 1 February, 19 February, 17 May, 11 June, 15 July, 12 August, 2 September and 20 October 2010.

Baobab has entered into a strategic partnership with International Finance Corporation (IFC), the commercial arm of the World Bank, at both the corporate and project equity levels.

*The information in this release that relates to Exploration Results is based on information compiled by Managing Director Ben James (BSc). Mr James is a Member of the Australasian Institute of Mining and Metallurgy, is a Competent Person as defined in the Australasian Code for Reporting of exploration results and Mineral Resources and Ore Reserves, and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

**A COPY OF THIS ANNOUNCEMENT AND CROSS SECTION IS AVAILABLE FOR DOWNLOAD FROM THE COMPANY'S WEBSITE [www.baobabresources.com](http://www.baobabresources.com)**

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