

28th October 2010

ASX Announcement

ASX: MGY

**MALAGASY MINERALS RECEIVES ASSAYS FROM FIRST INTERCEPT AT
IANAPERA PROJECT, MADAGASCAR**

MAGMATIC MASSIVE SULPHIDE SYSTEM CONFIRMED – DRILLING CONTINUING

International minerals company Malagasy Minerals Ltd (ASX Code: **MGY**) advises that it has received initial assay results from previously reported magmatic massive sulphide drill intercepts at its 100%-owned **Ianapera** (Ampanihy) Project in southern Madagascar.

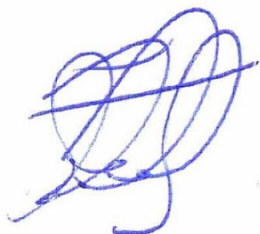
Results from drill hole IPC0001 confirm the magmatic provenance of the massive and disseminated sulphide zones, however the first two (2) metres (135m to 136m) are representative of massive sulfides, with 0.11% nickel and 0.07% copper (0.04% cobalt and 15ppb palladium), whilst the rest of the (disseminated) sulphide zone (137m to 157m) carried lower grades of nickel and copper in the range of 50ppm to 235ppm nickel and 0.04% copper (50ppm to 238ppm cobalt; maximum 10ppb palladium and 5ppb platinum), being pyrrhotite - rich (no observed pentlandite).

The disseminated sulphide-bearing rocks surrounding the IPC0001 massive sulphides are highly metamorphosed mafic and ultramafic igneous rocks (i.e. norite, gabbro-norite, orthopyroxenite and minor anorthosite), that are interpreted as likely originating from a large layered igneous intrusion that has subsequently been subjected to a high degree of deformation. The metamorphic mineral assemblage indicates granulite facies metamorphism.

The second hole (IPC0006) is nearing completion, with subsequent holes designed to test gossans and conductors at AMC-15, AMC-48 and AMC-47 (eastern zone) respectively. All holes and targets are plotted on Figure 1 attached.

A total of 15 holes for 1,840 metres are planned as part of the Phase 1 programme to test the gossan system. Of these, eight (8) holes (i.e. *IPC0001* to *IPC0008* on Figure 1 below) are considered high priority targets. Malagasy currently undertakes its exploration drilling programmes using its own drilling rig – resulting in significant cost savings for first-pass drilling exploration.

The Company will provide additional information on an ongoing basis as it continues to develop this exciting new discovery.



Steven Goertz
Managing Director

Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Steven Goertz, Managing Director Malagasy Minerals Ltd who is a Member of the Australasian Institute of Mining and Metallurgy and of the Australian Institute of Geoscientists. Mr. Goertz has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Goertz consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

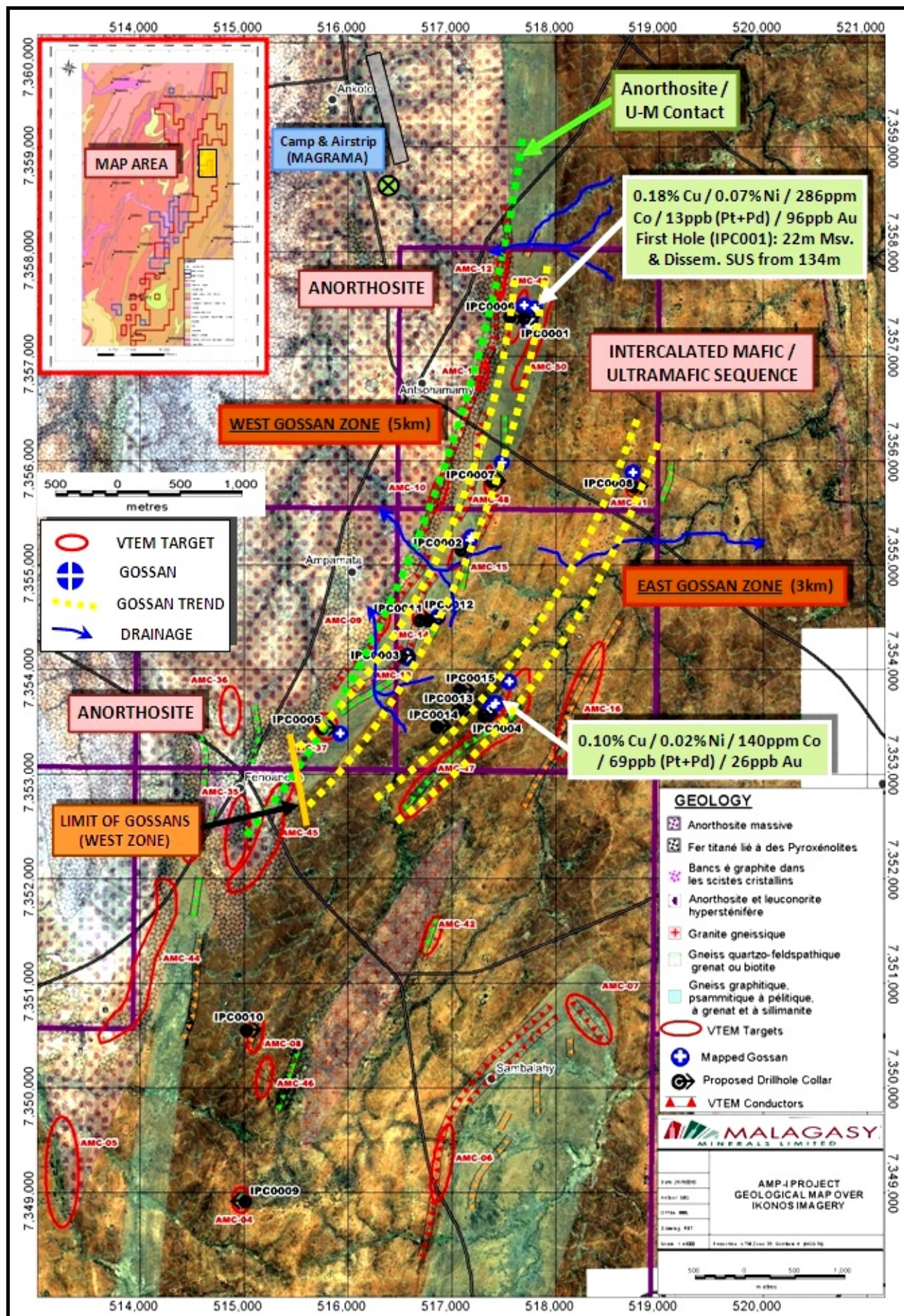


Figure 1: Updated summary plan of massive sulphide gossans in the West and East Gossan Zones at the northern Ampanihy (AMP-I) project area. Priority drilling targets are AMC-50, AMC-15 and AMC-47 – IPC0001 is complete at 188m, with IPC0006 underway at 319 (revised EOH: 400m).