

Chairman's Address- AGM 21-11-2011

Dear Shareholders,

On behalf of the Board of Directors I present my Chairman's address to the 2011 Annual General Meeting of Malagasy Minerals Limited ("Malagasy" or the "Company").

During the 2011 financial year, Malagasy Minerals continued to progress exploration efforts at our three main mineral project areas in southern Madagascar despite the challenging global economic environment and volatile equity market conditions.

Earlier in the year, the Company successfully completed a placement and underwritten rights issue, raising total gross proceeds of A\$3.2 million to underpin ongoing exploration programs for nickel-copper-PGE's and copper-gold-silver across our highly prospective tenement portfolio.

In addition, the Company continues to support its operating costs in Madagascar with rental income and labradorite royalties, as well as being able to undertake cost effective reconnaissance exploration drilling programs by utilizing our own drilling rig and crew.

At the Ianapera prospect, located within the Ampanihy Project, 11 low-tenor magmatic massive sulphide gossans with anomalous nickel-copper-PGE were identified over a strike length of 8km. Follow-up stream sampling has been undertaken during October over the 50km suture zone between Ianapera and Maniry in the south, with assay results currently being assessed.

In addition, further reconnaissance sampling will be undertaken at Maniry, located 70km to the south, in an effort to identify additional massive sulphide gossans.

At the Vohibory Project, exploration has identified an 8km strike length of copper-gold-silver geochemical anomalies as part of a gossan zone; drilling has re-commenced in this area as part of the current 2011 field season and drill core is currently being assessed for assaying.

The Company has undertaken a farm-out of a portion of this tenement area to RedCat minerals with A\$319,000 having been received to date as a non-refundable deposit pending completion of their IPO by an extended date of 30 April 2012.

At the Fotadrevo Project, potential large-scale vanadium pentoxide (V_2O_5) mineralization has been identified over an area of 9km within a prospective 30km strike length which is now being followed up with extensive soil sampling and trenching.

On 5 October, Malagasy executed a binding Joint Venture Heads of Agreement with Energizer Resources Inc of Canada for defined industrial minerals and vanadium over nominated tenements covering approximately 40 per cent of the overall project area.

Under this agreement, Malagasy will receive a cash consideration of US\$2.25 million plus 7.5 million Energizer shares subject to satisfactory completion of a due diligence review and signing of definitive agreements. A separate Joint Venture company will be formed, owned 25% by Malagasy, with Malagasy being free-carried to completion of a Bankable Feasibility Study and retaining the rights to all other minerals.

In September 2010, the Company advised of its withdrawal from the proposed merger with unlisted company Madagascar Resources NL (now World Titanium Resources Ltd).

Following the resignation of the Managing Director in June 2011, the Company has appointed its CFO-Madagascar as Gerant (Country Manager) in Madagascar and is currently undertaking an independent geological review of its projects and exploration strategy, as well as reviewing its management requirements.

Mr Fergus Jockel was appointed as Exploration Manager in October 2011, and has been assisting the Company in managing its exploration efforts since July 2011. I would like to take this opportunity to welcome Fergus to the Company and look forward to his input as we move forward.

As shareholders would be aware, the Company is in dispute with the former Managing Director in respect of the terms of his resignation in June 2011, his conduct and his repudiation of the terms of his resignation.

While Madagascar continues to experience political instability, earlier this month the country announced that, with the support of SADAC, it has entered into power-sharing arrangements with the other political factions, resulting in the expected formation of a new interim cabinet.

With the assistance of the international community, free elections will be held in the near future to assist in normalising the political situation, international relations and the rule of law.

In conclusion, I would like to thank the Company's management, staff and all stakeholders for their continued contribution and support during these difficult times, and to acknowledge their continuing loyalty and efforts in supporting the Company's development.



Max Cozijn
Chairman
21st November 2011