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Malagasy Minerals Completes US\$3.75M Industrial Minerals Joint Venture with Canada's Energizer Resources Inc

Search for vanadium and industrial minerals to be accelerated in Madagascar

Malagasy Minerals Limited ("Malagasy") (ASX:MGY) is pleased to advise that it has executed the previously announced joint venture agreement with Canadian company Energizer Resources Inc. (TSX: EGZ) (OTCBB: ENZR) (FWB: YE5) ("Energizer"), resulting in a significant cash injection and new exploration drive for vanadium and industrial minerals across its tenements in southern Madagascar.

This agreement formalizes matters agreed by the parties under a heads of agreement dated 5 October 2011. At the time of signing the heads of agreement, Malagasy received a US\$250,000 deposit and Malagasy is due to receive a further US\$2 million in cash within 3 business days, in addition to 7,500,000 fully paid shares in Energizer within 5 business days of TSX approval. These shares have a current market value of approximately US\$1.5 million. This amounts to a total transaction value of US\$3.75 million. In addition Energizer is sole funding exploration and holding costs for vanadium and Industrial Minerals to BFS.

Malagasy and Energizer have formed a joint venture company owned 75% by Energizer and 25% by Malagasy with the right to explore for a group of defined industrial minerals including vanadium (listed in full below) within specifically defined permits covering approximately 40 per cent of Malagasy's prospective tenement holding in southern Madagascar.

Malagasy's subsidiaries in Madagascar will enter into sub-leasing arrangements with the joint venture company in respect of these permits, allowing it to retain title during the exploration phase until Energizer delivers a Bankable Feasibility Study ("BFS") on any discovery it makes. Energizer will manage operations undertaken by the joint venture.

Malagasy's interest in the joint venture will be free-carried until Energizer delivers a BFS. If Energizer or the joint venture company delivers a BFS on any discovery, Malagasy will have the right to contribute to development and mining operations in accordance with its 25% interest in the joint venture or may elect to dilute its interest. If Malagasy elects to dilute its joint venture interest to below 10%, then Malagasy's interest will convert to a 2% net smelter return royalty.

Throughout the course of the Joint Venture, Malagasy will retain access to all properties to carry out any exploration and development it chooses for all other minerals including base metals, precious metals, platinum-group elements, excluding only the vanadium and industrial minerals specified in the list below.

Commenting on the agreement, Malagasy's Chairman, Max Cozijn, said: *"This allows Malagasy to continue to focus on its primary targets of copper, gold, silver and nickel while retaining ownership of all its properties in southern Madagascar. Energizer gains the right to explore only for vanadium and other industrial metals within Malagasy's permit area."*

"This Agreement recognises Energizer's skill and focus on the development of vanadium and other industrial minerals. The Company's world-class Green Giant vanadium deposit clearly defines its focus on green energy through vanadium and Malagasy will benefit significantly from its efforts as it progresses the Green Giant Project towards production. Through this partnership, Malagasy will also be able to draw on Energizer's exploration personnel and facilities when feasible to assist in the Company's own exploration activities."

Tenement Costs

Energizer will be responsible for keeping the tenements in good standing, including the payment of all tenement rents and minimum expenditure requirements of the nominated tenements covered by the area of

interest for this JV.

List of Industrial Minerals

The following constitutes the industrial minerals as defined in the Agreement with Energizer:

Vanadium, Lithium, Aggregates, Alunite, Barite, Bentonite, Vermiculite, Carbonatites, Corundum, Dimensional stone (excluding labradorite), Feldspar (excluding labradorite), Fluorspar, Granite, Graphite, Gypsum, Kaolin, Kyanite, Limestone / Dolomite, Marble, Mica, Olivine, Perlite, Phosphate, Potash – Potassium minerals, Pumice Quartz, Staurolite, Zeolites.

For further information contact:

Max Cozijn – Chairman
+61 8 9463-6656
contact@malagasyminerals.com

For media enquiries contact:

Nicholas Read – Read Corporate
+61 8 9388 1474
info@readcorporate.com.au

About Malagasy Minerals

Malagasy listed on the Australian Securities exchange in 2008, following completion of an A\$10M initial public offering. The Company was established specifically to pursue the development of mineral resources in Madagascar, the world's fourth largest island, which hosts significant under explored mineral provinces.

Malagasy retains approximately 1,860 sq km of 100%-owned granted mineral exploration tenure and operates three main projects in southern Madagascar: Ampanihy nickel-copper-PGE; Fotadrevo vanadium and Vohibory copper-silver VMS.

Through strategic acquisitions, Malagasy has developed a significant local presence in Madagascar with an experienced work force throughout the group of approximately 50 personnel, the majority of whom are locals.

About Energizer Resources

Energizer Resources Inc. is a mineral exploration and development company based in Toronto, Canada, which is developing its 100%-owned Green Giant Vanadium Project located in Madagascar. The Green Giant vanadium deposit is one of the largest known vanadium deposits in the world. In addition to the Toronto Stock Exchange (TSX: EGZ), the company's common shares trade on the U.S. Over-The-Counter Bulletin Board under the symbol, ENZR, and on the Frankfurt Exchange under the symbol, YE5.