

KARLAWINDA GOLD PROJECT ACQUISITION UPDATE

PERTH, 4th December 2015: MALAGASY MINERALS LIMITED (ASX:MGY) ("Malagasy") advises that both MGY and Greenmount Resources Pty Ltd ("Greenmount") have provided notice of the completion of the formal due diligence process.

In addition, formal agreements with the shareholders of Greenmount have now been entered into with Malagasy.

The remaining condition precedent to the completion of the acquisition is approval by the shareholders of Malagasy, as required by the ASX Listing Rules and the Corporation Act (2001). A MGY Shareholder vote on the acquisition is expected to occur in January 2016.



N Forde
Company Secretary

KARLAWINDA PROJECT DETAILS (see ASX Announcement Dated 6th November 2015)

Summary

- Greenmount is an unlisted private company which has contracted to acquire the Karlawinda Gold Project encompassing the Bibra Gold Deposit and the highly endowed Francopan Gold Prospect. These advanced positions are located in a large exploration holding that is considered to have excellent regional gold potential. Greenmount has paid the first installment to acquire Karlawinda and is required to pay a further installment of \$1.5m in August 2016.
- The Karlawinda Gold Project is located approximately 65 km south of Newman in the Pilbara Province of Western Australia
- Bibra Deposit - JORC 2012 Inferred resource at: 18mt @ 1.1g/t Au for 650,800oz Au (COG 0.5g/t)
- Potential for near term open pit production: approximately \$12 million already spent on resource evaluation and pre-feasibility study activities.
- Thick, flat lying gold mineralized structure amenable to low cost open pit mining with mineralization starting close to surface. No previous mining.
- Located close to key infrastructure and mining support services.
- Large scale potential within an unexplored Archaean greenstone belt to significantly add to the resource base in the near term:
 - **Bibra Gold Deposit:** gold mineralization remains open in down plunge positions and potential exists for strike extensions and stacked mineralized gold lodes. Large areas of defined mineralization are not included in the JORC resource.
 - **Francopan Prospect:** drilling intersections up to 5km away from the Bibra Deposit include 81m @ 1.2g/t Au (includes 15m @ 3g/t Au) and 37m @ 1.9g/t Au.
 - **Regional Exploration:** largely limited to reconnaissance aircore drilling. Number of defined high priority targets for immediate testing. Potential for a large-scale mineralized system.

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. Peter Langworthy, Technical Director, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy is a full time Director of Malagasy Minerals Limited and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Peter Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.