



## **DRILLING RESUMES AT MASSAMBA**

**12<sup>th</sup> March 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 the resumption of drilling at the Tete iron/vanadium/titanium project.

### **Highlights:**

- **Scout diamond drilling at the Chimbala prospect commenced on Wednesday 10<sup>th</sup> March 2010.**
- **The Chimbala prospect comprises the central zone of the 8km long Massamba Group trend. The current drill traverse transects the broadest section of the prospect's aeromagnetic signature and is located approximately 5km north of the South Zone prospect and 2km south of the Chitongue Grande prospect where drilling in 2009 defined a maiden 47.7Mt Inferred Resource over a strike length of just 500m.**
- **The scout drilling campaign will include both diamond and reverse circulation (RC) drilling for a combined total of approximately 12,000m and focus will be on improving confidence in the 400 to 700Mt Exploration Target estimated in 2009.**
- **Rock chip sampling collected during recent mapping of the Chimbala prospect area has returned encouraging concentrate grades, including:**
  - 67.4% Fe, 2.11% TiO<sub>2</sub>, 0.67% V<sub>2</sub>O<sub>5</sub>, 25.6% Mass Recovery (sample 011263).**
  - 64.4% Fe, 5.04% TiO<sub>2</sub>, 0.69% V<sub>2</sub>O<sub>5</sub>, 47.2% Mass Recovery (sample 011270).**
  - 65.6% Fe, 3.55% TiO<sub>2</sub>, 0.71% V<sub>2</sub>O<sub>5</sub>, 42.2% Mass Recovery (sample 011271).**
- **Drilling at Chimbala has been brought ahead of the continued drilling at the South Zone prospect owing to late rains restricting access in the area.**

**Commenting today, Ben James, Baobab's Managing Director, said:** *"Baobab is very pleased to announce the opening of the 2010 drilling season at Tete. The Chimbala prospect covers almost half of the Massamba Group trend and its assessment is key to unlocking the potential of the Tete project. Investors may expect a consistent flow of news over the coming months as results from the drilling become available."*

### **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 including Chitongue Grande and 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 and 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).

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.

### Scout Drilling Programme – Chimbala Prospect

Baobab commenced a scout drilling campaign prior to the close of the 2009 field season. Approximately 12,000m of combined diamond and reverse circulation (RC) drilling has been designed to assess the Chimbala and South zone prospects of the Massamba Group trend. The purpose of the campaign is two-fold: to improve confidence in the 400 to 700Mt Exploration Target and to clarify geological domains for continued metallurgical test work.

Three diamond drill holes were completed at the South zone prospect in 2009 prior to the onset of the wet season, all of which intersected significant magnetite-ilmenite mineralisation (as announced on 1 February and 19 February 2010). The scout drilling programme resumed on the 10<sup>th</sup> of March 2010 and, due to late rains restricting access in the South Zone area, work has started at the Chimbala prospect.

The Chimbala prospect comprises the central portion of the Massamba Group trend and is underlain by a 3km long zone of strong aeromagnetic response. Limited historical exploration has taken place in the prospect area. Recent detailed geological mapping carried out by the Company has outlined primary iron, vanadium and titanium mineralisation, occurring as cumulate sequences within the gabbro / anorthosite suite, as well as vertical massive magnetite-ilmenite intrusive dykes.

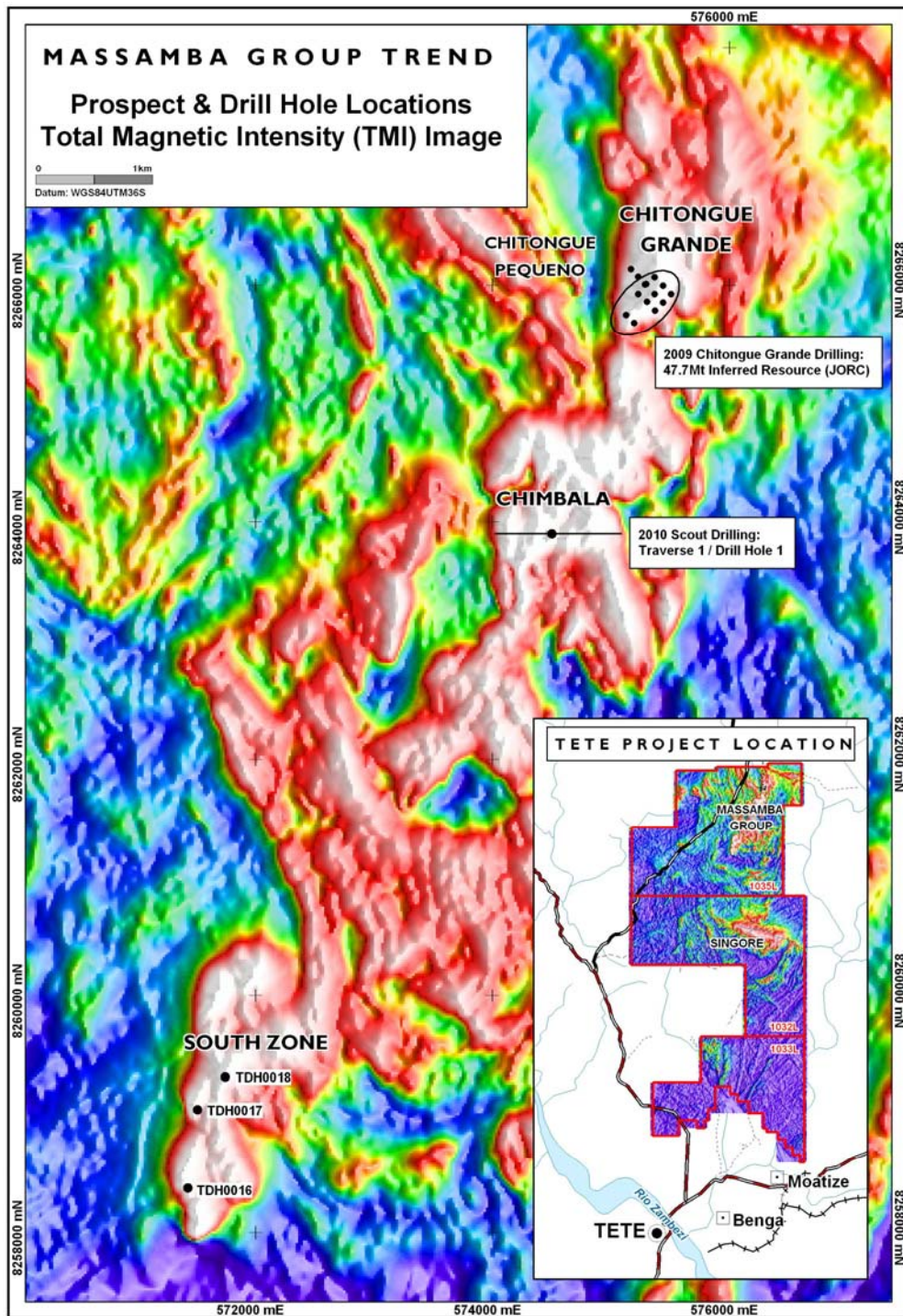
Characterisation tests using the Davis Tube (DTR) apparatus were conducted on 7 rock chip samples collected from outcrops during the mapping exercise. Head and magnetic concentrate sub-samples were analysed by X-ray Fluorescence Spectrometry (XRF). Analytical results are tabulated below.

Iron (Fe), vanadium pentoxide (V<sub>2</sub>O<sub>5</sub>) and titanium dioxide (TiO<sub>2</sub>) head grades demonstrated a limited variance across the samples, averaging 49.3%, 0.46% and 20.7% respectively.

The magnetic concentrate recoveries (mass yields) ranged from 12.6% to 66%. Magnetic concentrate results demonstrated an improvement in Fe grades (ranging between 57.2% and 67.4%, averaging 63.6%). V<sub>2</sub>O<sub>5</sub> and TiO<sub>2</sub> grades averaged 0.76% and 6% respectively. Deleterious elements, silica (SiO<sub>2</sub>), phosphorus (P) and sulphur (S) all returned very low concentrate grades. Alumina (Al<sub>2</sub>O<sub>3</sub>) returned grades ranging between 1.24% and 3.19%.

CHIMBALA PROSPECT				REC	Fe	TiO2	V2O5	Al2O3	P	S	SiO2
SAMPLEID	EAST	NORTH	COMP	%	%	%	%	%	%	%	%
11259	575258	8265511	MAGS	12.6	63.3	6.43	0.96	1.9	<0.001	0.010	0.15
			HEAD		50.3	20.3	0.62	5.12	<0.001	0.011	0.59
11260	575117	8265283	MAGS	66.0	57.2	13.1	0.81	3.19	0.002	0.006	0.33
			HEAD		50.7	19.05	0.61	5.39	0.005	0.009	0.95
11261	575033	8265249	MAGS	15.2	63.8	5.82	0.73	2.26	<0.001	0.010	0.55
			HEAD		48.9	22	0.39	4.29	<0.001	0.021	2.30
11263	574800	8264467	MAGS	25.6	67.4	2.11	0.67	1.24	0.005	0.004	0.55
			HEAD		45.4	20.2	0.33	4.17	0.005	0.010	5.18
11270	574080	8263378	MAGS	47.2	64.4	5.04	0.69	2.24	0.005	0.003	0.16
			HEAD		51.1	20.6	0.42	4.64	0.002	0.005	0.93
11271	575048	8263339	MAGS	42.2	65.6	3.55	0.71	2.38	0.003	0.003	0.24
			HEAD		49.2	22.1	0.40	4.85	<0.001	0.009	1.63

Coordinate system WGS84 UTM zone 36S. All samples were submitted to Davis Tube Recovery (DTR) analysis conducted at the ALS Laboratory Group in Perth, Western Australia, at a 45µm fraction and 3000G. Head and magnetic concentrate sub-samples were analysed by X-ray Fluorescence Spectrometry (XRF).



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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