MALAGASY
MINERALS LIMITED
ABN 84 121 700 105

ASX RELEASE – 5 April 2012

Strong graphite results received from Madagascar industrial minerals joint venture

Malagasy Minerals Limited ("Malagasy") **(ASX: MGY)** advises that Energizer Resources Inc ("Energizer") **(TSX:EGZ)** , its Joint Venture Partner in the Company's Canadian industrial minerals project, has released an exploration update.

In the update, which was released to the Toronto Stock Exchange overnight, Energizer said it was "beginning to define a new graphite camp in southern Madagascar".

Energizer, which holds 75% of the JV with Malagasy holding the rest, said assays from the Molo zone at the JV "confirmed graphite mineralization at surface, and to a down hole depth of 108 metres at a grade of 8.80% carbon (C)".

Energizer said:

The Molo Zone can be characterized as follows:

- a multi-folded graphitic zone with a surface-exposed strike length of over 2 kilometres
- characterized by resistant ridges of graphite-rich rock, and abundant graphite-rich float
- individual graphitic ridges between 20 and 150 metres in width
- EM31 geophysical surveys indicate the graphite mineralization is pervasive in the area
- wide-spaced drilling of 6 diamond drill holes conducted over a strike length of 1.2 kilometres, intersected graphitic mineralization to a vertical depth of 75 metres with down-hole thicknesses between 60 and 150 metres in width
- graphite mineralization intersected in drill core was open along strike, and at depth.

Energizer said the drilling results from the first hole at the Molo Zone included 8.80%C over 108.0m.

"The Company has received assay results from the first (MOLO-01) of the 6 diamond drill holes drilled over the Molo zone," Energizer said. "This hole was collared into graphite mineralization, and was drilled in to the western arm of a fold which strikes for at least 2 kilometres. Graphite mineralization in MOLO-01 was intersected from surface to a down hole depth of 108 metres at a grade of 8.80%C, and included 49 m at 10.09%C and 23 m at 10.03%C. The table below summarizes the intersections."

Drill Hole	From (m)	To (m)	Interval (m)	C (%)
MOLO-01	0	108	108	8.80%
incl.	23	72	49	10.09%
incl.	83	106	23	10.03%

Energizer reported the following analytical results from Molo:

- confirmation of +50 mesh ("jumbo") flake graphite with over 90% purity achieved from crushing alone
- drill intersections to 108.0 m at 8.80% C; including 49 m at 10.09%C and 23 m at 10.03%C
- confirmed to extend for at least 2 kilometres in strike length

ENERGIZER JOINT VENTURE- BACKGROUND

Pursuant to the Joint Venture Agreement announced on 15 December 2011, Malagasy and Energizer have formed a joint venture company owned 75% by Energizer and 25% by Malagasy with the right to explore for a group of defined industrial minerals including vanadium and graphite within specifically defined permits covering approximately 40 per cent of Malagasy's prospective tenement holding in southern Madagascar.

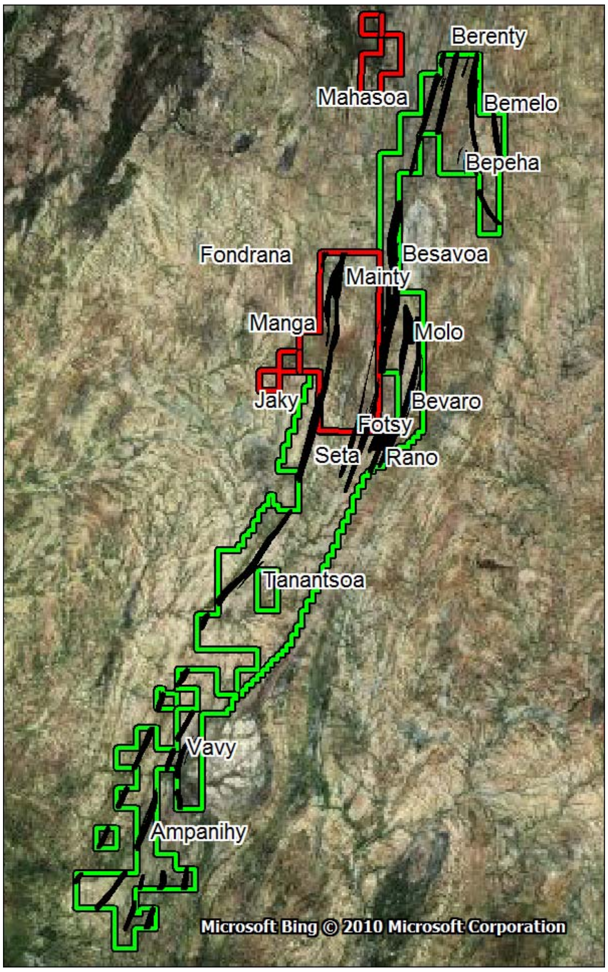
Malagasy's interest in the joint venture will be free-carried until Energizer delivers a BFS. If Energizer or the joint venture company delivers a BFS on any discovery, Malagasy will have the right to contribute to development and mining operations in accordance with its 25% interest in the joint venture 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.

Malagasy also holds 7.5 million shares in Energizer.

Potential Flake Graphite Camp

The graphite trends identified to date are named as follows:

Berenty, Bemelo, Mahasoa, Bepeha, Besavoa, Fondrana, Mainty, Manga, Molo, Bevaro, Jaky, Fotsy, Rano, Seta, Tanantsoa, Vavy, Ampanihy



KEY: Red Outline- Energizer Ground   Green Outline- EGZ-MGY Joint Venture Area

Black Lines – potential graphite horizons

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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.

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. Fergus Jockel, Consulting Geologist, who is a Member of the Australasian Institute of Mining and Metallurgy and of the Australian Institute of Geoscientists. Mr.Jockel 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.Jockel consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.