

16 June 2010

Company Announcement Office
ASX Ltd
10th Floor, 20 Bond Street
Sydney NSW 2000

Dear Sir,

MALAGASY COMPLETES 15% PLACEMENT

The Directors of Malagasy Minerals Ltd ("MGY" or the "Company") are pleased to advise that the Company has resolved to raise up to A\$427,500 (gross proceeds) through the Issue of up to 14.25 million ordinary shares at an issue price of A\$0.03 per share. The shares will be issued predominately to investor clients of Patersons Securities Limited.

The funds raised pursuant to the Issue will be applied to the Company's activities in Madagascar and to assist in funding costs associated with the merger with Madagascar Resources NL by way of a Scheme of Arrangement.

The key assets of the merged group will comprise:

- the advanced Toliara Sands Project, which has a JORC compliant resource of 710 million tonnes grading 6.3% THM (Total Heavy Minerals) containing approximately 30 million tonnes of ilmenite;
- three base metal exploration projects at Vohibory, Ampanihy and Fotadrevo targeting copper, nickel, PGEs and vanadium;
- significant commercial property assets and rental income derived from 19,000 square metres of land in the Madagascan capital of Antananarivo, where the Company's administrative operations are based; and
- royalty revenues from Labradorite quarrying operations in the south-east of Madagascar.

This is the announcement that was referred to in the Company's request for a trading halt on 11 June 2010, and the Company now seeks reinstatement of its securities as of market opening on 17 June 2010.

For and behalf of the Board



Max Cozijn
Director/Company Secretary

cc: Directors

Competent Persons Statement

The information in this report that relates to the Toliara Sands Project or Mineral Resources is based on information compiled or reviewed by Mr. Andrew Milne of GEOcraft Pty Ltd who is a Member of the Australasian Institute of Mining and Metallurgy and of the Geological Society of Australia. Mr. Milne 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. Milne consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.