

15th February 2011

ASX Announcement

ASX: MGY

EXPLORATION UPDATE – IANAPERERA, VOHIBORY AND FOTADREVO PROJECTS, MADAGASCAR

- **Additional assays received from 2010 drilling at lanapera Project including anomalous copper intersections grading up to 0.41% Cu**
- **Assays remain to be received for 3 remaining holes at lanapera and 1 hole at Vohibory**
- **Targeting of additional Ultramafic targets underway at Ampanihy**
- **Additional drill targets to be followed up at Vohibory Project**
- **Major geochemical sampling programme to be undertaken at Fotadrevo Vanadium Project**

International minerals company Malagasy Minerals Ltd (ASX Code: **MGY**) advises that additional assays have been received from drilling and surface geochemical sampling programmes at its 100%-owned **lanapera** (Ampanihy) Project in southern Madagascar. Assays remain outstanding for three remaining holes at Ampanihy and drilling and surface geochemistry completed at the 100%-owned **Vohibory** Project.

During the 2010 field season, the Company completed a total of nine holes for nearly 1,400 metres of (HQ-NQ) core drilling at lanapera and Vohibory. This initial reconnaissance drilling was designed to test both gossan trends at lanapera as well as structural targets at Vohibory (*see Figures 1 and 2 attached*).

Anomalous intervals were intersected in several drill holes including IPC0002 (1m @ 0.11% copper; from 70m), IPC0003 (2m @ 0.12% copper, from 34m), IPC0006 (2m @ 0.29% copper, including 1m @ 0.41% copper; both from 272m) and IPC0007 (6m @ 0.20% copper; 80ppb gold, from 40m).

Additionally, a total of 140 half-core samples from drill holes IPC0004, IPC0005, IPC0016 (**lanapera**) and VHD0006 (**Vohibory**), have been received by Intertek-Genalysis in Perth, with assays expected by the end of February 2011. Details of the assay status and sulphide intercepts for lanapera and Vohibory are summarised in the Table and Figure 1 appended to this announcement.

Assays have been received from orientation surface geochemical sampling undertaken over gossan-VTEM conductors AMC-49/50 and AMC-47 at lanapera. These have confirmed the effectiveness of soil geochemistry in evaluating the prospectivity of other ultramafic targets within the Ampanihy Project area.

Plans are well underway for the 2011 field season, including drilling and follow-up geochemical / geophysical programmes at all of the Company's projects in southern Madagascar. These are anticipated to commence in April 2011, following the end of the current monsoonal / wet season.

Forward Programme – Ampanihy

With the successful outcome of the orientation soil geochemistry programme over the lanapera gossan system, plans are underway to initiate sampling and mapping across other known ultramafic units within the Ampanihy Project area.

With the system known to produce magmatic massive sulphide bodies, the next step is to begin testing the additional ultramafic occurrences within the broader project area, starting with the western margins of the lanapera anorthosite.

As shown on Figure 3, these cover an extensive area, including tenements which were recently acquired around the margins of the Manambahy and Volovolo anorthosites to the south east of Maniry.

Forward Programme – Vohibory

One of the first priorities for the Company's 2011 exploration field season will be to continue the drilling programme initiated at the Vohibory Project in late 2010. In the first instance, this will comprise drilling of additional identified structural and geophysical targets in the VC-10 and VC-11 area in the south of the Project, as recommended by the Company's external consultants (refer Figure 2 attached).

The results of in-fill surface geochemistry south of VC-10 and along strike from the VC-07 VTEM trend (see Figure 2) will also be used to define additional drill targets for 2011.

Forward Programme – Fotadrevo Vanadium Project

The Company's previous vanadium exploration programmes successfully defined a zone of sediment-hosted vanadium mineralisation over a strike length of 6.5km within the Company's tenements at Fotadrevo.

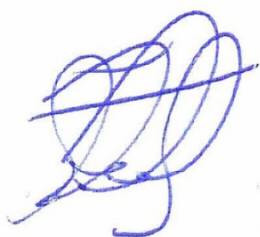
Subsequent work in 2010 further extended these mineralised horizons for a total of 15km into MGY tenements. From geological interpretation, there are a total of 35 contiguous strike-km of prospective lithologies located within the Company's tenements, as summarised in Figure 4 attached.

With the rapid advance of the neighbouring Green Giant vanadium project, operated by Canadian company Energizer Resources Ltd. ('EGZ'), the Company considers it to be worthwhile to prioritize further refinement and extensions of the currently-defined mineralised horizon at Fotadrevo.

Accordingly, plans are underway to undertake a comprehensive surface geochemical (soil) sampling programme over a 10 kilometre strike length on a 50 metre by 400 metre grid (for approximately 400 samples). The target corridor is outlined in yellow on Figure 4, although specific areas to be sampled will be delineated using processed published radiometric survey data.

To facilitate this programme, the Company has engaged external consultants with expertise in this particular style of mineralization, to pursue immediate reconnaissance exploration of this project. Detailed targeting of prospective zones within the target lithologies from geophysical data is to begin immediately.

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.

BHID	Target	Zone	EOH (m) Planned	EOH (m) Actual	Sulphide Intercepts & % Sulphide ('SUS')	Comments
IPC0001	AMC-50	West	150	188	134m-136m (Width: 2m); 75% SUS	Assays Received - Low tenor Ni-Cu but magmatic SUS provenance confirmed
					136m-156m (Width: 20m); 5-15% SUS	Assays Received - Low tenor Ni-Cu but magmatic SUS provenance confirmed
IPC0006	AMC-49/50	West	280	401	270m-277m (Width: 7m); 5-10% SUS	Assays Received - 2m @ 0.29% Cu from 272m; incl. 1m @ 0.41% Cu from 272m
					350m-362m (Width: 12m); 5-10% SUS	Assays Received - no significant results
IPC0002	AMC-15	West	80	127	64m-72m (Width: 8m); 15-20% SUS	Assays Received - 1m @ 0.11% Cu from 70m
IPC0003	AMC-13	West	80	113	28m-33m (Width: 5m); 8% SUS	Assays Received - no significant results
					34m-36m (Width: 2m); 15% SUS	Assays Received - 2m @ 0.12% Cu from 34m
IPC0007	AMC-48	West	100	80	32.40-34.50m (Width: 2m); 10-15% SUS, incl. marginal chalcopyrite bands	Assays Received - no significant results
					37.40-46.10m (Width: 9m); 5-20% SUS, incl. marginal chalcopyrite bands	Assays Received - 6m @ 0.20% Cu / 80ppb Au from 40m
IPC0004	AMC-47	East	80	101	14m-24m (Width: 10m); 2-10% SUS	Target (modeled) 50m - possible flat-lying SUS or pinch-out of gossan at depth. Assays pending - mid-late Feb '11
IPC0005	AMC-37	West	100	134	27m-37m (Width: 10m); 5% SUS	Target (modeled) 60m - Disseminated SUS in gabbro. Likely flat-lying sulphide zone. Assays pending - mid-late Feb '11
IPC0016	AMC-37S	West	80	76	Non-specific - tr - 2% in bedrock	Testing mafic-associated magnetic feature 600m south of IPC0005 - trace to 2% sulphide in meta-gabbro. Assays pending - mid-late Feb '11
VHD0006	VC-10/11	VHB	150	165	149.20-149.40m (Width:20cm); 20% SUS; multiple zones of trace (observed) malachite in 2-4m bands of coarse SS at 62m, 75m, 92m, 125m, 135m, 149m, 157m	Target conductor (graphitic shale) at 130m - intercept consistent with model. Assays pending - late Feb '11
9	Holes		1,100	1,385		

Summary of MGY drilling programmes, inclusive of completed holes with sulphide intercepts

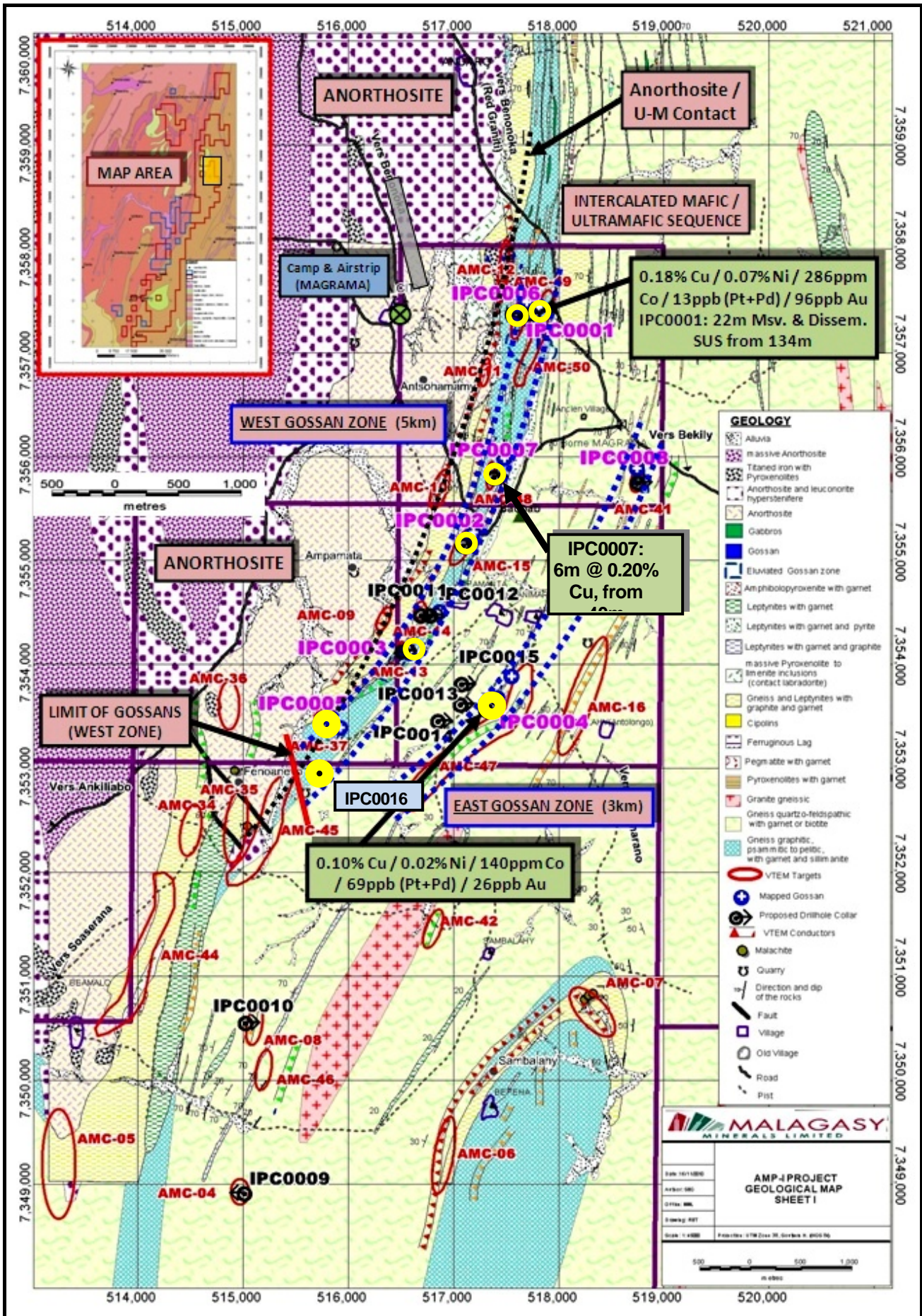


Figure 1: Updated summary plan of Ianapera Project area in northern Ampanihy. Assays for holes IPC0004, IPC0005 and IPC0016 are anticipated by end of February 2011.

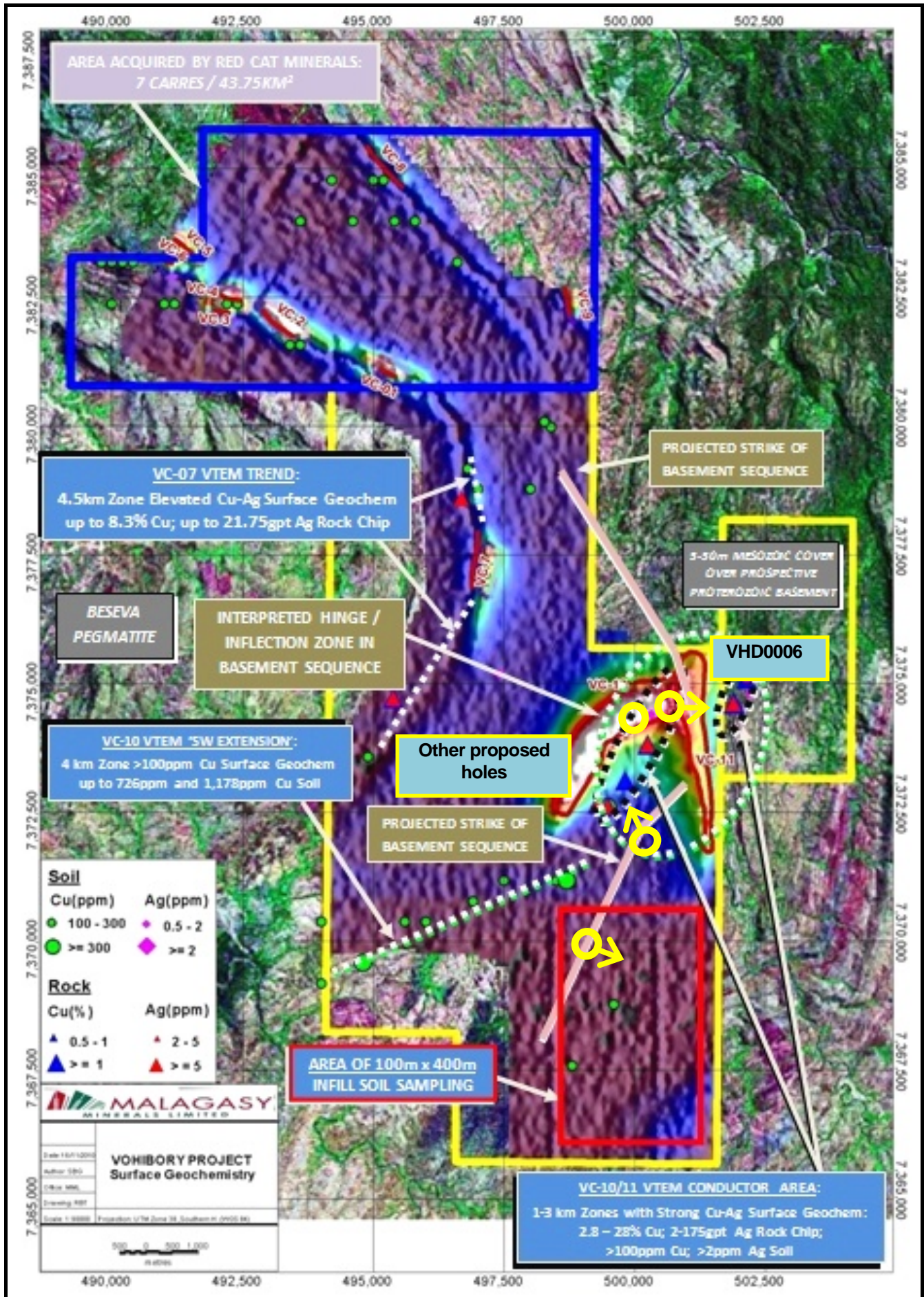


Figure 2: Summary plan of Vohibory Project showing drill hole location and infill soil area. Additional proposed holes by the company's consultants are highlighted in yellow. Results are anticipated late February for the infill soil geochem programme outlined in red.

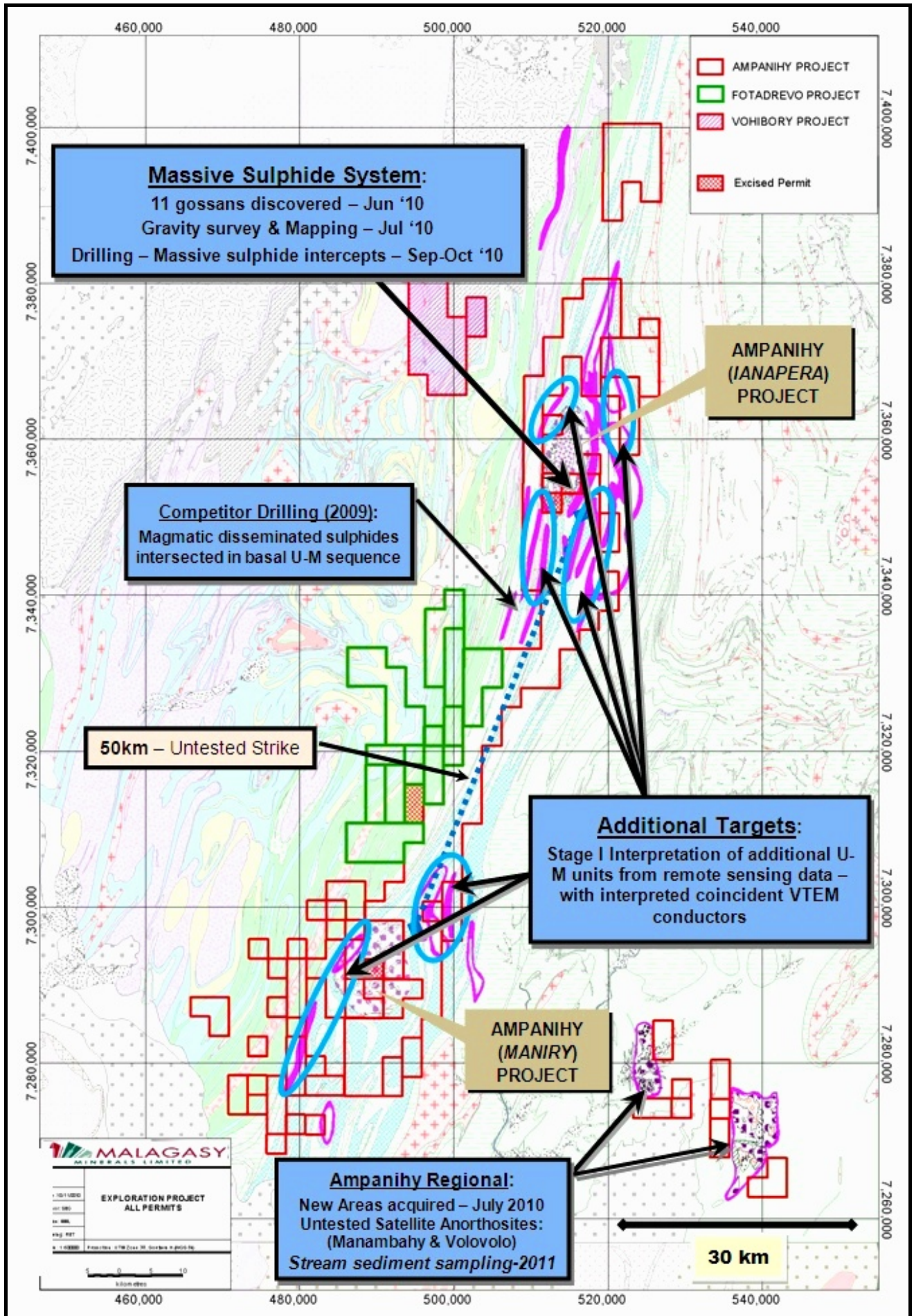


Figure 3: Ampanihy project area showing additional ultramafic units together with proposed geochem follow-up areas.

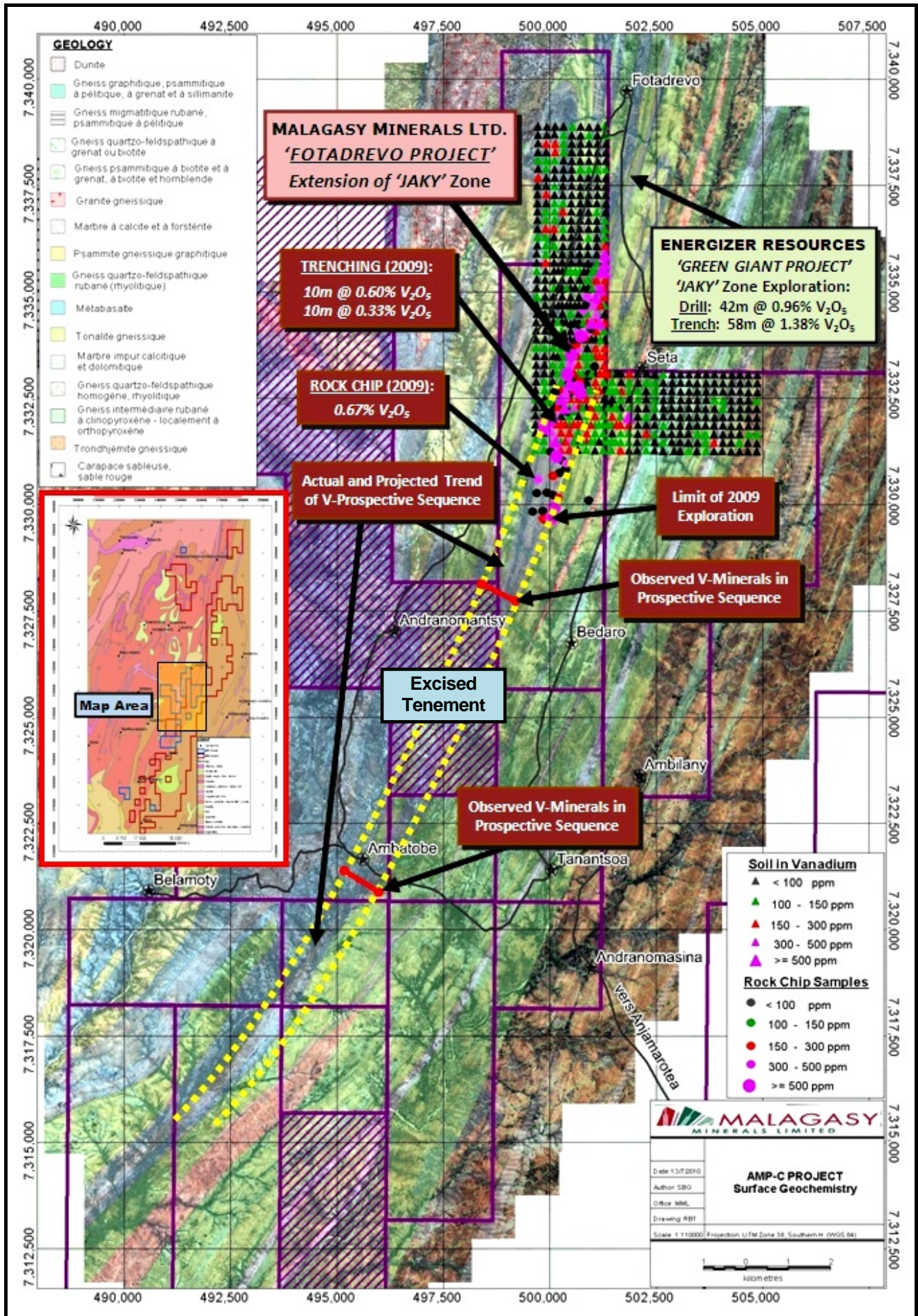


Figure 4: Summary plan of target mineralisation area at the Fotadrevo Project. Corridor to be assessed is marked in YELLOW and will extend to the tenement boundary with neighbouring operator Energizer Resources Ltd. ('EGZ'); incorporating areas already first-pass assessed by MGY in 2009.