

## BAOBAB RESOURCES PLC

### OPERATIONAL UPDATE: TETE PRE-FEASIBILITY STUDY

19 FEBRUARY 2013



Baobab Resources Plc ('Baobab' or the 'Company') the Mozambique resource development company, provides the following operational update in relation to the Pre-Feasibility Study (PFS) being completed at its 85% owned Tete Pig Iron, vanadium and titanium Project. IFC (International Finance Corporation) hold a 15% participatory interest.

Most components of the PFS are now finalised and international consultants, Coffey Mining Ltd, have commenced summary documentation. The Company awaits the results of an equipment procurement study across suppliers globally to finalise its capital expenditure (capex) estimate which is expected to be ready in a few weeks. With the numbers already available to it the Company is sufficiently confident of the outcome for the Board to have authorised expenditure to commence work on time critical components of the DFS to ensure that momentum is maintained going forward.

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#### SUMMARY

- Most study components have been peer reviewed and finalised with summary documentation underway:
  - Resource upgrade estimations have been completed at the Ruoni North and Tenge blocks, the results of which will be announced shortly. The Ruoni South re-estimation is currently underway.
  - The Definitive Feasibility Study (DFS) drilling programme commenced at Tenge on 2 February 2013. The objective of the programme is to elevate resources to a 'measured' category as well as collect representative material for the next round of metallurgical test work.
  - Beneficiation and pyro-metallurgical studies have been largely completed, including side studies into the treatment and upgrading of vanadium and titanium by-products. Bench scale reduction and smelting test work, using concentrates derived from Tenge iron ore and local thermal coal products, is ongoing at the Commonwealth Scientific and Industrial Research Organisation (CSIRO) laboratories in Australia.
  - The Environmental Impact Assessment (EIA) scoping study and public consultation process is complete, with the environmental licence application being lodged shortly. Wet season baseline studies, which are fundamental to the EIA work programme going forward, are scheduled for March.
  - Infrastructure, freight, marketing and mining studies, including mine scheduling, pit optimisation, geotechnical and hydrogeological studies, have been completed.

**Commenting today, Ben James, Baobab's Managing Director, said:** *'These are exciting times for the Company. The majority of the Pre-Feasibility Study is now complete and the Company has commenced work on time critical components of the DFS to ensure that momentum is maintained going forward. The full PFS will be released as soon as the Company has assimilated the results of the equipment procurement study into its capex model'.*

#### CONTACT DETAILS

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