

20th June 2013 – ASX Announcement

HIGH GRADE GRAPHITE RESULTS RETURNED CLOSE TO MOLO GRAPHITE DEPOSIT

Highlights

- Malagasy Minerals has confirmed the potential for significant deposits of high-grade graphite on its 100% owned tenements at the Ampanihy Project, Southern Madagascar.
 - The results, from the Magrama Camp Prospect, are located within 10 kilometres of the Molo Graphite Deposit that is a joint venture between Energizer Minerals Inc. (75%) and Malagasy Minerals Ltd. (25% - free carried till completion of a bankable feasibility study).
 - Results of up to 38% carbon have been collected from the recent program of systematic mapping and rock chip sampling. Three priority areas comprising multiple lenses of graphite have now been identified and are considered worthy of additional assessment.
 - A program of graphite exploration is currently being undertaken at the Maniry Project in the southern part of the greater Ampanihy Project. Initial results from mapping and rock chip sampling indicate the potential for substantial deposits of high-grade graphite to be discovered.
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Malagasy Minerals Ltd ("Malagasy") retains 100% of rights to graphite on its tenements outside of the Energizer Resources Inc. JV (Figure 1). This represents approximately 60% of the company's entire project area and presents an excellent opportunity to discover additional high-grade graphite deposits that would have the potential with synergies with the development of the Molo Graphite JV Deposit.

Malagasy is targeting a high-grade resource base of >5,000,000 tonnes at a graphite grade of +15%C, with a particular focus on identifying near surface deposits that can be assessed quickly and at modest cost.

MAGRAMA CAMP PROSPECT

Recent exploration has focused on the Magrama Camp Prospect located within 10 kilometres of the Molo Graphite Deposit (figure 2) and has identified a series of high-grade outcrops of graphite mineralisation within a broader graphite trend. These high-grade near surface exposures of graphite mineralisation have the potential to collectively meet the stated resource target.

Importantly, these high-grade graphite exposures can be demonstrated to lie over the top of a large conductive body as defined in the airborne electromagnetic data (VTEM) (figure 3). Graphite is highly conductive and this may indicate the presence of a large graphitic mineralized system.

Key results include (see table 1 for details):

- Area 1 is located in the northern area of Malagasy's tenement holdings where a series of well-developed breccia lenses of high-grade graphite have been mapped and sampled. This zone has been delineated over a total strike extent of approximately 800 metres and to a width of 30 metres. Composite rock chip samples (i.e. samples collected over the width of the outcrop) have returned the following results; **23.3%C, 37%C, 18.8%C, 19.5%C and 29.8%C**. It should be noted that soil cover obscures the precise extent of the mineralized zones;

- Area 2 is the southern extension of the same trend as defined by the VTEM data. High-grade composite rock chip results from this position have returned the following results: **19.8%C, 22.8%C, 12.5%C 16.6%C 10.3%C, 11.5%C, 19.9%C and 23.2%C**. Potential for this position to be contiguous with the Area 1 target to the north.
- Area 3 is a series of isolated high-grade pods of breccia graphite mineralisation located to the west of the previously described areas. Although appearing to be isolated pods of up to 150m strike length, the grade characteristics of these zones make them attractive targets for additional assessment. High-grade composite rock chip results from this position have returned the following results: **22.6%C, 22%C, 22.3%C and 37.8%C**.

MANIRY PROJECT

The Maniry Project is located in the south of the greater Ampanihy Project (Figure 1). The potential of the area was previously identified through a reconnaissance program of mapping and rock chip sampling. Results of up to 50.78%C were returned from this work.

The current program of exploration has involved a program of detailed mapping and rock chip sampling to assess the overall potential of the area to host a significant graphite deposit. Although no assay results are currently available, the initial results of this work are considered highly encouraging. This view is based on:

- Outcrops of graphite breccia and graphite schist that have been mapped in outcrop for up to 1000 metres strike with widths of up to 150 metres; and
- Visual estimates of graphite samples that suggest the potential for significant zones of high-grade mineralisation.

A total of 66 composite rock chip samples were collected during the program and will now be prepared and analyzed. This is expected to take at least a month

Malagasy Minerals believes these results support the view that the 100% owned Ampanihy Project has the potential to host a significant high-grade, large-flake graphite deposit. The Magrama Camp Prospect is considered to have potential synergies with the future development of the Molo Deposit, whilst the Maniry Project in the south has now been identified as an opportunity to discover a large, quality stand alone graphite deposit.

Signed on behalf of the Board

Peter Langworthy
Exploration Consultant

Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Peter Langworthy, Consulting Geologist, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Peter Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Table (1) – Graphite Assay Results

Sample No	Easting	Northing	C %
MD05745	517525	7357979	23.3
MD05747	517397	7357743	37
MD05748	517540	7357500	19.5
MD05753	517294	7356612	29.8
MD05755	516971	7355945	22.83
MD05759	514664	7353457	10.3
MD05769	516871	7355038	16.83
MD05770	516360	7354360	11.5
MD05771	516429	7354373	23.2
MD05773	513170	7355149	22.6
MD05774	513866	7354800	22
MD05775	514351	7354153	22.3
MD05784	516854	7355192	12.49
MD05786	516611	7354421	19.9
MD05789	514394	7353987	37.85
MD05792	514920	7352389	16.76

Analysis completed by Genalysis-Intertek Laboratories (Perth).The analytical method was CSA (Total Carbon and Sulphur by CS analyser) detection limit of 0.01% - 50%C.

Figure (1) – Project Location

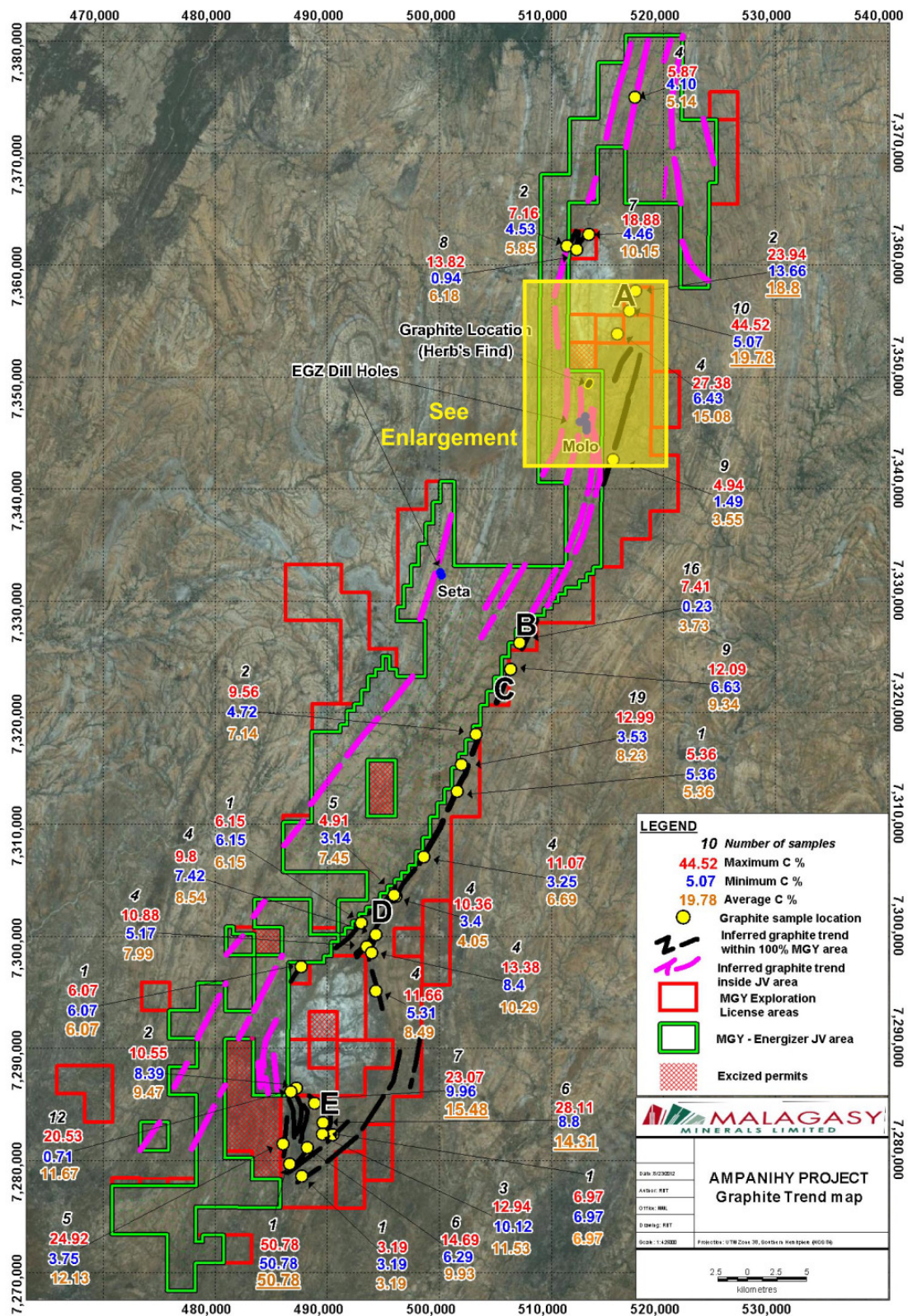


Figure (2) – Magrama Camp Project

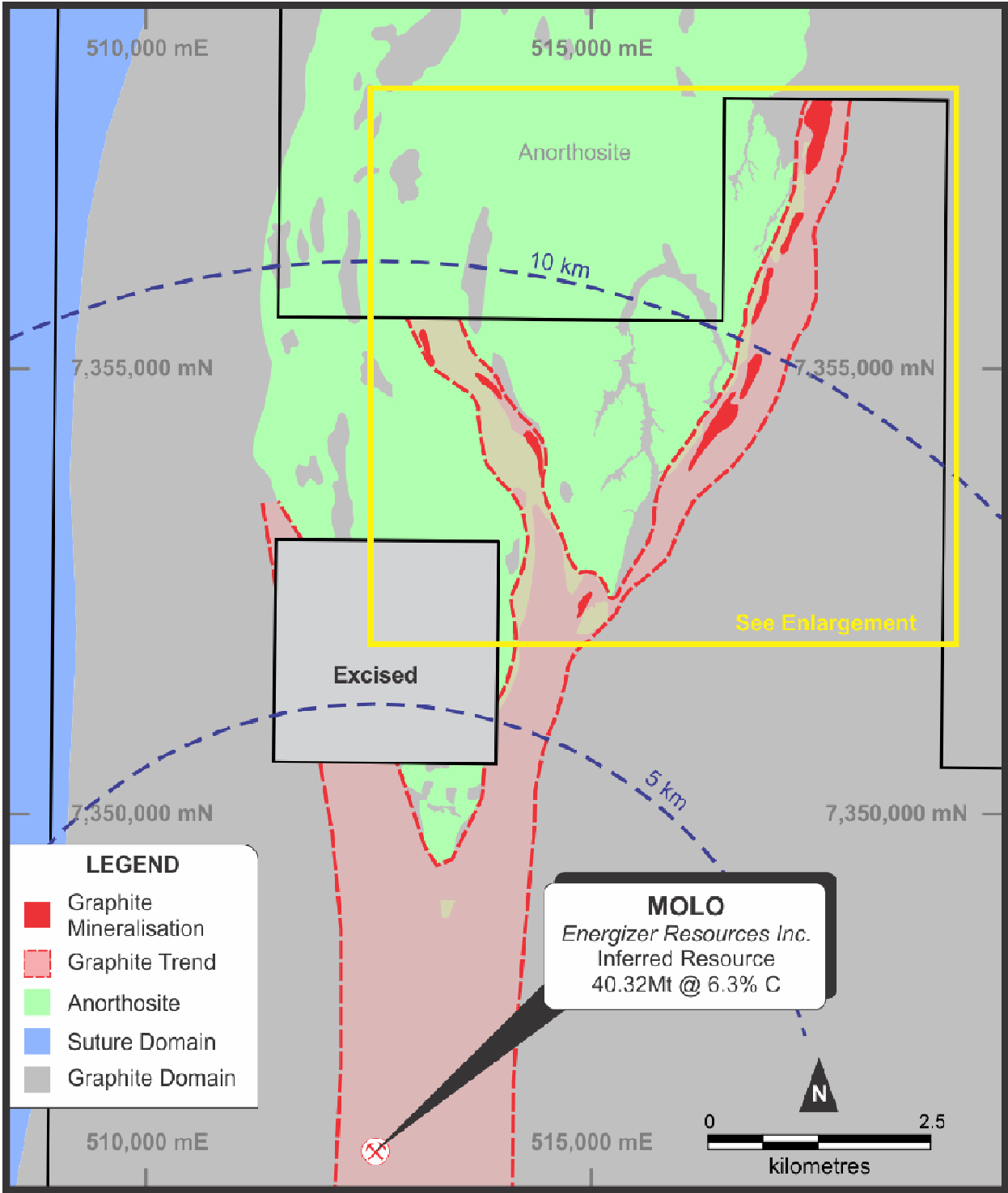


Figure (3) – Graphite Rock Chip Results on VTEM

