



BAOBAB
RESOURCES

RUONI RESOURCE DRILLING COMPLETE
INITIAL RESULTS DEMONSTRATE EXCELLENT HEADGRADES & MASS RECOVERIES

7th SEPTEMBER 2011

Baobab Resources Plc ('Baobab' or the 'Company') is an iron ore, base and precious metals explorer with a portfolio of exploration projects in Mozambique. The Company is pleased to present an update of activities at the Massamba Group iron / vanadium / titanium project where a 160Mt resource upgrade was announced on 30 August 2011.

HIGHLIGHTS

- Resource drilling programmes at the Massamba prospects of Ruoni North and South have been completed.
- Analytical results from holes on the first two Ruoni North drill traverses have been returned. The traverses, spaced 170m apart, defined a broad, heavily mineralised zone from surface dipping moderately to the southwest.
- Significant drill intercepts, up to 73m in length, report an average head grade of 41% Fe with saleable DTR concentrate grades averaging 58% Fe, 0.8% V₂O₅ and 13% TiO₂ at a mass recovery of 46%.
- All Chitongue Grande resource expansion drill samples have reached the ALS laboratory in Australia. Consultant, Coffey Mining Pty Ltd, has commenced preliminary data validation and geological modelling.
- Drilling has commenced at the Tenge prospect.

Commenting today, Ben James, Baobab's Managing Director, said: *"Baobab is pleased to announce that it has completed the scheduled 2011 drilling campaigns required to define the targeted resource base of 300Mt at the Massamba Group. Drilling is continuing in the Tenge area where the Company believes there is an exceptional opportunity to add substantially to the resource inventory.*

"Drilling at Ruoni North and South has defined consistent packages of high head grade, high mass recovery mineralisation that appear to be thickening markedly as they converge in the fold hinge area underlying the Tenge prospect. The Company remains on track to deliver a series of resource updates over the coming months and looks forward to releasing further significant drill results as they come to hand."

Resource Drilling: Tenge/Ruoni Prospect

Tenge/Ruoni is the easternmost prospect area of the Massamba Group. Drilling at Tenge/Ruoni is progressing rapidly and has intersected a heavily mineralised package varying in thickness from 60m to 150m. Mineralisation has been synformally folded with the fold hinge plunging gently to the west-northwest. Exploration campaigns in the prospect area have been divided into three resource blocks:

- Ruoni North: representing 1km of strike along the northern limb of the fold. Thirty reverse circulation (RC) and diamond holes have been completed to date across seven traverses for an aggregate total of 5,750m. Drilling has intersected a substantial package of mineralisation from surface dipping at 25° to 50° to the southwest.
- Ruoni South: representing 1.2km of strike along the southern limb of the fold. Twenty seven RC and diamond holes have been completed for an aggregate total of 5,200m. Mineralisation in the Ruoni South area is generally steeper dipping (c.65° to the north).
- Tenge: representing the hinge zone of the fold and covering a strike length of approximately 1.3km. Drill sites are being constructed in preparation for two diamond rigs scheduled to commence drilling in early September. RC drilling has already commenced. Approximately 3,000m has been designed to assess the Tenge area.

Analytical results from RC holes RNRC0001 to RNRC0005, drilled over two cross sections spaced 170m apart at Ruoni North, have been returned. 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 6m), Davis Tube Recovery (DTR) and X-ray Fluorescence Spectrometry (XRF) analysis.

Drill hole collar details and significant intercepts are tabulated below. The results demonstrate an overall improvement in Fe head grades and mass recoveries (averaging 41% and 46% respectively). The average Fe concentrate grade is lower and V2O5 and TiO2 higher than reported in the other Massamba group resource blocks, but remains within a typical saleable range for titano-magnetite concentrate. Metallurgical test work is on-going to determine the best grind fraction/magnetic strength conditions to optimise the concentrate quality. Baobab will also be conducting studies into blending the various concentrate streams to further enhance the finished product.

HOLEID	Depth From (m)	Depth To (m)	Length (m)	Fe Head (%)	Mass Recovery (%)	Davis Tube Recovery (DTR) Product						
						Fe Conc (%)	V2O5 Conc (%)	TiO2 Conc (%)	Al2O3 Conc (%)	P Conc (%)	S Conc (%)	SiO2 Conc (%)
RNRC0001	87	160	73	36.6	48.2	57.0	0.8	13.1	3.8	<0.001	0.07	0.98
RNRC0002	22	90	68	51.0	36.2	57.0	0.8	13.7	3.6	<0.001	0.06	0.79
RNRC0003	135	159	24	30.8	41.4	57.9	0.8	13.3	3.6	<0.001	0.06	0.77
RNRC0004	5	17	12	39.2	51.1	57.7	0.8	13.3	3.5	<0.001	0.04	0.84
RNRC0005	82	142	60	41.3	55.3	58.1	0.8	13.0	3.5	<0.001	0.13	0.73
RNRC0005	168	180	12	37.6	43.5	60.6	0.9	9.1	2.9	<0.001	0.50	0.78

HOLEID	TOTAL DEPTH (m)	EAST (m)	NORTH (m)	RL (m)	AZIMUTH (Deg)	DIP (Deg)
RNRC0001	200	582150	8262169	313	58	-60
RNRC0002	180	582211	8262208	322	58	-60
RNRC0003	201	582047	8262106	309	58	-60
RNRC0004	110	582352	8262100	294	58	-60
RNRC0005	204	582267	8262048	296	58	-60

Tete Project Overview: located in Africa's emerging mining & industrial hub

The Tete Project, covering an area of 632km², is located immediately north of the provincial capital of Tete and shares licence boundaries with Vale and Rio Tinto'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 titano-magnetite / ilmenite mineralisation; the Singore area to the south and the Massamba Group trend in the north. The Massamba Group is composed of a series of five prospects (Chitongue Grande, Pequeno, Caangua, Chimbala and South Zone) forming an 8km long trend and the 3.5km long Tenge / Ruoni prospect to the east.

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.

Tete Exploration Summary: resource base fast approaching targeted 300Mt

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.

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 completed in 2009 indicate positive project economics in the production of high quality titano-magnetite/vanadium and ilmenite (titanium) concentrate commodities from a resource base of 300Mt.

A scout drilling programme, designed to assess the Chimbala and South zone prospects of the Massamba Group trend, has been completed during 2010 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.

South Zone was prioritised for resource drilling and the Company announced an 113Mt JORC Inferred Mineral Resource on the 30th August 2011. The resource remains open at depth and along strike.

As well as completing the resource drilling at South Zone and Tenge/Ruoni, an expansion resource drilling campaign at Chitongue Grande has been completed with thirty six RC holes drilled for an aggregate total of 6,275m. Down dip and along strike projections of the existing resource have been intersected. All samples have arrived at the ALS laboratory in Australia. Consultant, Coffey Mining Pty Ltd, has commenced preliminary data validation and geological modelling in preparation for a resource update.

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, INCLUDING ISOMETRIC VIEWS OF THE PROSPECT GEOPHYSICS & GEOLOGICAL MODEL, IS AVAILABLE FOR DOWNLOAD FROM THE COMPANY'S NEW WEBSITE: www.baobabresources.com

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