

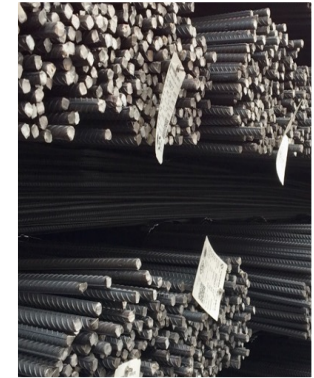


BAOBAB STEEL

DISRUPTING THE REGIONAL STEEL MARKET
Dec 2021

AIMING TO BE MOZAMBIQUE'S FIRST INTEGRATED GREEN STEEL MILL

- **BUCKING THE AFRICAN TREND OF EXPLOIT & EXPORT, BAOBAB WILL BENEFICIATE MOZAMBICAN RAW MATERIALS TO PRODUCE MOZAMBICAN MADE STEEL**
- DFS completed for 500ktpa integrated rebar and wire rod mill
- Co-production of 2,5ktpa FeV80



MOZAMBICAN
RAW
MATERIALS

GREEN
POWER
GENERATION

LIQUID
METAL

STEEL
BILLETS

MOZAMBICAN
STEEL

WHERE: LOCATED AT REGIONAL LOGISTICS HUB



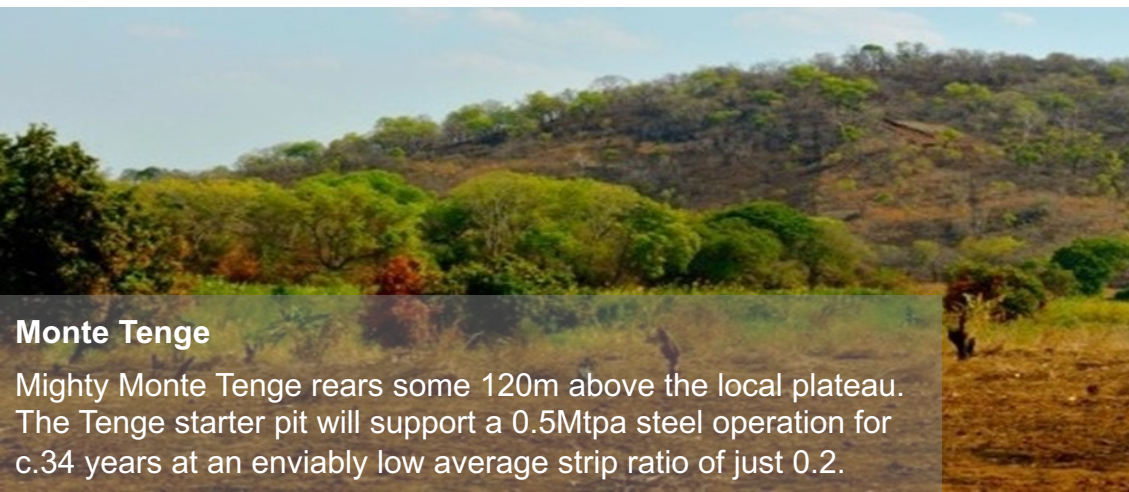
**Centrally located
at regional
infrastructure hub**
**~1000km closer to
landlocked markets
than regional
competitors**

- ★ Tete project area
- National Capital
- Town
- ⚓ Port
- ⋯ Railway
- - - Planned Railway
- Main road
- ✈ Airport



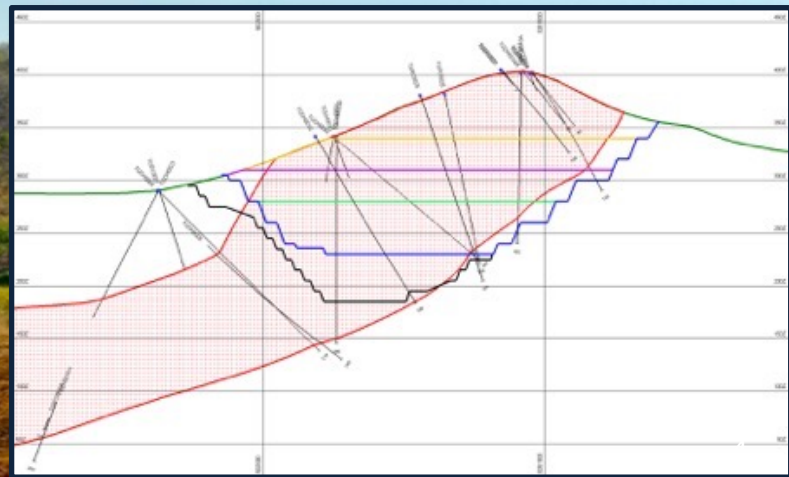
UNDERPINNED BY: 759MT IRON ORE RESOURCE

- The magmatic Vanadium bearing Titano-magnetite deposit at Tenge-Rioni is a world class example of its type containing a global resource of **585.1mt of ore within a 2.4 sq km footprint**.
- The Tenge resource block itself, including the elevated Monte Tenge, represents close to 40% of this global resource.
- The Vanadiferous Titano-Magnetite (VTM) horizon at Tenge **averages 100m in thickness**.
- Resource estimates, mine plan, hydrological and geotechnical studies were carried out on the Tenge resource block by SRK as part of a Definitive Feasibility Study (DFS).
- The Tenge resource block alone will sustain a 34-year open pit mining operation with an average **stripping ratio of 0.2%**.
- Following completion of the DFS, SRK upgraded close to 50% of the measured resource at Tenge to proven reserves of 74.3mt @ 33.76% Fe and 0.39% V₂O₅.
- c.85,000m diamond & RC drilling was completed as part of resource definition.



Monte Tenge

Mighty Monte Tenge rears some 120m above the local plateau. The Tenge starter pit will support a 0.5Mtpa steel operation for c.34 years at an enviably low average strip ratio of just 0.2.



RESOURCE & RESERVE STATEMENT



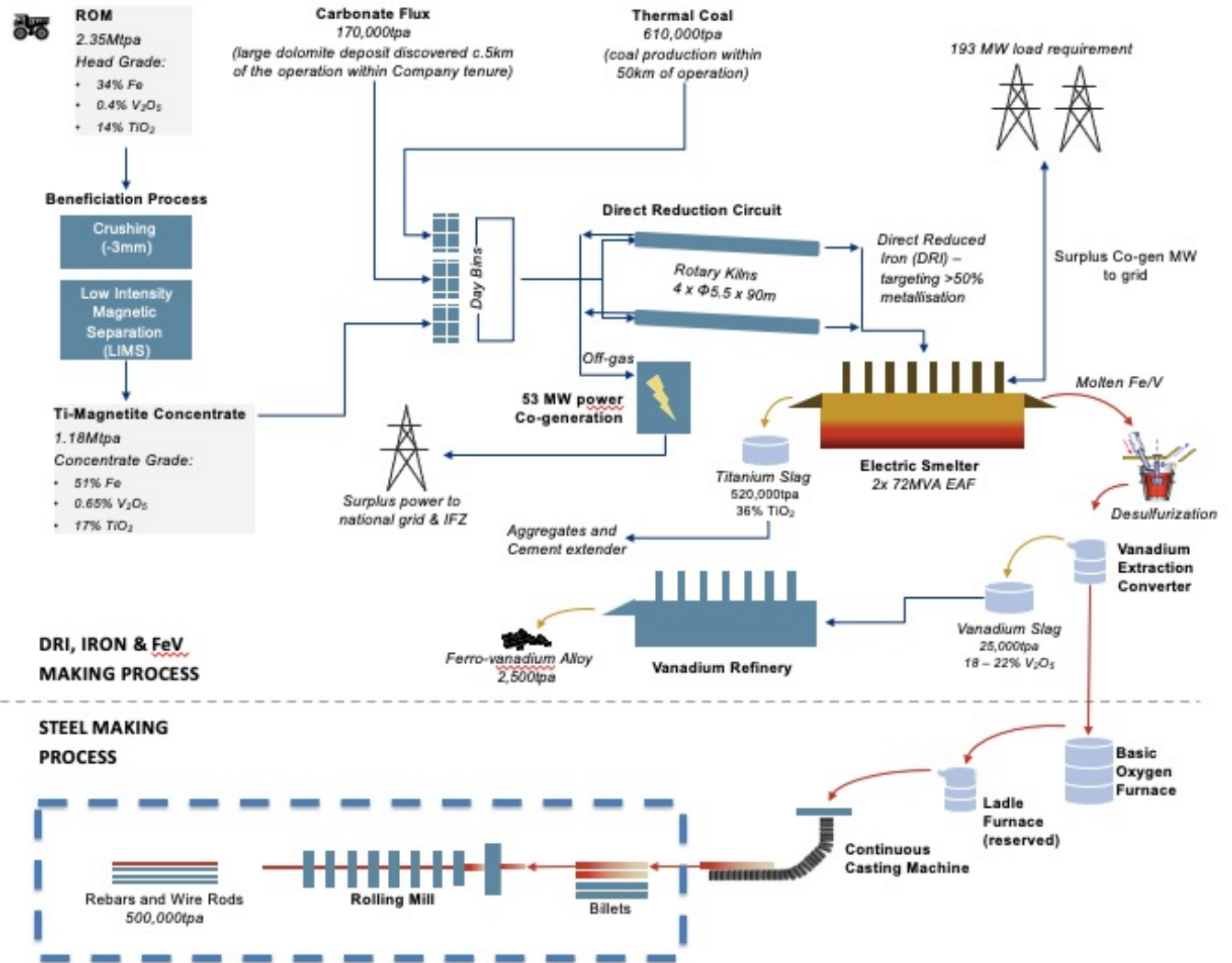
GLOBAL RESOURCE CLASSIFICATION (JORC 2004, 2012)	TONNAGE (MT)	Fe (%)	V ₂ O ₅ (%)	TiO ₂ (%)
MEASURED	155.9	37.79	0.41	14.13
INDICATED	166.0	35.59	0.39	13.13
INFERRED	436.3	31.71	0.31	11.71
TOTAL	759.1	33.81	0.35	12.52
TENGE RESERVE CLASSIFICATION (JORC 2012)	TONNAGE (MT)	Fe (%)	V ₂ O ₅ (%)	TiO ₂ (%)
PROVEN (SRK 2017)	74.3	33.76	0.39	13.27
TENGE RESOURCE CLASSIFICATION (JORC 2012)	TONNAGE (MT)	Fe (%)	V ₂ O ₅ (%)	TiO ₂ (%)
MEASURED	155.9	37.79	0.41	14.13
INDICATED	65.7	34.45	0.37	12.54
INFERRED	0	0	0	0
TOTAL	221.5	36.80	0.41	13.66

Notes:

1. R&R Statement as at November 2016 - JORC Compliant
2. SRK Feasibility study as part of Definitive Feasibility Study included Geotechnical Report, Mining Report, Hydrogeological Report, Surface Water Report & Civil Geotechnical report

TECHNICALLY FEASIBLE: ENGINEERING FLOWSHEET CONFIRMED BY TIER 1 CONSULTANTS

HATCH ENGAGED TO ENSURE DFS COMPLETED TO WESTERN STANDARDS



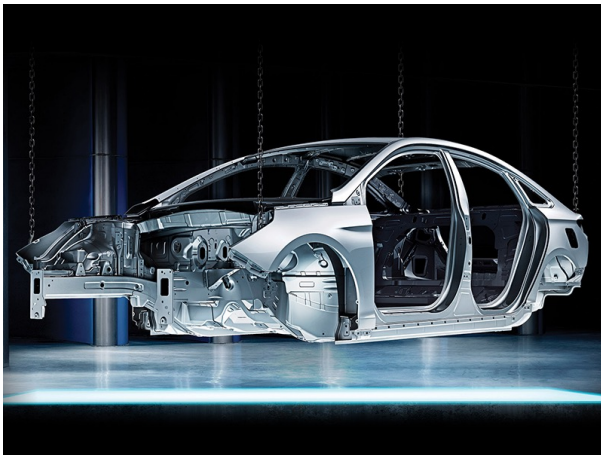
50-60% METALISATION & 75% V RECOVERY



- Engineering flow sheet confirmed through large scale test work.
- 450t iron ore shipped from site for pilot scale test work at Shenyang lab in China.
- Comminution, beneficiation, reduction and smelting test work completed as part of DFS.
- 157t DRI and 26t hot metal produced with Mozambican raw materials.
- Metallisation rates between 50-60% achieved.
- Stable conditions over an 8-day period.
- 97.5% Fe recovery.
- 75% V recovery.
- **Reduction and smelting test work campaign overseen by Hatch to ensure international standards.**

SIGNIFICANT SECONDARY INDUSTRY OPPORTUNITIES - STEEL

- The Revuboe Industrial Free Zone provides the opportunity for significant downstream beneficiation and development.
- Steel is used in downstream products in the automotive, tooling, and construction industries.
- Steel has underpinned **Industrialisation** of all developed nations and will do the same for Mozambique.



SIGNIFICANT SECONDARY INDUSTRY OPPORTUNITIES - VANADIUM

- The Tete project will produce significant amounts of Vanadium as a by-product in the steel-making process.
- The vanadium can be further refined and used to produce downstream products.
- Vanadium is a key element to increase the strength of steel and is the primary input into vanadium redox batteries.



SIGNIFICANT SECONDARY INDUSTRY OPPORTUNITIES - TITANIUM

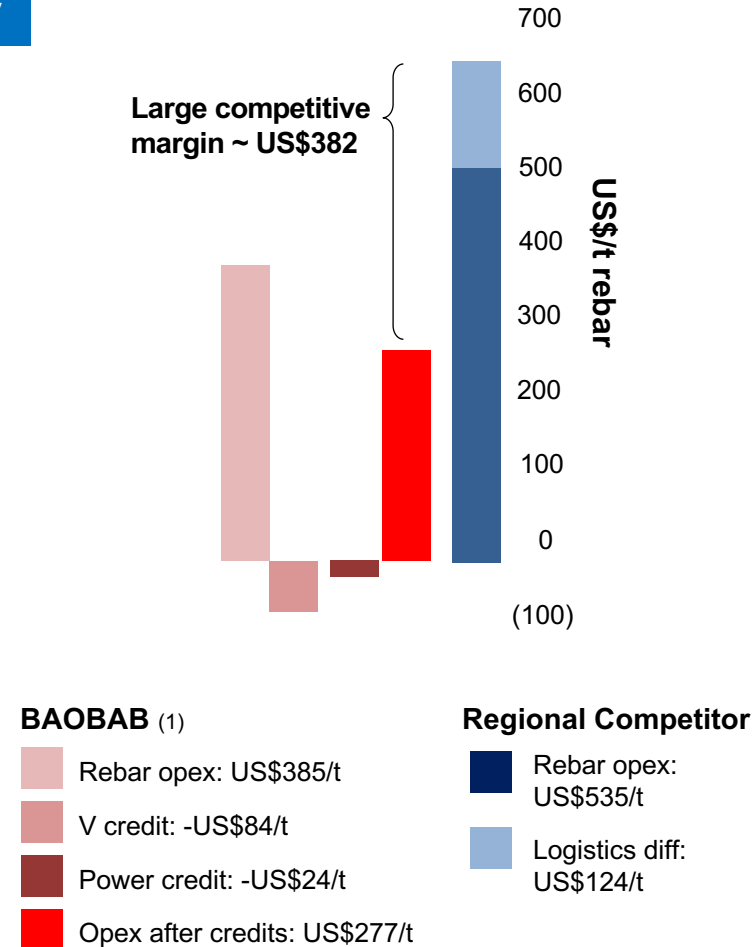
- The updated DRI process using liquified natural gas (LNG) which is under consideration allows for the separation of titanium slag from the titanium-rich iron-ore.
- The slag could be further refined to create downstream products.
- Titanium is used in the aerospace industry, as pigment in paints, and in joint replacements.



US\$385/t OPEX WILL DISRUPT REGIONAL MARKET

Opex confirmed through Definitive Feasibility Study

- Captive iron ore resource acts as a natural hedge against global iron ore prices.
- Unlike regional competitors who are exposed to global commodity markets, Baobab can maintain low opex over the long term.
- The cost of delivering Baobab iron ore to the iron-making facility is \$35/ton vs fluctuating global iron ore prices.
- **Low opex will win regional market share and disrupt the established regional competitors.**



Notes

1. Baobab values based on the definitive feasibility study (DFS) and adjusted over time.

GREEN STEEL: POWER GENERATION WITH ALTERNATIVE ENERGY SOURCES TO COAL

~200MW power requirement

- Discussions are well developed with EDM and IPPs to provide off-balance sheet tariff based power solutions.
- Proposal to supply LNG to site received which will allow consideration for cleaner energy/fuel source.
- IPP's power solutions include gas fuelled technology, solar and battery Energy Storage Systems.
- The planned Mphanda Nkuwa hydro project will add a further 1,500 MW to the grid very close to Baobab's project which could benefit Baobab as well as secondary industries in the IFZ in the medium to long term.



OPTIMISATION INITIATIVES TO IMPROVE CARBON FOOTPRINT & PROJECT ECONOMICS

Gas based Direct Reduced Iron (DRI)

- Availability of LNG provides the opportunity to substitute thermal coal DRI with gas based DRI.
- Pelletizing and gas reduction bench scale testwork completed on 2 tonnes of Baobab's iron ore by Shenwu Environment & Technology demonstrated the following:
 - **> 90% metallisation** (will result in a significant reduction in electricity consumption)
 - 54.16% Fe in concentrate & 0.815% V₂O₅ in concentrate.
 - TiO₂ in slag up to 45.24% with targeted content to be 60% which will be a saleable product providing additional by-product credits

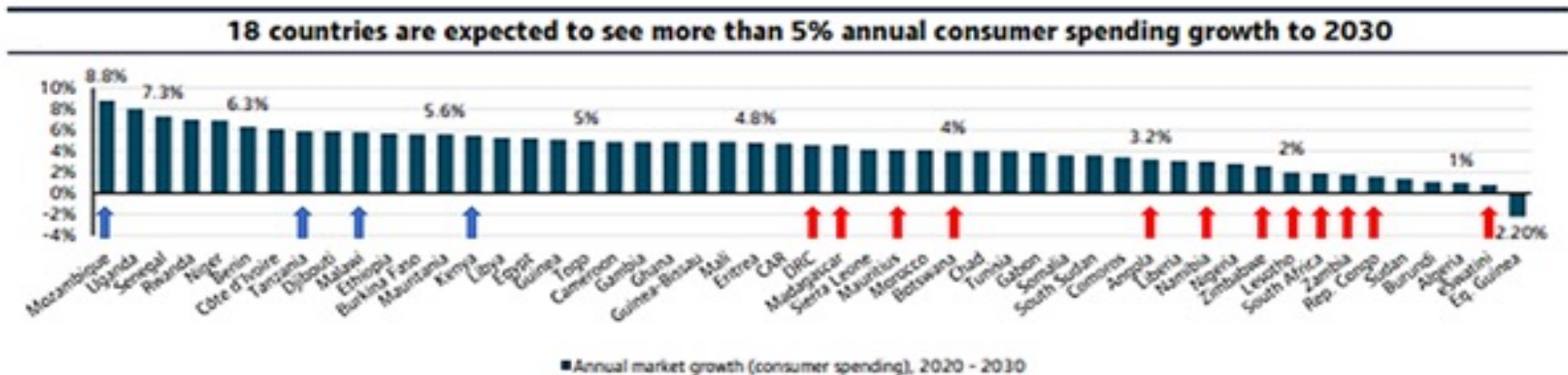
Reduce capital requirement of project

- Discussions with Mozambique government emphasising importance of lobbying for donor/grant funding for basic enabling infrastructure included in project capex.

Impact of above initiatives on project economics is currently work in progress and an estimate of Capital & Operational costs is being finalised by Danieli.

IMMATURE BUT EXPANDING STEEL MARKET

- **The Covid19 pandemic** has had a profound impact on **steel consumption** and the efficient functioning of steel markets in Southern Africa.
- **Expanding the target markets** of Southern Africa to include international demand centres will increase confidence for the offtake of Steel, Vanadium and Titanium products.
- Projected increase in steel demand with expected resumption of **LNG projects** after strong steps taken by the Mozambique government to normalise the situation in the **Northern Cabo Delgado province**.
- **Post Covid recovery** of African economies forecast with **international funding**.
- Market studies completed by World Steel Dynamics.
- Discussions ongoing with various steel merchants and companies **regarding off-take agreement and potential strategic partnerships**.



Sources: World Data Lab; Standard Bank Research

ROBUST ECONOMICS ON DFS PROPOSAL– 500ktpa MILL



NPV (10%)	US\$1.2bn
IRR	44%
CAPEX Estimate	c.US\$622 m
OTHER (interest, working capital, etc.)	c.US\$68 m
OPEX (rebar)	US\$385/t
OPEX (billet)	US\$339/t
EBITDA Margin	57%
Break-even	205ktpa
Local rebar selling price	US\$824/t
Life of plant	25 years

NPV (US\$ '000) Sensitivity to changes in steel product prices and Opex (US\$)

		742	783	824	865	906
Operating Costs	424	840	978	1,117	1,255	1,394
	404	906	1,044	1,183	1,321	1,460
	385	972	1,111	1,249	1,388	1,526
	366	1,039	1,177	1,316	1,454	1,593
	347	1,105	1,244	1,382	1,521	1,659

IRR Sensitivity to changes in steel product prices and Opex (US\$)

		742	783	824	865	906
Operating Costs	424	34%	37%	41%	44%	47%
	404	35%	39%	42%	45%	48%
	385	37%	41%	44%	47%	50%
	366	39%	42%	45%	48%	51%
	347	40%	44%	47%	50%	53%

Notes:

1. Calculated in real terms and geared at 60%/40% Debt-to-Equity.
2. Rebar price based on Steelhome price forecast and internal assumptions.

INDICATIVE INVESTMENT STRUCTURE

Indicative Debt/Equity Structure

US\$'M	%	Source of capital	Investment steps
455	60%	Senior debt	Afrexim Bank already mandated to form debt consortium with African focused Development Finance Institutions (AFC, AfDB, TDB).
75	9%	EPC – profits (subordinated debt)	EPC contractors encouraged to re-invest EPC profits as subordinated tranche/deferred contract payments to ensure alignment with equity investors in mitigation of execution and operational risks.
530	70%	Total debt	
70	9%	Baobab equity invested	Baobab (project sponsor) equity investment-to-date results in significant de-risking.
60	8%	GOM enabling infrastructure	World Bank and other grant funding programs to enable road, bridge, OHL & IFZ infrastructure to be structured as GOM's equity participation as PPP.
100	13%	New strategic equity investor	New capital – global search ongoing to secure strategic diversified industrial or steel investor.
230	30%	Total equity	
760	100%	Total debt & equity	

Indicative Post-Money Cap Table

US\$'M	%	Equity investor	Investment steps
95	37%	Baobab equity	Baobab (project sponsor) to dilute to 37% in fully funded project structure.
60	24%	GOM enabling infrastructure	GOM's equity participation through grant funded enabling infrastructure ensures a significant interest without encumbering the state's balance sheet.
100	39%	New strategic equity investor	New strategic investor to have a control block.
255	100%	Post-money valuation	Post-money valuation at 79% discount to NPV

DE-RISKED AND CONSTRUCTION READY

- ✓ Fully permitted and Definitive Feasibility Study for Fully Integrated Project completed by world renowned players (February 2017).
- ✓ Industrial Free Zone (“IFZ”) license (Council of Ministers).
- ✓ Definitive environmental license approved.
- ✓ 50 household resettlement action plan approved.
- ✓ Land use titles awarded.
- ✓ 30-year water concession from Revuboe river approved.
- ✓ US\$77m invested to date to get the project fully permitted and construction ready.



FURTHER PROJECT ENHANCEMENTS

Industrialisation is high on the agenda for Government and African DFIs



- Optimised flow-sheet likely to produce 290ktpa TiO₂, grading >50% TiO₂, making it **another saleable co-product**, not currently factored into project economics.
- Revuboe Industrial Free Zone (RIFZ), with Baobab's steel mill as the anchor provides long term fiscal incentives.
- FeV80 and TiO₂ co-products alongside the RIFZ offers downstream opportunities to deliver into the **global clean energy transition**.
- President Filipe Nyusi launched the programme "Industrialise Mozambique" on 6 August 2021.
- The project is a priority in President Nyusi's 5-year development plan, demonstrating **strong government support**.
- The 8bn\$ African Renaissance Pipeline Project and Shell's 5bn\$ Gas to Liquids Project are some of the LNG driven infrastructure developments set to increase steel demand.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



An Opportunity to Thrive

Baobab's dedicated Community & Environment team works in close partnership with local communities on a range of initiatives.

- Mozambican raw materials will ensure the entire value chain remains in-country.
- 3,500 jobs during construction.
- 2,500 skilled jobs during operation.
- x10 multiplier effect (conservative estimate).
- >150 years of operation.
- <50 households to be resettled within 5km of original homes.
- Significant training opportunities to upskill the local and regional workforce.
- Baobab has **invested in the education of the local communities** through teacher training programs.
- The IFZ offers a massive opportunity to uplift and upskill the local community.

EDUCATION AS A PRIORITY



Baobab has helped **146 new primary school teachers graduate.**

A number of other activities and initiatives to improve and empower our communities

HAND PICKED TEAM FOR PROJECT DELIVERY

Tier 1 Steel and Africa experience combining to execute the project



Rudolph de Bruin, Non-Exec Chairman

A lawyer by training, Rudolph practiced as an advocate at the Pretoria Bar from 1977 to 1989. Post 1989 he has concentrated on finding, acquiring and developing mineral exploration and mining projects in various African countries. He was a founding member of the Platmin group, where he focused on building Platmin into a credible platinum producer and listing it on the Toronto Stock Exchange. After selling his Platmin interest in 2006, he also co-founded the Sephaku Group, where he initiated the acquisition of Sephaku's flagship limestone and other projects. Rudolph was appointed Co-Chairperson and Executive Director of the Company on 26 April 2013. Rudolph is one of the founding partners of Amed Funds.



Deon van der Mescht, CEO

Deon, a mining engineer, has over 35 years experience in the mining industry of which 25 years were in senior executive roles in predominantly listed companies. These include companies listed on the JSE, Nasdaq, NYSE, and TSX. During his tenure as Senior Executive of various companies Deon gained extensive experience in public equity raising, company restructuring and optimization, as well as management of large capital projects in South Africa, Australia and Zambia. He has also been involved in advisory roles for companies on organizational structure, business optimization and strategy.



Heinrich Kriel, Technical Advisor

Heinrich has over 25 years' experience in business and operational management of major integrated steel operations. Experience includes executive management, strategy development and management, business development and improvement and operational management. He was the General Manager of three Steel Making Operations and Chief Technical Officer of major international steel company. Studied Mechanical Engineering at the North West University and done The Executive Program (TEP) at Darden University of Virginia, United States of America.



Dawid Swanepoel, Analyst

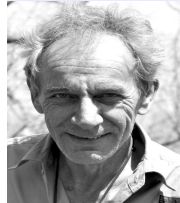
Dawid has over a decade of experience on large scale projects in the banking and investment industry. He has run and been part of project teams that has designed, built, and implemented R1bn+ IT and business systems at Absa, Standard Bank, Nedbank, and Investec. Experience includes business analysis, system optimization, and financial modelling.

Dawid is a qualified Industrial and Systems Engineer and holds the CFA charter.



Frank Eagar, Non-Exec Director

CA(SA) with over 20 years of experience in managing and developing mineral and mining projects across Africa and Eastern Europe. Frank joined BHP Billiton after completing his articles at audit firm PwC in 2003. Frank has held a number of senior executive roles and board seats in various mining jurisdictions with BSG Resources, Bateman Engineering and Baobab Resources. He holds a post graduate diploma in International Tax and has vast experience in both public and private capital raising.



Iain Plews, Country Manager

Iain has over 40 years exploration and mining experience in Africa, holding senior positions with Anglo American Corporation, Ashanti Goldfields, ITM Corporation, Reunion Mining and Takoradi Gold NL. He has operated in over a dozen countries in sub-Saharan Africa exploring for a range of commodities. He has worked closely with Baobab Resources from initial exploration to the successful completion of its definitive feasibility study. Iain is based out of Maputo.

STRATEGIC OPPORTUNITY

- Baobab's highly competitive cost of production @ less than US\$300/t for steel billets provides the opportunity to win regional market share and to compete on the seaborne market.
- Significant opportunity for value add secondary/downstream industries utilising Baobab steel, vanadium and titanium products, with long term fiscal incentives and reduced taxation in the IFZ.
- The IFZ offers a strategic location and fiscal incentives for distribution and access to expand into land-locked markets of Malawi, Zambia, Zimbabwe and DRC.



IN CLOSING



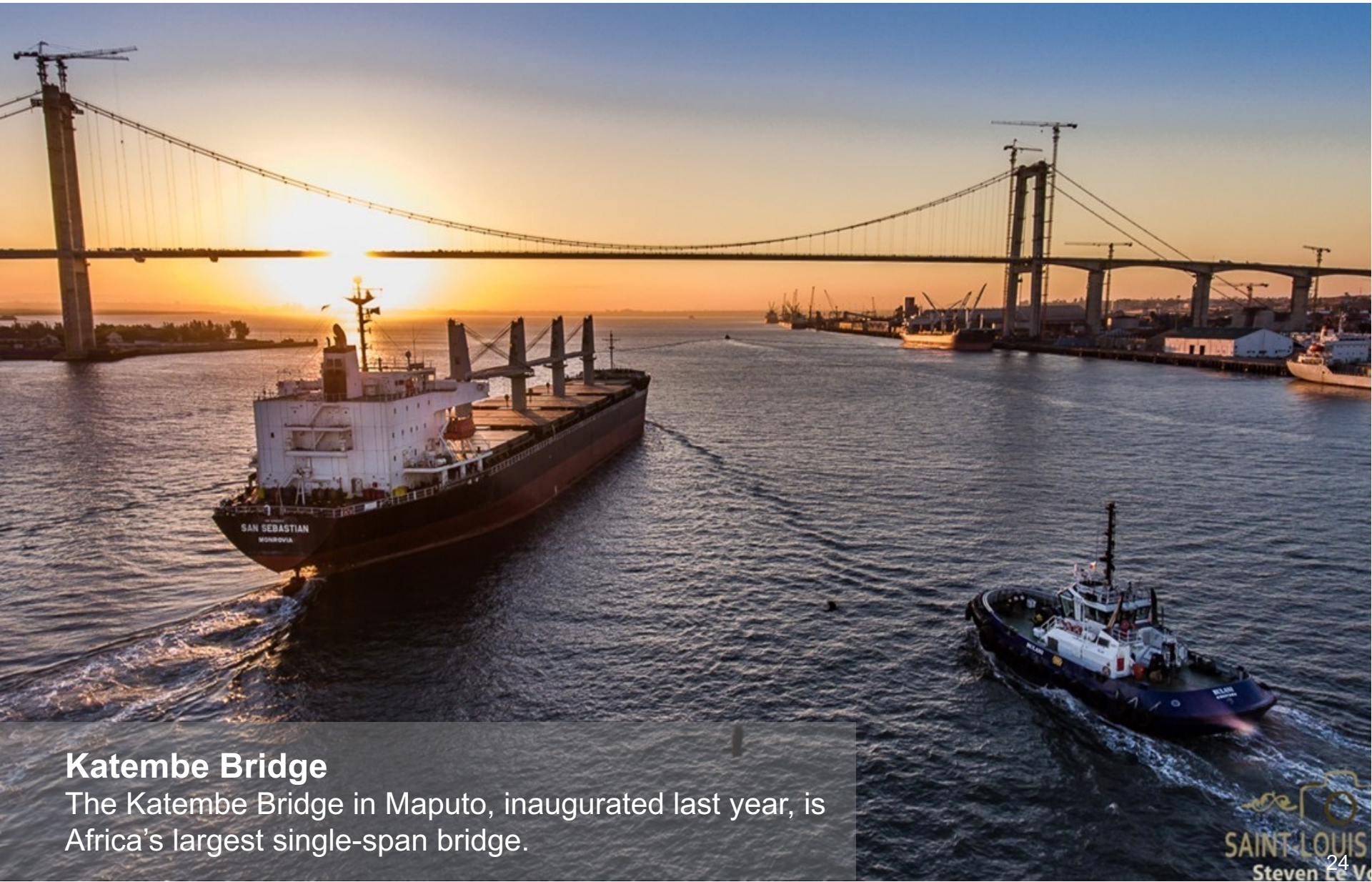
Made in Mozambique

All development projects, whether it be a hydro-electric dam, an LNG plant, a bridge or a single-storey dwelling, requires steel.

Why not build Mozambique with Mozambique-made steel?

- The Baobab Steel & Vanadium project offers **unprecedented socio and (above industry benchmark) economic returns**.
- The project bucks the African trend of exploit and export and will produce steel made in Mozambique.
- New investors will have the opportunity to **lead the industrialisation** of northern Mozambique and the region.
- With a 7 to 10 times increase in GDP over the coming decade, this project offers an industrial major the opportunity to capture and **control the supply** of a growing, but landlocked market.
- The industrial-free zone along with being a **top-tier vanadium** producer offers significant opportunity to scale up, diversify and contribute to economic growth and activity.
- In his acceptance speech, President Nyusi expressed his support to the project as a key priority in his second 5-year term and development plan for Mozambique.

MUITO OBRIGADO



Katembe Bridge

The Katembe Bridge in Maputo, inaugurated last year, is Africa's largest single-span bridge.

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