



ASX Code: MGY

Investor Presentation
May 2012

Disclaimer and Competent Person's statement

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Competent Person's Statement

- The information in this presentation that relates to MGY **Exploration Results** is based on information compiled, reviewed or prepared by **Mr. Fergus Jockel**, Exploration Manager for Malagasy Minerals Limited, who is a Member of the Australasian Institute of Mining & Metallurgy and of the Australian Institute of Geoscientists. Mr. Jockel has sufficient experience, which is relevant to the style of mineralization and type of deposits 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” (the JORC Code). Mr. Jockel consents to the inclusion in this presentation of the matters based on this information, in the form and context in which they appear.*

Introduction

- ASX-listed minerals company with high-potential portfolio in Madagascar:
 - *Pro-mining environment currently attracting investment from several majors*
- Exploring & Drilling at three key 100%-owned projects in 2012:
 - *Graphite-focussed exploration on 100%-owned MGY projects. To involve mapping, sampling, trenching & drilling - >100kms strike.*
 - *World-class Graphite ± Vanadium projects with significant JV partner (Energizer Resources Inc – TSX:EGZ). JV executed for US\$2.25M cash plus 7.5M EGZ shares in November 2011.*
 - *Sulphide-hosted Ni-Cu-PGM deposits at the Ampanihy Project will continue to be explored for*
- Exploration to continue throughout 2012 field season commencing in May
- Income stream from royalties on Labradorite quarrying and rental income on logistics base continues to cover majority of in-country overheads



- **Listing:** *ASX (July 2008) – Ticker: MGY*
- Issued capital (Current) *156,562,504 shares*
- Current Market Cap (@ 11.0c) *\$17.2 million*

Board and Management

- Max Cozijn *Chairman*
- Guy LeClezio *Non-Executive Director*
- Dr Peter Woods *Non-Executive Director*
- Fergus Jockel *Exploration Manager*



MGY: A Strategic Minerals Portfolio

Mineral Assets:

- 100% tenements fully controlled by Malagasy
- JV with EGZ holding 75% & with Malagasy free-carried 25% to BFS over 40% of certain tenements for Industrial Minerals & Vanadium.

Ampanihy

- Graphite
- Nickel-Copper-PGM (Sulphide-hosted)

Fotadrevo

- Graphite & Vanadium (Oxide)

Vohibory

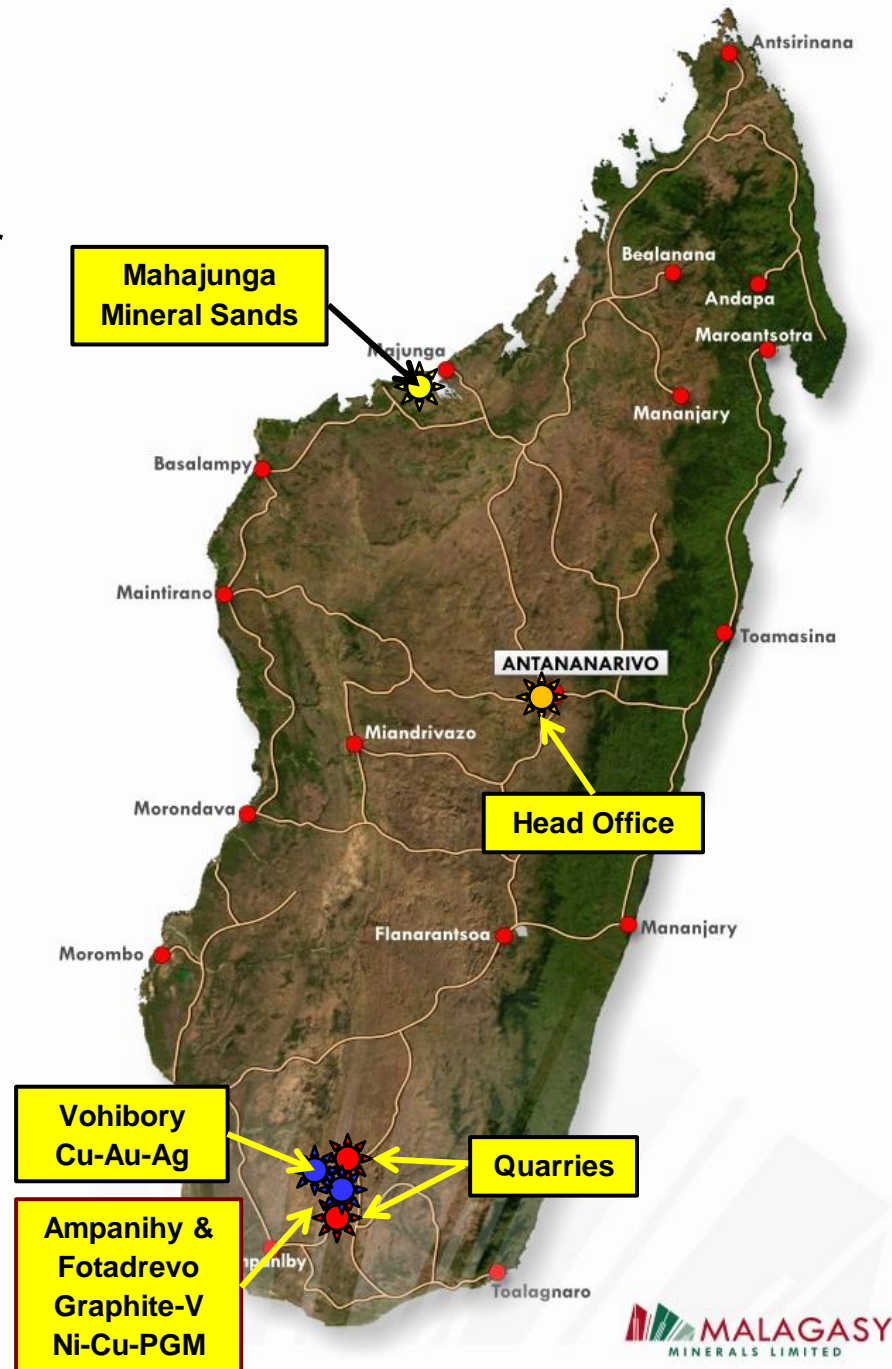
- Copper-Gold-Silver (Oxide & Sulphide)

Mahajunga

- Mineral Sands Potential

Strategic Assets: (~A\$600Kpa revenue)

- Royalty stream from Labradorite quarrying operations
- Head Office & support base in Antananarivo generates rental income from 3rd Parties



Malagasy's Graphite Exploration Programme

100% Graphite:

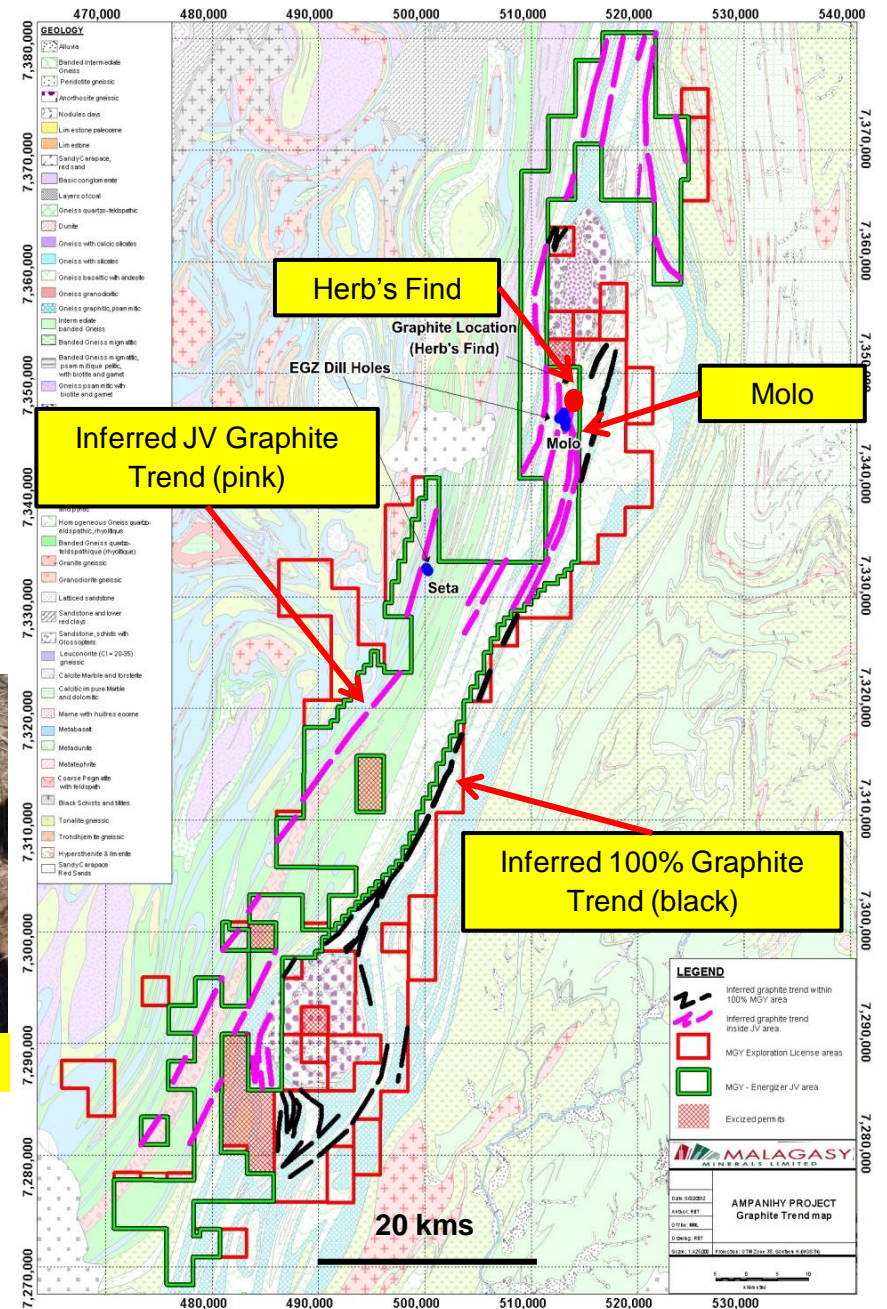
- **Inferred from Magnetic & VTEM data: ~110kms strike of graphite potential**
- **May 2012: MGY to commence mapping & sampling potential Graphitic horizons utilising a dedicated geological team.**
- **Follow up to involve trenching & drilling.**
- **Graphite potential mainly within Ampanihy & Fotadrevo Project areas.**
- **Further VTEM to be completed.**



Massive Graphite (~71.9%C)

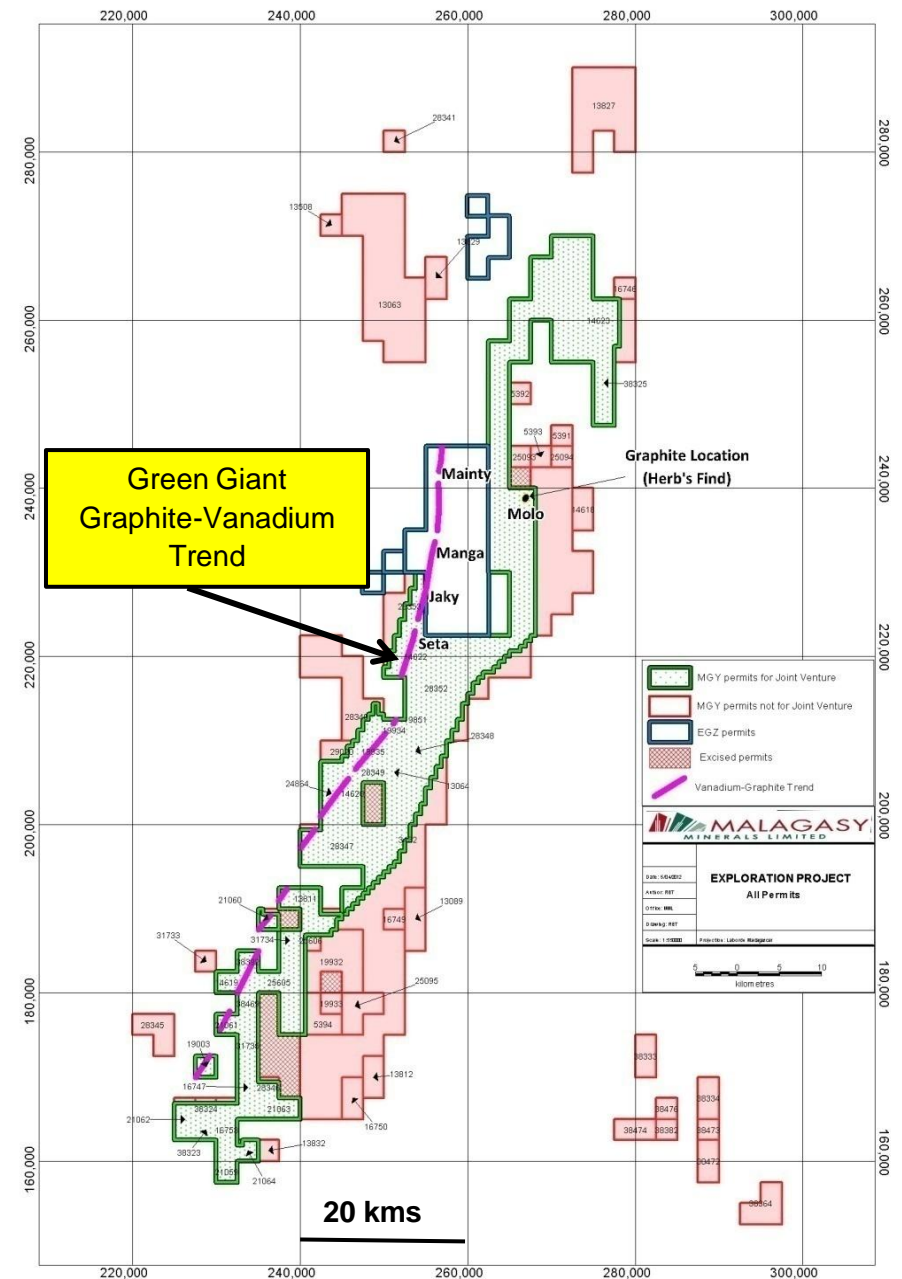


Disseminated Graphite (~12.5%C)



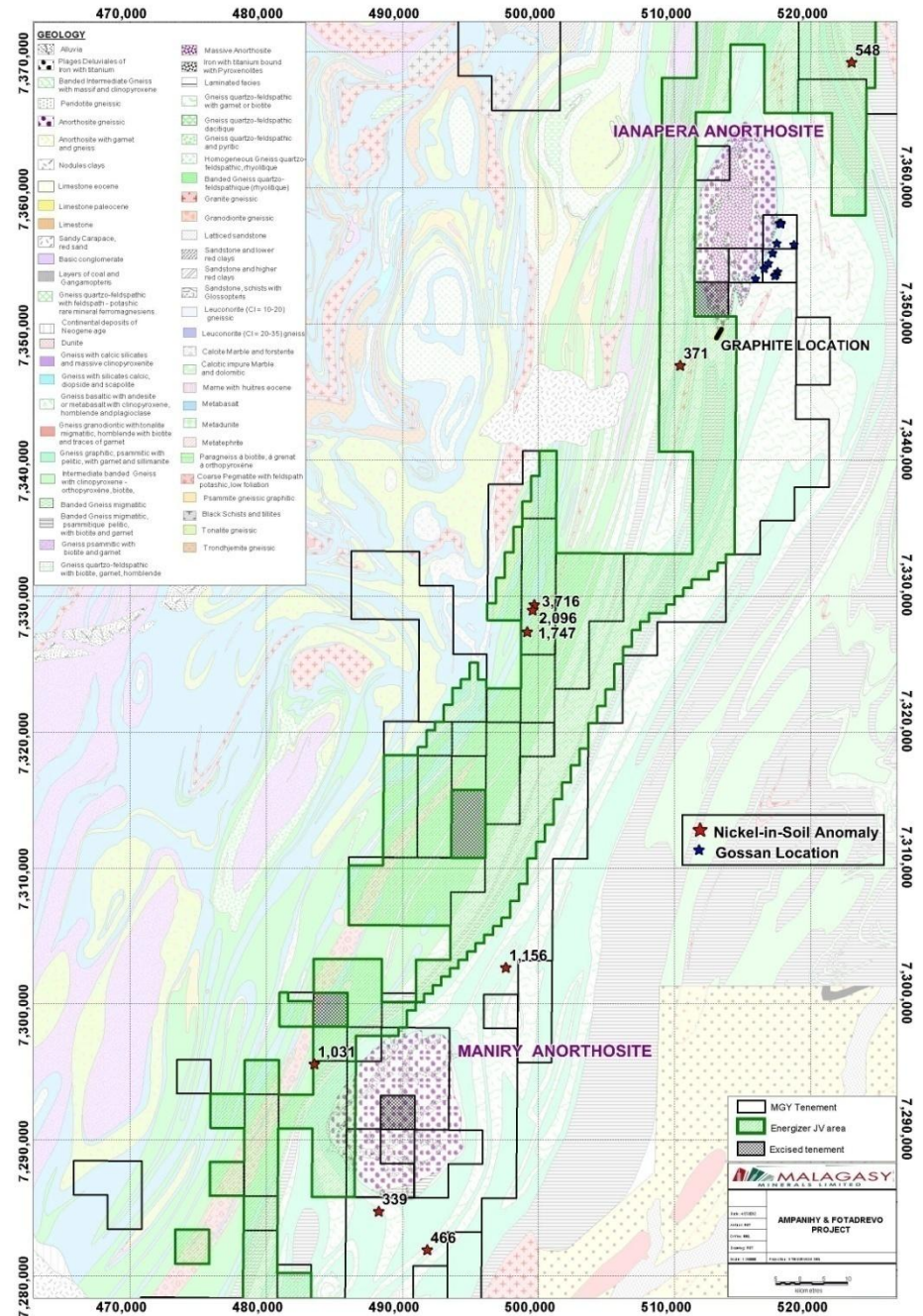
Graphite-Vanadium JV – Energizer Resources Inc (TSX:EGZ)

- **JV completed with EGZ** for US\$2.25m cash plus 7.5M EGZ shares for Industrial Minerals (includes Graphite) and Vanadium over 40% of MGY's ground.
- **MGY** retains 100% rights to **all** base & precious metals
- **MGY** free carried to 25% until completion of BFS
- **EGZ** identifies 320 kms of prospective strike for Graphite±Vanadium within JV and EGZ's leases
- **Molo Prospect** : strike length >2kms, with drill intersections including 49m @ 10.1% Carbon.
- **Molo Prospect:** main target area for EGZ's drilling (up to 7,500m) targeting a 50-100Mt deposit
- **Herb's Find:** 5 kms north of Molo on same trend – a vein graphite occurrence of 330 metres strike length open-ended north & south and 4 metres wide.
- **Jaky Deposit** – 59.2Mt @ 0.683% V₂O₅ (NI43-101)
- Potential **Jaky Vanadium** mineralisation extends southwest into EGZ JV ground for >30 kms.
- Laboratory test indicate 'Jumbo Flake' (+50 mesh) & 93% purity.



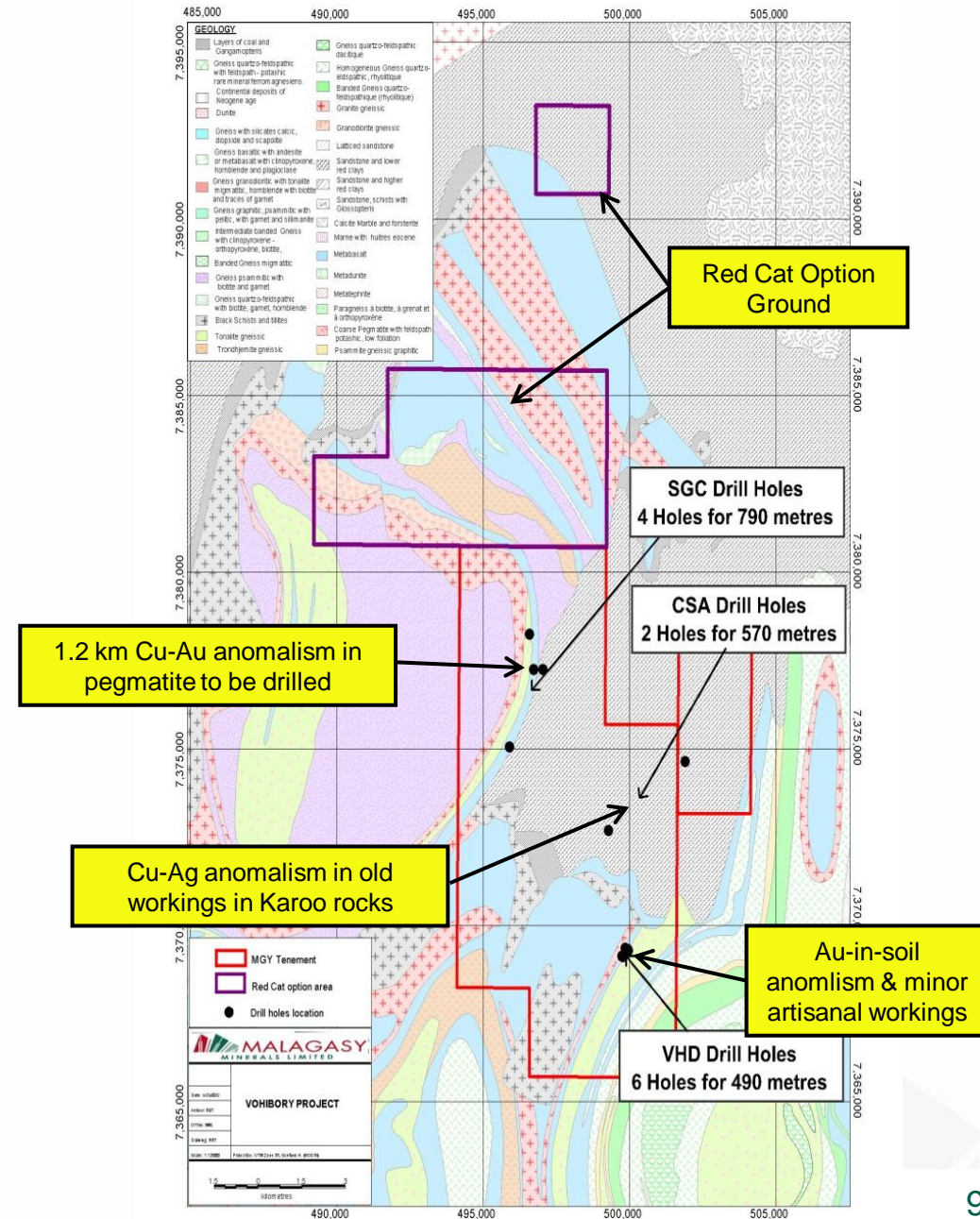
Ni-Cu-PGM Potential

- Multiple anorthosite bodies associated with mafic-ultramafic greenstone sequences
- Massive and Disseminated sulphides (pyrrhotite & pyrite) intersected in drilling
- Surface geochemistry (Soil/Stream Sediment) with assays up to >1,000ppm Ni-in-Soils to be followed-up at **Ianapera & Maniry**.
- Re-evaluating all geophysical data has led to potential new Nickel zones at **Ianapera**.
- Surface geochemistry (Soils) with assays up to >3,000ppm Ni-in-Soils to be followed-up at **Fotadrevo**.



Copper-Silver-Gold Potential

- New 1.2km Au-Ag-Cu zone in felsic-mafic contact zone adjacent to pegmatite:
 - **8.33g/t Au; 23.5g/t Ag; 9.33% Cu** in Historical Workings
- New Au-in-soil anomalous zone with nearby minor artisanal activity in underlying schists
- Cu-Ag-Au anomalism in Karoo-aged sediments
- Red Cat Option still in place.



Graphite Occurrence & Global Production

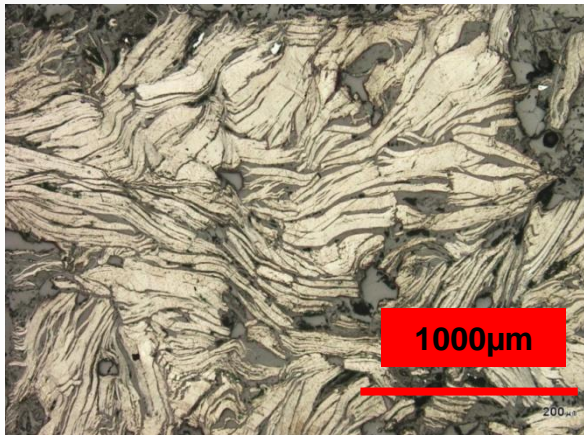
**Vein Graphite occurs within High-grade Metamorphic Schist –
Upper Amphibolite-Granulite Facies**



Herb's Find Outcrop



Herb's Find Graphite
(note graphitic sheen)



Photomicrograph of coarse crystalline
graphite flake from Herb's Find



Large Flake Graphite in Hand
Specimen from Herb's Find
(71.9%C)

Global Graphite Production & Reserves ¹				
Country	2011 Prodn ²	%	Reserves ²	%
Brazil	76	8.2	360	0.47
Canada ³	25	2.7		
China	600	64.9	55000	71.43
India	140	15.1	11000	14.29
Madagascar	5	0.5	940	1.22
Mexico	7	0.8	3100	4.03
North Korea ³	30	3.2		
Norway ³	2	0.2		
Romania ³	20	2.2		
Sri Lanka ³	8	0.9		
Ukraine ³	6	0.6		
Others	6	0.6	6400	8.31
Total	925		77000	

¹ - source USGS Commodities Report, 2011
² - denotes '000t
³ - Reserves included in Others

Graphite Facts & Uses

Background

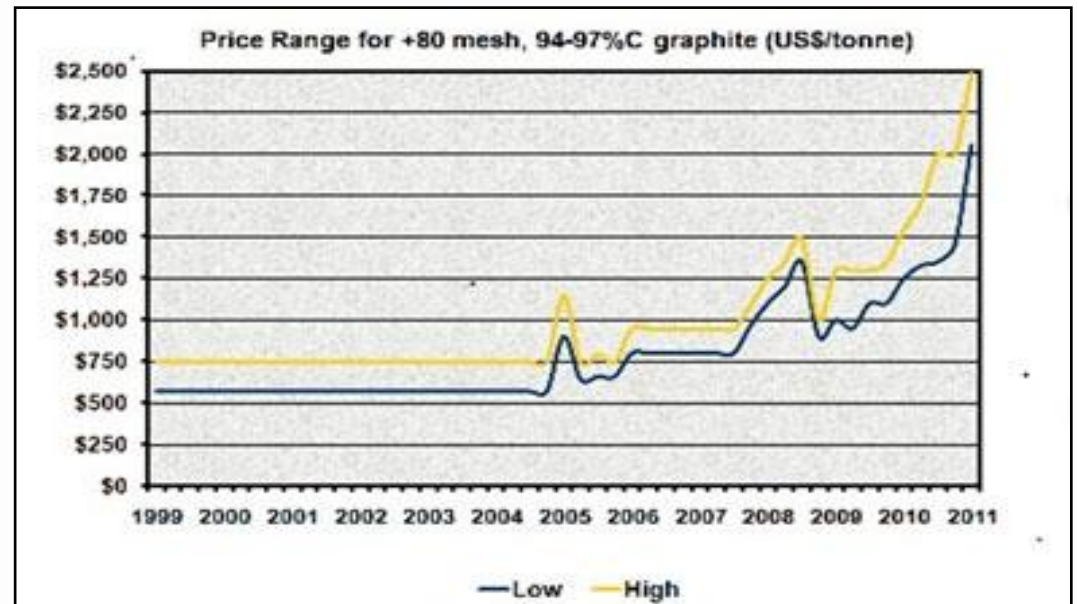
- *Approximate Global Consumption is 925,000tpa, comparable to Nickel (source USGS Commodities Report,2011).*
- *Price, depending on flake size & purity, US\$1,800/t – US\$20,000/t (average price equates to Zn price)*
- *No country (except possibly China) holds strategic stockpiles.*
- *Due to China's & India's industrial expansion, consumption expected to rise +5% per annum based on traditional usage alone.*

Favourable Properties

- *Almost fully resistant to chemical attack*
- *Remains stable to in excess of 3,600°C*
- *Highly conductive both for heat & electricity*

Traditional Uses

- *Pencils! 14% of total consumption.*
- *Steel industry, alloying etc – 52%*
- *An Ingredient in Refractory Kiln Bricks*
- *High capacity electrodes, e.g., those used in electric arc furnaces for melting scrap iron*
- *Liners for ladles & crucibles used for containing molten metals.*
- *Lithium Ion batteries – 10% of graphite consumption in 2008*
- *Traditional Dry Batteries*

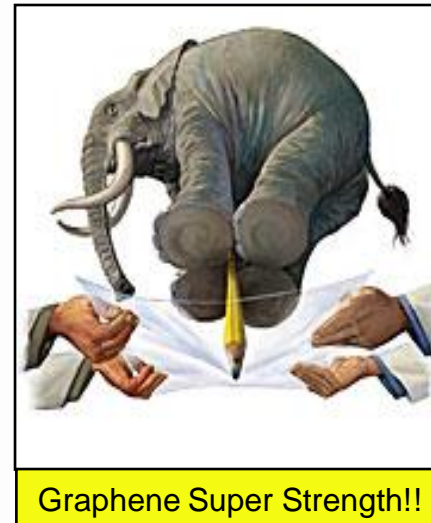
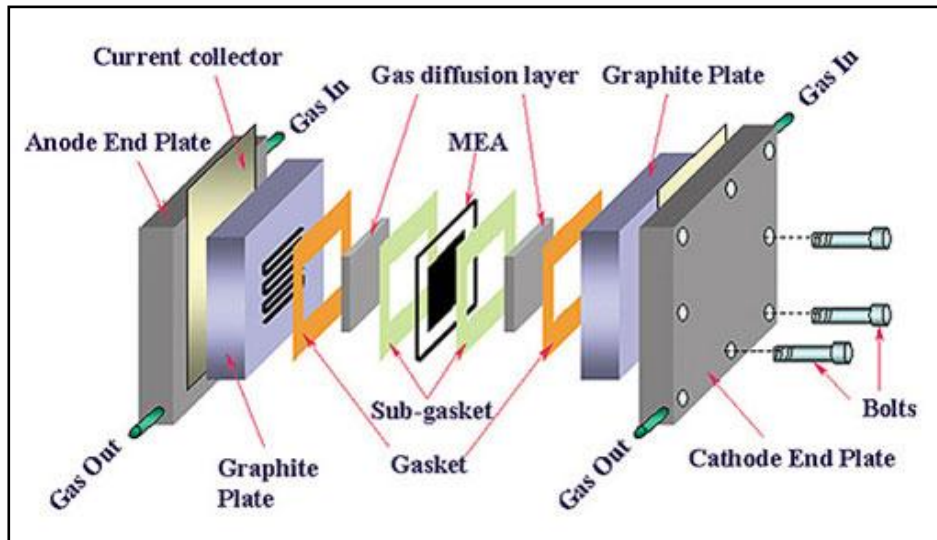


N.B. Information on this page mainly sourced from Malagasy's JV partner's website:
www.energizerresources.com

Graphite – The Future

Future & Conceptual Applications

- *Solid Lubricants – automotive engineering*
- *Eco Brake Linings – replacing Asbestos and now compulsory in all European (EU) manufactured cars*
- *Lithium Ion Batteries – increasing battery market share as efficiency improves. 10x more Graphite than Lithium in a Li Ion Battery.*
- *Electric Vehicles – Pure EVs use 20-25kgs/car. US aims to have 1,000,000 EVs on the road by 2015*
- *Pebble Bed Nuclear Reactors – U embedded in graphite balls – Every 1,000MW requires ~1,000 tpa C*
- *Graphene – 21st Century ‘Sci-Fi’ discovery – One atom thick but super strong with potential Military, Superconductors, Biotech, replacing Carbon Fibre Technology, Catalysts (replacing PGMs & more efficient), Conductive Coatings applications. 200x stronger than steel.*
- *Fuel Cells (see figure below) – Megapower storage & generation. Noiseless with harmless emissions. Potential to consume more graphite than all other uses put together.*



Graphene Super Strength!!



Note to File – this is the future!!

N.B. Information on this page mainly sourced from Malagasy's JV partner's website:
www.energizerresources.com 12

Vanadium – Facts & The Future

Future & Conceptual Applications

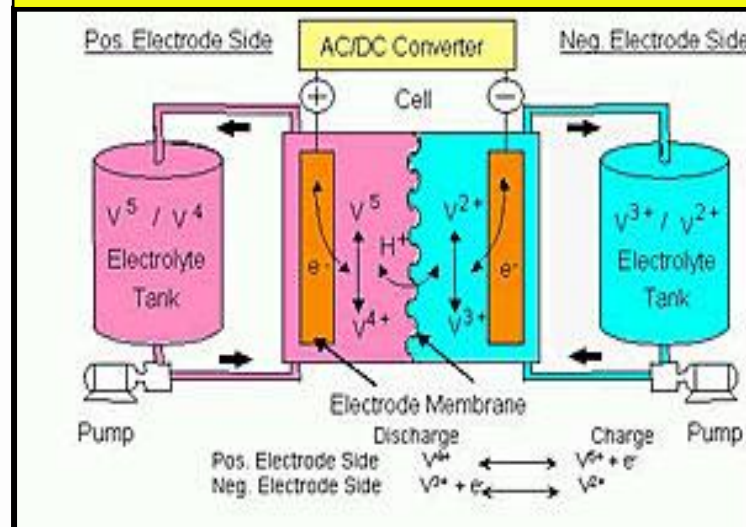
- China produces 38% world's V_2O_5 but soon expected to be a net consumer¹
- China, Russia & South Africa produce 96.6% of world's annual V_2O_5 ¹
- There are synergies with graphite usage in new battery technology.
- New batteries Lithium-Vanadium Phosphate (Li-V-P) – are improved versions of Li-Co batteries and cheaper. Also contain graphite. Vanadium used in a 1:1 ratio with Lithium
- Vanadium Flow Batteries (VFBs) – Superchargeable & Green energy storage
- VFB requires 1.3t V_2O_5 /1MWh
- A 20 MWh VFB facility can power 2,000 households for 1 day
- US, China & Germany principal in Vanadium usage R & D.
- By 2022 potential to be a US\$600billion per year industry with an annual requirement of ~74Mtpa V_2O_5

¹ - denotes information sourced from USGS Commodities Report, 2011

Research VFB Plant in Germany



VFB Plant – How it works!



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Summary & Outlook – 2012

- **Continued 100%-ownership of exciting mineral projects**
- **JV with Energizer highlights value of Ampanihy & Fotadrevo Projects for Graphite & Vanadium potential**
- **EGZ to commence 7,500m drilling programme initially targeting a potential 50-100Mt Graphite deposit at Molo.**
- **Active field season commencing in May with dedicated Graphite Geological Team undertaking mapping & sampling on 100% MGY tenements.**
- **Preliminary test work shows graphite from Molo & Herb's Find to be high quality**
- **Field work to follow up on strong Ni-in-Soil anomalism at several prospects with Ampanihy project area**
- **New 1.2km Au-Ag-Cu zone identified at Vohibory**
- **Continuing 3rd-party Rental and Labradorite royalty income – majority of local operational overheads covered**

Madagascar: New Era of Resource Development

Nickel:

- **\$US3.0B Ambatovy Nickel-Cobalt Project (Sherritt)** – starting production 2012 – 60,000tpa Ni & 5,600tpa Co

Mineral Sands:

- **US\$1.5B Fort Dauphin HM Project - Rio Tinto** – in production since 2009
- **World Titanium Resources** to commence development in 2012

Coal:

- **Sakoa Coal Project (PTT-Asia & ATM)** – 60,000m drilling completed – up to 1.0Bt resource

Petroleum:

- **US\$4.0B Bemolanga Tar Sands Project (Total)**

Graphite:

- **Ampanihy Graphite Mining Centre** – historical production.
- **Molo Graphite Prospect** – EGZ JV

Vanadium:

- **Energizer's Green Giant Project** – NI43-101 (Jan 2011)
Resource: 59.2 Mt @ 0.683% V_2O_5

Infrastructure:

- **Soalara Port Facility** – & planned rail link north to Sakoa Coal



Thank You

