



**NOTICE OF ANNUAL GENERAL MEETING
2011**

The Annual General Meeting of the Company will be held at the Celtic Club, Presidents Room, 48 Ord Street, West Perth, Western Australia on Monday, 21 November 2011 at 4.00PM (WST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9463-6656.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Malagasy Minerals Limited (**Company**) will be held at the Celtic Club, Presidents Room, 48 Ord Street, West Perth, Western Australia on Monday, 21 November 2011 at 4.00PM (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form comprises part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 19 November 2011 at 4.00PM (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Financial, Directors' and Auditor's Reports

To receive the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2011.

2. Resolution 1 – Approve Remuneration Report

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That, the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
 - (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.
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3. Resolution 2 – Re-election of Mr Max Cozijn as Director

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That, Mr Max Cozijn, who retires in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Resolution 3 – Ratification of Placement

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

*"That, in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 16,000,000 Shares each at an issue price of \$0.068 which raised \$1,088,000 (before costs) on the terms and conditions in the Explanatory Memorandum (**Placement**)."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution 3 by a person (or any associate of such a person) who participated in the Placement and who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution 3 is passed.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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By Order of the Board



Max Cozijn
Company Secretary

Dated: 20th October 2011

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Celtic Club, Presidents Room, 48 Ord Street, West Perth, Western Australia on Monday, 21 November 2011 at 4.00PM (**WST**).

2. Financial, Directors' and Auditor's Reports

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2011 copies of which are on the Company's website at www.malagasyminerals.com or will be made available by contacting the Company on telephone number +61 8 9463 6656.

Shareholders will be offered the opportunity to ask questions or make comment on the management of the Company.

3. Resolution 1 – Approve Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Financial Report for the year ended 30 June 2011 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the managing Director, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of itself. A failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (**Director and Executive Remuneration Act**) which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, amongst others, into the Corporations Act, giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

The Chairman will not cast undirected votes on Resolution 1.

4. Resolution 2 – Re-election of Mr Max Cozijn as Director

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) provides that a Director who retires under Article 6.3(c) is eligible for re-election.

Pursuant to these Articles, Mr Cozijn will retire by rotation and seek re-election.

A brief resume of Mr Cozijn is contained in the Annual Report.

The Board believes that Mr Cozijn has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mr Cozijn.

5. Resolution 3 – Ratification of Placement

5.1 General

To assist in funding ongoing exploration activities and working capital requirements, the Company undertook a placement of 16,000,000 Shares by way of a placement to sophisticated and professional investors who are clients of Patersons Securities Limited (**Placement**).

The Company completed the Placement on 30 November 2010 and allotted 16,000,000 Shares at an issue price of \$0.068 per share for gross proceeds of \$1,088,000 before costs.

5.2 Listing Rule 7.4

The Shares issued under the Placement were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval. The effect of Shareholders passing Resolution 3 will be to restore the Company's ability to issue securities within that limit, to the extent of the 16,000,000 Shares.

5.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) 16,000,000 Shares were allotted prior to the Meeting.
- (b) The 16,000,000 Shares were each issued at a price of \$0.068.
- (c) The 16,000,000 Shares are fully paid ordinary shares in the capital of the Company.
- (d) The 16,000,000 Shares were allotted to clients of Patersons Securities Limited, who are all sophisticated and professional investors (pursuant to sections 708(8) and 708(11) of the Corporations Act) and are not related parties to the Company.
- (e) The funds raised will be used to fund the ongoing drilling programme for the Company's lanapera nickel-copper project and for working capital.
- (f) A voting exclusion statement is included in the Notice.

6. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.\

Schedule 1- Definitions

In this Explanatory Memorandum and Notice:

Annual Report means the 2011 Annual Report of the Company and its controlled entities (if any) a copy of which was lodged with the ASX.

Article means an article of the Constitution.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

Chairman means the person appointed to chair the Meeting of the Company convened by this Notice.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Malagasy Minerals Limited ABN 84 121 700 105.

Constitution means the Constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company and **Directors** means the directors of the Company.

Director and Executive Remuneration Act has the meaning given in Section 3 of the Explanatory Memorandum.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities (if any).

Explanatory Memorandum means the explanatory memorandum to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities (if any).

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the Listing Rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Official List means the official list of ASX.

Prior Placement has the meaning given in Resolution 2 of the Notice.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

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