MALAGASY MINERALS LIMITED
ABN 84 121 700 105

30h November 2010 **ASX Announcement** **ASX: MGY**

DRILLING UPDATE - IANAPERA PROJECT, MADAGASCAR

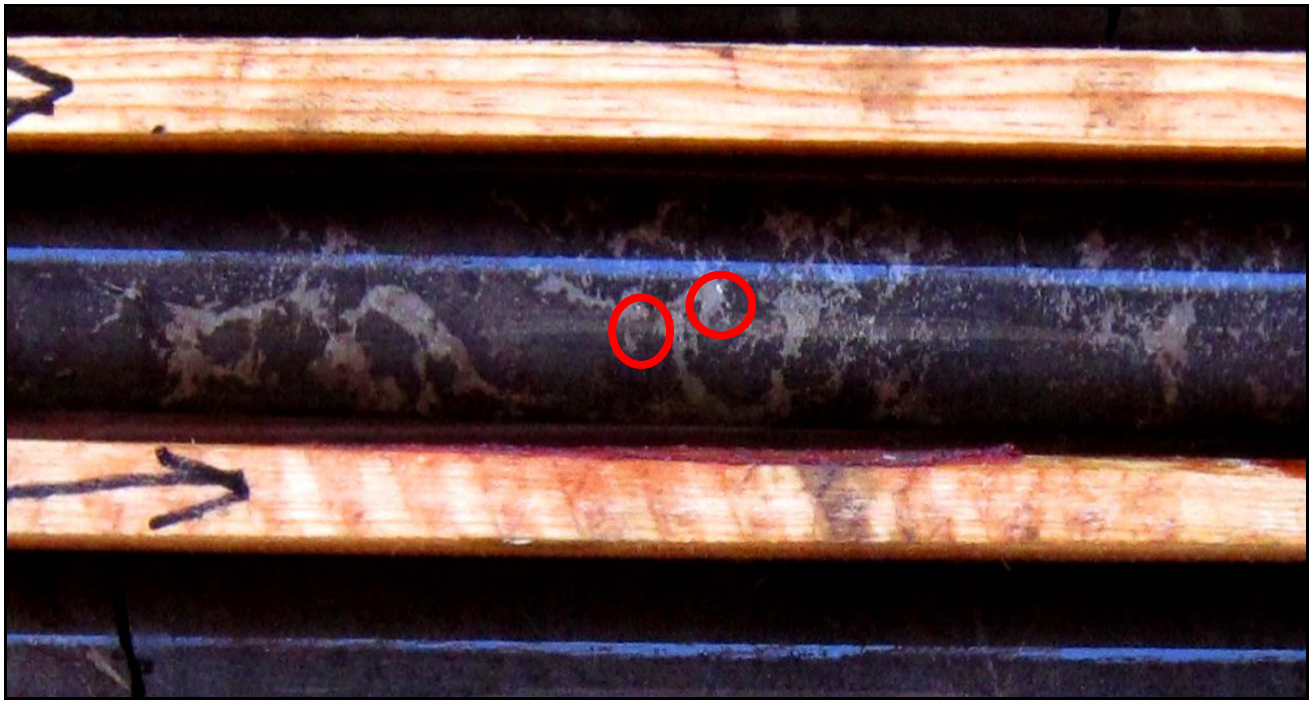
FURTHER SULPHIDE ZONES INTERSECTED - DRILLING OF ADDITIONAL TARGETS IN PROGRESS - PREPARATIONS UNDERWAY TO COMMENCE DRILLING AT VOHIBORY

- **Phase I drilling programme nearing completion at Ianapera Nickel-Copper Project, Madagascar**
- **Sampling-Assays underway for remaining drill cores**
- **Drilling to commence at nearby Vohibory Copper Project in early December 2010**

International minerals company Malagasy Minerals Ltd (ASX Code: **MGY**) advises that it has completed further drill holes to test massive sulphide gossans at its 100%-owned **Ianapera** (Ampanihy) Project in southern Madagascar and is now preparing to commence drilling at its 100%-owned **Vohibory** Project, located 40km to the north west of Ianapera.

With the completion of the sixth hole, IPC0005, at Ianapera, the Company has currently completed a total of 1,061 metres of its first-pass diamond core drilling programme designed to test conductors and associated gossans at AMC49 & 50, AMC-15, AMC-37 and AMC-13 on the western gossan zone and AMC-47 on the eastern gossan zone (*refer to Figure 1 attached*).

All holes have intersected disseminated and/or massive sulphide zones, including **multiple intercepts** in some holes – successfully identifying the source of the respective VTEM conductors for each target. These are summarised in the attached Table. The drill core photographs below show additional zones of massive and disseminated sulphides intersected in IPC0002, IPC0003 and IPC0004:



Close-up of IPC0002 disseminated sulphide zone at 70.50m down hole. Sulphides are predominantly pyrrhotite with lesser pyrite and trace chalcopyrite (red circles).

Close-up of IPC0003 disseminated sulphide zone at 36.00m down hole. Sulphides are a mix of pyrite and pyrrhotite with trace chalcopyrite (red circles).

Close-up of IPC0004 massive sulphide band at 23.00m down hole – located within a 10m zone of (2-10%) disseminated sulphides. Sulphides are primarily pyrrhotite with lesser pyrite, with trace chalcopyrite observed elsewhere in the zone.

With the completion of the highest-priority holes, the balance of the initial programme – holes IPC0007 to IPC0015 – will await both the assay results from IPC0002 to IPC0006 and completion of additional petrographic analyses, structural mapping and geological interpretation with possibly some down-hole VTEM surveying. Additionally, a short (i.e. 80 metre) vertical diamond hole IPC0016 is underway 600m south of IPC0005 to test a magnetic feature interpreted as a likely gabbroic body; the proximity of which to the sulphide conductor at AMC-37 (IPC0005 – refer Figure 1) makes it prospective.

Drill cores for IPC0006, IPC0002 and IPC0003 have been trans-shipped to Antananarivo and are currently being prepared for analysis by Intertek-Genalysis Madagascar. Final cores from IPC0004, IPC0005 and IPC0016 will follow shortly.

Details of the programme status and sulphide intercepts are summarised in the Table and Figure 1 appended to this announcement.

Forward Programme – Ianapera

Preliminary interpretation of recently collated geological mapping and regional radiometric data indicates that extensive areas containing ultramafic units exist within Malagasy's project tenements. In addition,

comparatively recent structural analysis of the Ampanihy Shear by independent researchers indicates a high degree of complexity to this system and has also greatly improved regional-scale understanding of this highly prospective area.

The system is demonstrably capable of generating bodies of massive sulphides – and a further detailed study of the structural regime will increase the likelihood of locating other sulphide zones. Targeting effectiveness over additional potentially mineralized targets will be directly influenced by the quantity and quality of the geological information that can be gathered from the current drilling programme at Ianapera.

Forward Programme – Vohibory

At the Vohibory Project, the Company plans to complete two (2) to four (4) vertically oriented drill holes to test targets related to coincident geophysical (i.e. VTEM / magnetic / gravity) targets and high-grade copper-silver gossans in the central-eastern area of the project area (*see Figure 2 attached*). This programme is planned for early December 2010 and will comprise 300 to 600 metres of diamond core drilling of vertically-oriented holes.

External consultants with expertise in copper-silver-zinc VHMS mineralisation have been engaged to assist the Company with targeting and interpretation of results. This process will continue following completion of the current field season in December to assist in designing the 2011 exploration programmes.

The Company will provide additional information on an ongoing basis as it continues to develop these highly prospective projects.

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.

BHID	Target	Zone	EOH (m) Planned	EOH (m) Actual	Sulphide Intercepts & % Sulphide ('SUS')	Comments
IPC0001	AMC-50	West	150	188	134m-136m (Width: 2m); 75% SUS	**Assays Received** - Low tenor Ni-Cu but magmatic SUS provenance confirmed
					136m-156m (Width: 20m); 5-15% SUS	**Assays Received** - Low tenor Ni-Cu but magmatic SUS provenance confirmed
IPC0006	AMC-49/50	West	280	401	270m-277m (Width: 7m); 5-10% SUS	Likely AMC-50 with revised 85degW dip. **Assays pending**
					350m-362m (Width: 12m); 5-10% SUS	Likely AMC-49 lower extension. **Assays pending**
IPC0002	AMC-15	West	80	124	64m-72m (Width: 8m); 15-20% SUS	Target (modeled) 40m - 80degW dip to SUS zone. **Assays Pending**
IPC0003	AMC-13	West	80	113	28m-33m (Width: 5m); 8% SUS	Target (modeled) 15m - vertical SUS zone. **Assays pending**.
					34m-36m (Width: 2m); 15% SUS	Target (modeled) 15m - vertical SUS zone. **Assays pending**.
IPC0004	AMC-47	East	80	101	14m-24m (Width: 10m); 2-10% SUS	Target (modeled) 50m - possible flat-lying SUS or pinch-out of gossan at depth. **Assays pending.**
IPC0005	AMC-37	West	100	134	27m-37m (Width: 10m); 5% SUS	Target (modeled) 60m - Disseminated SUS in gabbro. Likely flat-lying sulphide zone. **Assays pending**.
5	***Holes***		***770***	***1061***		
IPC0007	AMC-48	West	100	N-A	N-A	Follow-Up Hole
IPC0008	AMC-41	East	200	N-A	N-A	Follow-Up Hole
IPC0009	AMC-04	East	170	N-A	N-A	Follow-Up Hole
IPC0010	AMC-08	East	150	N-A	N-A	Follow-Up Hole
IPC0011	AMC-14	West	100	N-A	N-A	Follow-Up Hole
IPC0012	AMC-14	West	120	N-A	N-A	Follow-Up Hole
IPC0013	AMC-47	East	70	N-A	N-A	Follow-Up Hole
IPC0014	AMC-47	East	80	N-A	N-A	Follow-Up Hole
IPC0015	AMC-47	East	80	N-A	N-A	Follow-Up Hole
IPC0016	*AMC-50S*	*West*	*80*	*N-A*	*N-A*	*Testing mafic-associated magnetic feature 600m south of IPC0005 -* ***In Progress***

Summary of Ianapera drilling programme inclusive of completed holes with sulphides intercepts and planned holes for 2011 – drilling may be subject to completion of any down hole VTEM surveying programme. IPC0016 is being targeted over a magnetic feature associated with VTEM conductor AMC-37, which may be a gabbroic unit.

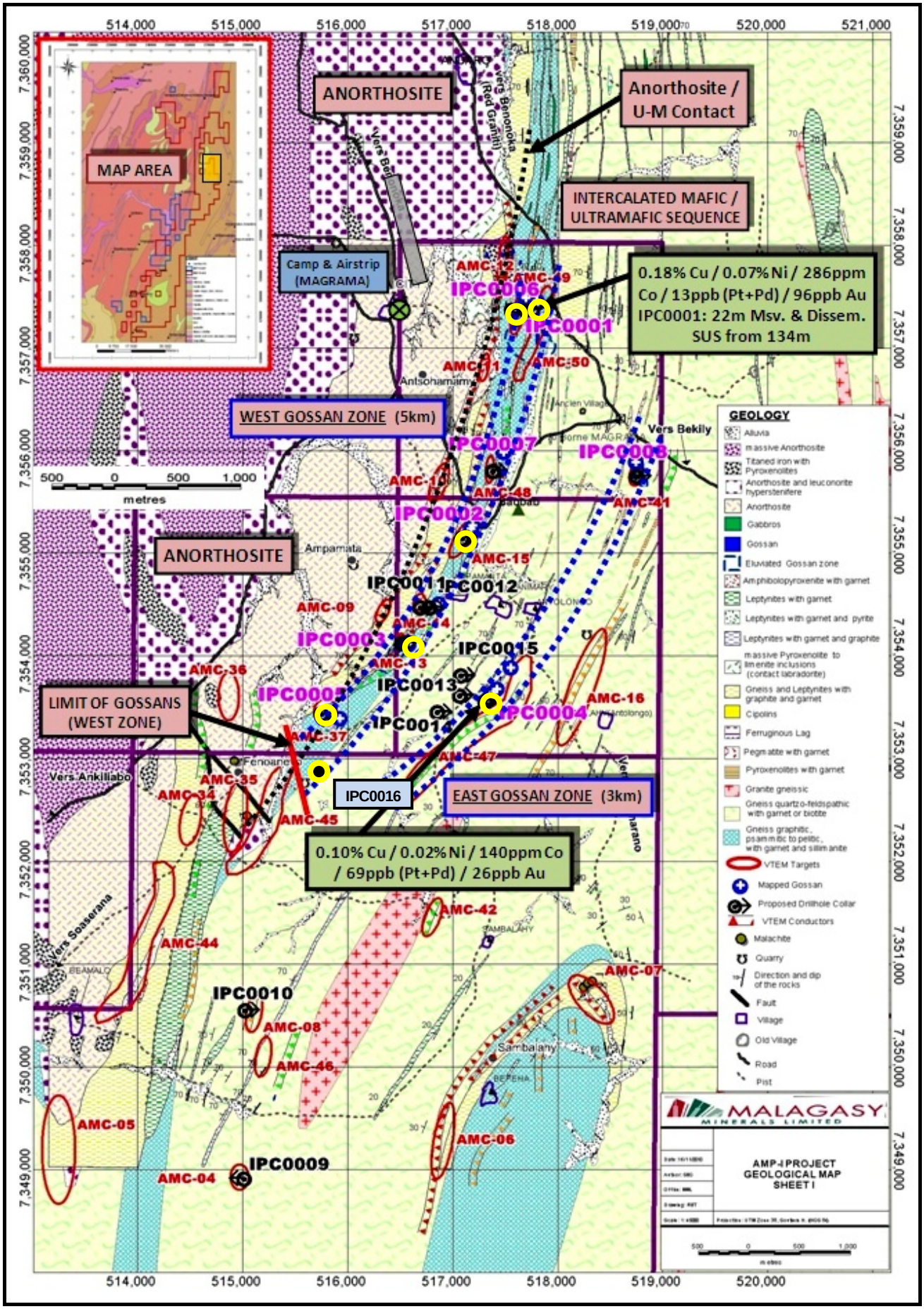


Figure 1: *Updated summary plan of Ianapera Project area in northern Ampanihy. Completed holes (IPC0001 – IPC0008 inclusive) are marked as yellow circles. Hole IPC0016 is currently in progress; testing a magnetically inferred gabbroic unit south of IPC0005.*

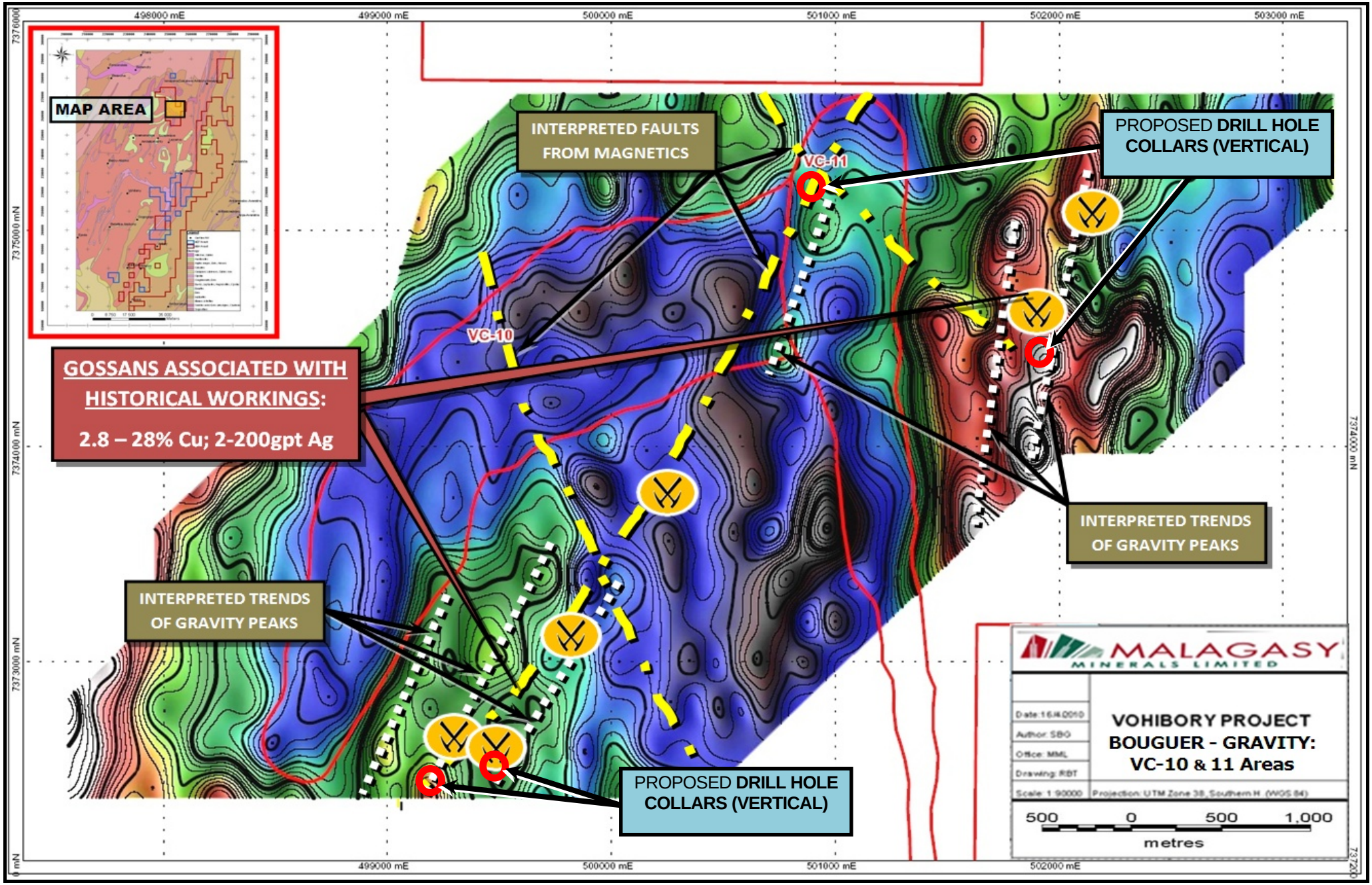


Figure 2: *Summary plan of central-eastern Vohibory showing interpreted gravity, VTEM and magnetic survey data with known Cu-Ag gossans and proposed drill hole targets marked as red circles. Drilling is scheduled for December 2010*