



RUONI NORTH CONTINUES TO DELIVER

25th October 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, the first of three resource statement updates expected before the end of 2011. The Company continues to target a resources base of 300Mt of iron ore by the end of 2011.

HIGHLIGHTS

- Further positive results returned from the latest round of Ruoni North analytical data are consistent with those announced previously.
- Significant drill intercepts, up to 135m in length, report an average head grade of 37% Fe with DTR concentrate grades reporting a weighted average of 59% Fe, 0.8% V₂O₅ and 12% TiO₂ at a mass recovery of 48%.
- JORC resource estimates for Ruoni North and Chitongue Grande Extensions due out shortly with Ruoni South expected by the end of November.
- Scoping Study compilation at an advanced stage with preliminary results expected to become available during the latter half of November.

Commenting today, Ben James, Baobab's Managing Director, said: *"the continued exploration success in the Tenge/Ruoni area endorses Management's view that this will become the principal hub of the Massamba Group as the project moves closer to production. The Company looks forward to releasing the Ruoni North and Chitongue resource statements shortly followed by Ruoni South and the outcomes of the Scoping Study by November end. First results from Tenge are expected in early December where drilling is already outlining substantial packages of mineralisation"*

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. A Drilling programme of approximately 3,000m is well underway.

Consultant, Coffey Mining Pty Ltd, is well advanced with the resource estimate for Ruoni North which the Company expects to announce in the coming weeks. Ruoni South geological modelling is nearing completion and Coffey is now waiting on assay results to complete an estimate (scheduled for the end of November). Both resource statements will be completed in accordance with the Joint Ore Reserves Committee (JORC) guidelines.

Analytical results for nine Ruoni North RC holes were announced on 7 and 28 September 2011. Further results from holes RNRC0016, 18 to 20 and 29 have been returned. RNRC0016 and 29 are forward and back holes to RNRC0017 and RNRC0003 respectively. RNRC0018, 19A and 20 have been drilled along a single traverse at the south-eastern limit of the prospect. 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 are in line with those announced previously and demonstrate an overall improvement in Fe head grades and mass recoveries. 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 titanomagnetite 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.

The average head grade of all Ruoni North significant intercepts reported to date is 37% Fe with the DTR concentrate grades reporting a weighted average of 58% Fe, 0.8% V₂O₅ and 13% TiO₂ at a mass recovery of 45%.

HOLEID	Depth From (m)	Depth To (m)	Length (m)	Fe Head (%)	Mass Recovery (%)	Davis Tube Recovery (DTR) Product						
						Fe Conc (%)	V ₂ O ₅ Conc (%)	TiO ₂ Conc (%)	Al ₂ O ₃ Conc (%)	P Conc (%)	S Conc (%)	SiO ₂ Conc (%)
RNRC0016	104	152	48	46.2	54.8	62.6	0.96	7.5	3.0	<0.001	0.07	0.34
RNRC0018	11	70	59	44.4	64.5	57.1	0.77	14.8	3.5	<0.001	0.09	0.53
RNRC0019	6	138	132	34.5	45.7	58.1	0.82	12.8	3.6	<0.001	0.10	0.68
RNRC0019	138	162	24	27.6	27.4	62.7	1.00	6.3	3.3	<0.001	0.22	0.94
RNRC0020	126	134	8	40.1	57.6	57.2	0.74	13.7	3.5	<0.001	0.08	0.99
RNRC0020	145	243	98	38.8	50.3	58.4	0.75	12.9	3.5	<0.001	0.12	0.74
RNRC0029	151	182	31	18.7	20.5	58.9	0.88	10.7	3.9	<0.001	0.09	1.43

HOLEID	TOTAL DEPTH (m)	EAST (m)	NORTH (m)	RL (m)	AZIMUTH (Deg)	DIP (Deg)
RNRC0016	190	581785	8262493	305	35	-60
RNRC0018	132	582501	8262000	289	58	-60
RNRC0019A	204	582416	8261946	289	58	-60
RNRC0020	250	582237	8261846	289	58	-60
RNRC0029	200	582047	8262106	309	360	-90

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 titanomagnetite / 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. Consultant, Coffey Mining Pty Ltd, is finalising a JORC resource update which is expected to be announced in conjunction with the Ruoni North resource statement in November 2011.

Scoping Study

Baobab is working alongside Coffey Mining to compile a revised Scoping Study. The study is drawing on the results of the resource calculations, metallurgical test work and a recently completed infrastructure review together with mine scheduling and pit optimisation studies currently underway to build a financial model assessing the economic viability of various process routes. Preliminary study results are expected during the latter half of November.

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.

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