

EXPLORATION UPDATE - MADAGASCAR

NEW 1.2km GOLD-COPPER-SILVER ZONE DELINEATED AT VOHIBORY (Au-Cu-Ag)

- Total of 9 radiometric defined Vanadium target zones at Fotadrevo over combined 10km strike
- New 1,200m gold-copper-silver zone at Vohibory up to 8.33gpt Au / 9.3% Cu
- Final assays received for Ampanihy – focus now on testing additional ultramafics

International minerals company Malagasy Minerals Ltd (ASX Code: **MGY**) is pleased to advise latest results from its 100%-owned **Fotadrevo, Vohibory and Ampanihy Projects** in southern Madagascar.

Fotadrevo Vanadium Project

At the Fotadrevo Vanadium Project, a total of **nine high-priority areas** have been identified within an **overall 10km trend** within the Project tenements (*refer Figure 1 attached*). As previously reported, this structure is a continuation of the Jaky Zone from the neighbouring Green Giant ('G-G') Project, which is operated by the Canadian-listed Company *Energizer Resources Inc* ('EGZ').

As an additional targeting aid, it was decided to undertake controlled re-assaying of selected anomalous intervals from the 2009 trenching programme using a sodium peroxide fusion digest to guarantee complete dissolution of all silicate minerals.

To this end, a suite comprising 37 samples were selected from intervals assaying $\geq 0.15\%$ V_2O_5 . Results returned up to 100% increase in reported V_2O_5 grades, with an average **23% increase** across the whole sample population. Significant results are tabulated below:

Trench No.	V_2O_5 Intercept (Na_2O_2 Digest)	2009 V_2O_5 Grade using 4-Acid Digest	% Change
T03	4m @ 0.28 V_2O_5 ; 100m-104m	0.24%	+17%
T04	8m @ 0.79 V_2O_5 ; 202m-210m	0.64%	+23%
T06	2m @ 0.54 V_2O_5 ; 158m-160m	0.27%	+100%

As previously reported, a 400-sample surface/auger soil sampling programme will commence in April 2011 and take around three weeks to complete. Samples will be assayed for Cu/Ni/V/Zn/As/Pb/Th and U, using Na_2O_2 fusion digest. It is estimated that targets defined by this programme would be ready for costeaning and/or drilling by late May 2011.

Vohibory Project

A new coincident gold-copper-silver anomaly stretching between 1,200 and 1,600 metres has been defined at the Vohibory Project, returning a best result of **8.33gpt gold, 9.3% copper and 23.5gpt silver** from surface rock chip sampling. This zone lies along the southern extent of the VC-07 VTEM conductor trend in the central-west of the project (*refer Figure 2 attached*).

The 2010 drilling programme was truncated by the onset of the monsoonal wet season in December. VHD0006 (incomplete at 162m – 250m planned EOH), intersected several zones of coarse-grained meta-sediments with trace visible malachite (secondary copper mineral) but failed to reach the underlying basement sequence. Assays from this hole show elevated copper/silver/lead/zinc/lead in two intervals associated with these coarse-grained layers:

1m @ 0.19gpt Ag; 93ppm Cu; 73ppm Zn; from 134m

1m @ 2.27gpt Ag; 59ppm Cu; 0.12% Pb; 71ppm Zn; 423ppm As; from 149m

VHD0006 will require re-entry in the first instance at the start of the 2011 drilling campaign to achieve planned target depth of 250 metres.

A total of **11 holes totaling 1,400 metres of core drilling** are allocated for Vohibory in 2011; designed to test targets in the 'VC-07' area, as well as those generated from interpretation of 2010 exploration results (refer *Figure 2 attached*).

Drilling is planned to commence in May 2011; initially testing the characteristics of the VC-10 / VC-11 VTEM conductor area (i.e. VHD0006 re-entry and other holes); currently hosting historical workings that have returned high-grade copper (**29% Cu**) and silver (**206gpt Ag**) from surface samples.

Additional targets exist along strike to the south of this area (see *Figure 2*); returning several ≥ 150 ppm copper results coincident with gold and/or silver in soil.

Ampanihy Project

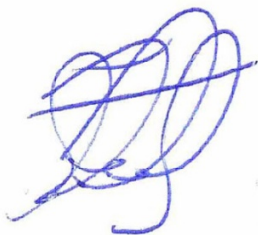
All outstanding results from 2010 core drilling have now been received (i.e. Holes IPC0004, IPC0005 and IPC0016). Consistent with observed bands of chalcopyrite in core, IPC0004 returned 3m @ 0.074% copper; 10.5ppb palladium and 8.3ppb gold, from 20m. No other significant results were returned.

Using the considerable amount of information gained from the successful intersection of the massive sulphide bodies at Ianapera (i.e. northern Ampanihy - refer *Figure 3 attached*) in 2010, the Company will now commence systematic geochemical sampling and prospecting over the remainder of the Ampanihy Project.

There remain a large number of untested areas; inclusive of new areas at Manambahy and Volovolo to the south east of Maniry (refer *Figure 3 attached*); the latter to be assessed using stream sediment sampling in the first instance.

This programme will commence immediately following completion of the planned Fotadrevo sampling programme in May 2011.

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.

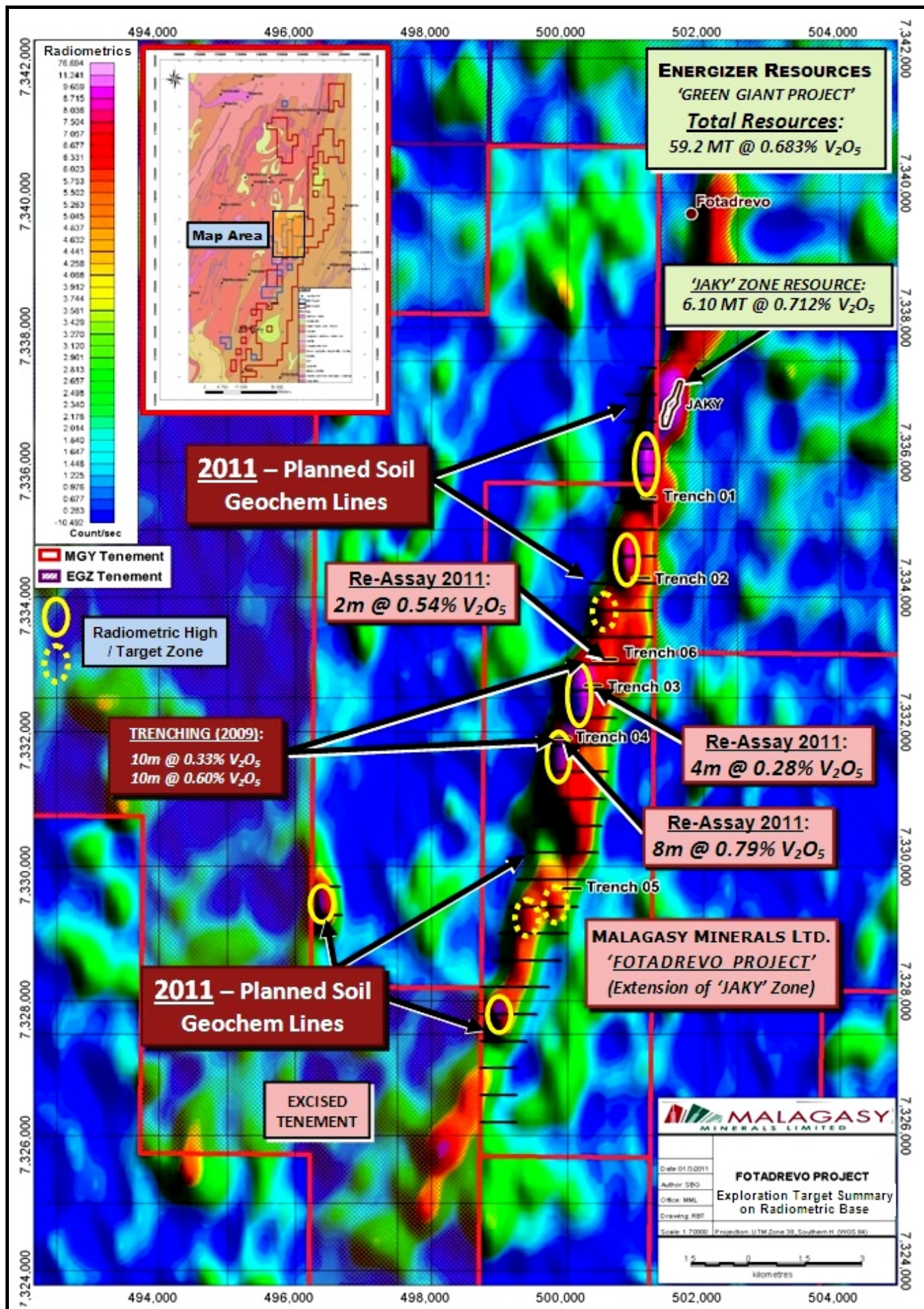


Figure 1: Radiometric data showing MGY anomalous zones equivalent to that hosting the 'Jaky' mineralisation. Six 1st-order and three 2nd-order targets (yellow solid / hashed ovoids respectively) have been defined. Revised assaying methodology (i.e. Na₂O₂ digest) has yielded an average 25% improvement in V₂O₅ response.

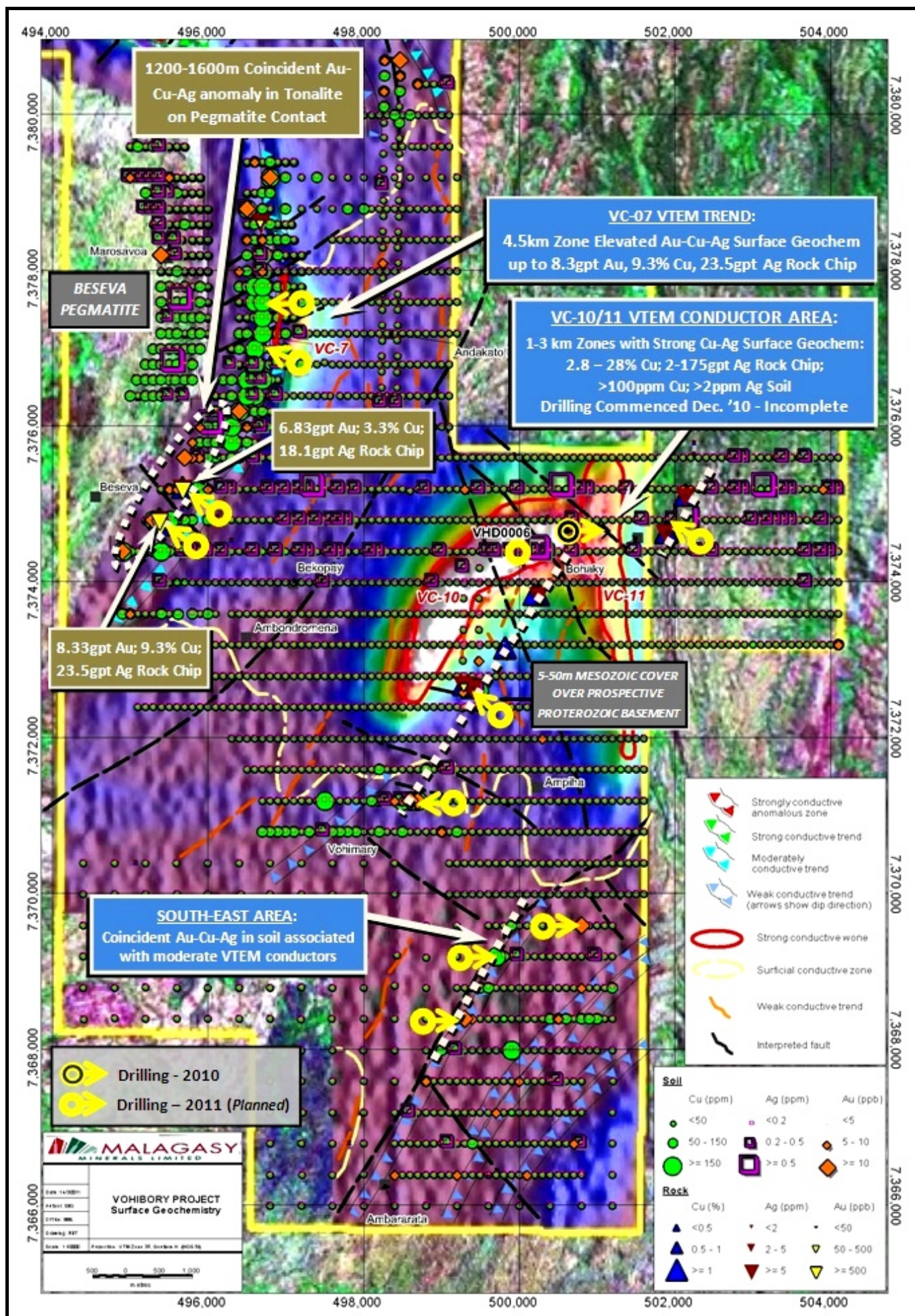


Figure 2: Summary of Vohibory Project on a VTEM base showing new Au-Cu-Ag zone at center-left and infill-soil defined Cu-Ag-(Au) zone in the south-east. Also shown are planned drill holes for 2011.

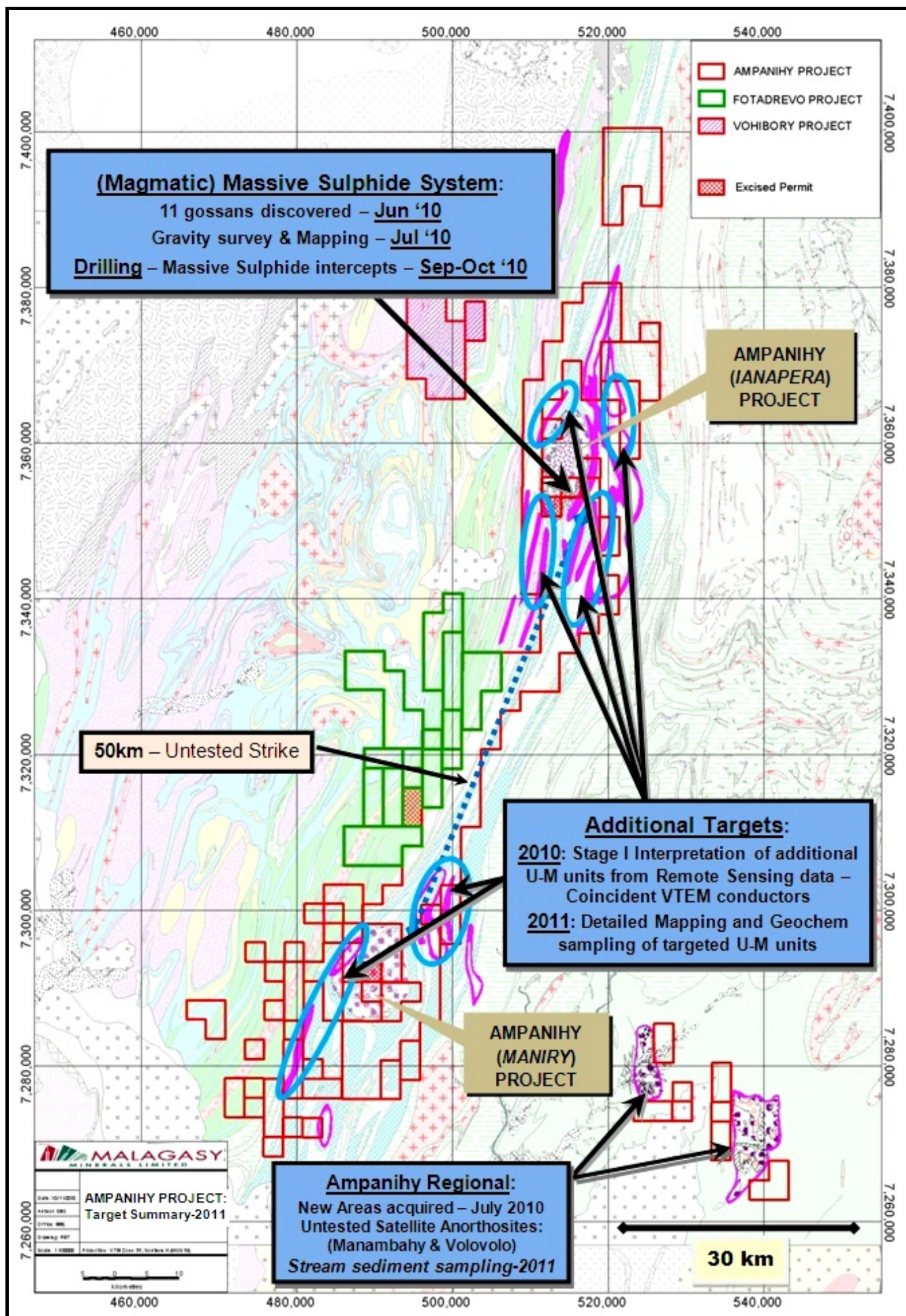


Figure 3: Ampanihy Project ultramafic (purple) target areas outlined in cyan. New tenements at Manambahy and Volovolo are at the lower right of the plan. These will initially be assessed via stream sediment sampling.