

CONCLUSION OF 2013 MEASURED RESOURCE DRILLING PROGRAMME & PRELIMINARY TRENCH RESULTS

Baobab Resources Plc ('Baobab' or the 'Company') is pleased to provide the following update on activities relating to the Bankable Feasibility Study ('BFS') at the Company's Tete pig iron and ferro-vanadium operation in Mozambique.

HIGHLIGHTS

- The 2013 drilling campaign has been successfully completed for an aggregate total of 5,940m (diamond and RC), bringing the total metres drilled at the Tenge/Ruoni prospect since 2011 to 41,175m.
- Drilling has been prioritised to convert the upper portions of the Tenge resource block, representing a minimum 10 years of operation, to a JORC compliant **Measured** category. Preliminary analytical results are expected in January 2014 with a revised resource estimation to be completed by the end of Q1 2014.
- Two large bulk sample trenches straddling the Tenge mountain were excavated to an average depth of 2m. The trenches, providing a total of 317m of mineralised exposure across the deposit, were systematically channel sampled and analysed with results reporting a weighted average head grade of **45.5% Fe, 18.4% TiO₂ and 0.53% V₂O₅**.
- Bulk samples collected from the trenches, along with bulk coal and carbonate samples, are being processed at the Mintek laboratories in South Africa before despatch to pilot plant facilities in the USA and Japan for reduction test work.
- Un-fluxed bench scale smelting test work carried out by CSIRO earlier in the year confirmed that a low impurity pig iron product could be produced using Baobab's iron ore and local Mozambique thermal coal (refer to RNS dated 4 March 2013 for details). Further fluxed smelting test work is on-going and will provide the first empirical data on the composition of the vanadium and titanium slag by-products. Results are expected in early 2014.
- Discussions with public and private sector entities regarding port and rail allocation are making solid progress and are expected to be formalised shortly by way of Memorandum of Understanding ('MoU') documentation prior to the drafting of term sheets in which access conditions and tariff rates will be established.
- Mining title and industrial licence applications are being prepared for submission in January 2014. The environmental impact assessment ('EIA') and associated resettlement plan and community and enterprise development programme are making good progress under the guidance of Ms Elisa Vicente, Baobab's newly appointed Environment, Health and Social Manager.

Commenting today, Ben James, Baobab's Managing Director, said: *'Baobab is pleased with the progress made this year in systematically addressing prioritised areas of perceived risk, which brings us several steps closer to the completion of the Bankable Feasibility Study in 2014. The results of the current programmes will significantly strengthen the Company's position going into the next round of discussions with potential strategic partners during the coming months. The analytical results of the trench sampling are encouraging and indicate a higher grade cap to the Tenge deposit.'*

ABOUT BAOBAB RESOURCES PLC

Baobab Resources Plc ('Baobab' or the 'Company') is wholly focused in Mozambique where it is currently completing a Bankable Feasibility Study ('BFS') at its pig iron and ferro-vanadium project in the Tete province (the 'Tete Project'), one of Africa's fastest growing mining and industrial centres. The International Finance Corporation ('IFC') holds a 15% participatory interest in the Tete Project.

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.

PLEASE DOWNLOAD THIS RNS FROM www.baobabresources.com TO VIEW ACTIVITY PHOTOGRAPHS.

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Plate 1: view of Monte Tenge from Ruoni North. Reverse Circulation drill rig and support vehicle may be observed on the lower slope with the northern of two trenches straddling the mountain crest.



Plate 2: Senior project geologist, Norman Gwaza, poses at the foot of the southern Tenge trench. Stakes indicate sample intervals



Plate 3: RC drilling crew in action at Monte Tenge.



Plate 4: Environment, Health and Social Manager Elisa Vicente brings the national media up to speed with the Company's CSR initiatives during a Baobab sponsored Christmas lunch at the Tete orphanage.