



Press Release – 5 October, 2011

Malagasy Minerals Enters into Industrial Minerals Joint Venture with Canada's Energizer Resources

Energizer to accelerate search for vanadium on MGY's highly prospective Madagascar tenements

Malagasy Minerals Limited ("Malagasy") (ASX:MGY) is pleased to announce that it has entered into a binding Heads Of Agreement for an industrial minerals exploration and development joint venture ("HOA") with Canadian company Energizer Resources Inc. (TSX: EGZ) (OTCBB: ENZR) (FWB: YE5) ("Energizer") across its highly prospective exploration portfolio in Madagascar.

Under the HOA, a joint venture company owned 75% by Energizer and 25% by Malagasy will have the right to explore for a group of defined industrial minerals including vanadium (listed in full below) within specifically defined permits.

Malagasy has already identified extensive zones of vanadium mineralization on its tenements located adjacent to Energizer Resources' world-class Green Giant vanadium deposit. The new joint venture is expected to accelerate the search for vanadium and other industrial minerals in Madagascar.

Malagasy and its Madagascar subsidiaries will enter into sub-leasing arrangements with the joint venture company in respect of its permits, which will allow it to retain title to those permits during exploration and until Energizer delivers a Bankable Feasibility Study ("BFS") on any discovery it makes. Energizer will manage operations undertaken by the joint venture.

Malagasy's interest in the joint venture will be free carried until Energizer delivers a Bankable Feasibility Study ("BFS"). If Energizer or the joint venture company delivers a BFS on any discovery, Malagasy will have the right to contribute to development and mining operations in accordance with its 25% interest in the joint venture or may elect to dilute its interest.

If Malagasy elects to dilute its joint venture interest to below 10%, then Malagasy's interest will convert to a 2% net smelter return royalty.

If the joint venture company makes a decision to mine on any discovery, Malagasy and Energizer have agreed to complete all the requirements to obtain the relevant mining permit to allow the joint venture company to undertake mining operations in the defined area.

Terms of Agreement

The HOA is subject to Energizer being satisfied with the outcome of its due diligence enquiries in relation to Malagasy and its Madagascan subsidiaries that hold the permits.

Under the terms of the HOA, Malagasy will receive:

- A non-refundable deposit of US\$250,000 on execution of the HOA; and
- US\$2,000,000 in cash and 7,500,000 Energizer shares upon signing of definitive agreements and the successful completion of the due diligence review.

The HOA – and any transactions contemplated by the HOA – remain subject to Malagasy and Energizer obtaining any and all applicable regulatory approvals, including from the TSX.

Throughout the course of the HOA, Malagasy will retain access to all properties to carry out any exploration and development it chooses for all other minerals including base metals, precious metals, platinum-group elements, excluding only the vanadium and industrial minerals specified in the list below.

Malagasy's Chairman, Max Cozijn, commented that:

"This agreement allows Malagasy to continue to focus on its primary targets of copper, gold, silver and nickel while retaining ownership of all its properties. Energizer gains the right to explore only for vanadium and other industrial metals within Malagasy's permit area.

"This Agreement recognises Energizer's skill and focus on the development of vanadium and other industrial minerals. The Company's world-class Green Giant vanadium deposit clearly defines its focus on green energy through vanadium and Malagasy will significantly benefit through their efforts as they move the Green Giant Project forward.

"As a result of the Agreement, Malagasy will now have Energizer's commitment and skills working on ground to develop similar metals. Through this partnership, Malagasy will also be able to utilise Energizer's exploration personnel and facilities when feasible to assist in the Company's exploration.

"Malagasy can now continue to focus its exploration on the base and precious metals. The Company believes its properties hold the potential of mineral discoveries for both base metals and precious metals and this Agreement with Energizer will leave Malagasy free to pursue these exploration initiatives."

Tenement Costs

Energizer will be responsible for keeping the tenements in good standing including the payment of all tenement rents and minimum expenditure requirements of the nominated tenements covered by the area of interest for this JV.

List of Industrial Minerals

The following constitutes the industrial minerals as defined in the Agreement with Energizer:

Vanadium, Lithium, Aggregates, Alunite, Barite, Bentonite, Vermiculite, Carbonatites, Corundum, Dimensional stone (excluding labradorite), Feldspar (excluding labradorite), Fluorspar, Granite, Graphite, Gypsum, Kaolin, Kyanite, Limestone / Dolomite, Marble, Mica, Olivine, Perlite, Phosphate, Potash – Potassium minerals, Pumice Quartz, Staurolite, Zeolites.

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About Malagasy Minerals

Malagasy listed on the Australian Securities exchange in 2008, following completion of an A\$10M initial public offering. The Company was established specifically to pursue the development of mineral resources in Madagascar, the world's fourth largest island, which hosts significant under explored mineral provinces.

Malagasy retains approximately 1,860 sq km of 100%-owned granted mineral exploration tenure and operates three main projects in southern Madagascar: Ampanihy nickel-copper-PGE; Fotadrevo vanadium and Vohibory copper-silver VMS.

Through strategic acquisitions, Malagasy has developed a significant local presence in Madagascar with an experienced work force throughout the group of approximately 50 personnel, the majority of whom are locals.

About Energizer Resources

Energizer Resources Inc. is a mineral exploration and development company based in Toronto, Canada, which is developing its 100%-owned Green Giant Vanadium Project located in Madagascar. The Green Giant vanadium deposit is one of the largest known vanadium deposits in the world. In addition to the Toronto Stock Exchange (TSX: EGZ), the company's common shares trade on the U.S. Over-The-Counter Bulletin Board under the symbol, ENZR, and on the Frankfurt Exchange under the symbol, YE5.