MALAGASY
MINERALS LIMITED
ABN 84 121 700 105

8th October 2012

ASX Limited Company Announcements Office
20 Bridge Street
Sydney NSW 2000

MALAGASY APPOINTS EXPERIENCED EXPLORATION MANAGEMENT TEAM

Malagasy Minerals Limited (ASX: MGY) is pleased to announce the appointment of experienced exploration consultants OMNI GeoX Pty Ltd ("OMNI GeoX") to provide Exploration Project Management services for the Company.

The principal consultants for OMNI GeoX include Peter Langworthy, Stephen Vallance and Donald Huntly. This group are highly experienced explorers and corporate managers, having extensive exploration experience in delineating and developing significant nickel mines, and having previously been members of the senior management group of the highly successful nickel mining company, Jubilee Mines Limited.

OMNI GeoX will be primarily responsible and actively engaged in providing overall management of the Group's exploration activities in Madagascar, including working closely with the existing Malagasy Exploration team.

Stephen Vallance has agreed to act as the designated Competent Person and will be responsible for the reporting of Malagasy's exploration and resource results.

OMNI Geox's immediate focus is to complete a strategic review of Malagasy's highly prospective exploration projects in Madagascar, including:

- the **Ampanihy Nickel Project (MGY 100%)** – where the Company is targeting **world-class intrusive-related nickel-copper-PGE deposits**;
- the **Ampanihy Graphite Project (MGY 100%) –** where the Company is targeting **high-grade, low-cost graphite deposits**;
- the **Energizer Graphite Project (MGY 25% free-carried to BFS) –** where a **large-scale, low-cost graphite resource** is currently under assessment and Pre-Feasibility Study; and
- the **Vohibory Volcanic Hosted Massive Sulphide Project (MGY 100%) –** where the Company is targeting **high-grade, low-cost copper-gold-zinc massive sulphide deposits**.

The outcomes of this review and the forward-looking exploration programs will be announced in the coming weeks.

In order to align the interests of Omni GeoX and its principal consultants, Peter Langworthy and Stephen Vallance, more closely with the interests of the Company and its shareholders, it is proposed that a total of 2.25 million fully paid ordinary shares and 1.125 million options exercisable at 30c, 40c and 50c over a 3-year term, are to be issued, in addition to discounted consulting fees.

For and on Behalf of the Board

Max Cozijn
Chairman

Malagasy Minerals Ltd. (ACN 121 700 105), Suite 7, 11 Colin Grove, WEST PERTH WA 6005
Tel: +61 8 9463 6656, **Fax:** +61 8 9463 6657