

MALAGASY MINERALS LIMITED

Activities Report for the December Quarter 2014

HIGHLIGHTS

- A 17 hole (1588.6m) maiden diamond drilling program was completed during the quarter at Malagasy Minerals 100% owned Maniry Graphite Project. The program was an initial test of 4 priority targets;
- Assay results are being finalized and will be reported when complete;
- The final program of detailed mapping and systematic rock chip sampling (107 new samples) has identified multiple, new extensive zones of high-grade graphite mineralisation at Malagasy Minerals 100% owned Maniry Graphite Project, Southern Madagascar;
- Exploration has now defined at least 34 large-scale zones of prominently outcropping graphite mineralisation over an area of 6.5km x 2.5km. Additional targets have been identified and will be advanced at an appropriate time;
- Individual lenses have strike extensions of up to 1.8km and can attain widths of up to 350m;
- The recent sampling program has returned results up to 48.9%C whilst previous sampling has returned values as high as 50.78%C. Importantly 59% of the samples are over a grade of 8%C; and
- Field assessment of the graphite flake size has highlighted it is generally of coarse nature. Previously completed petrological analysis of selected samples has confirmed the high quality nature of the graphite. The graphite flake size is generally >0.7mm with some material as coarse as several millimetres. The graphite is largely free from inclusions of other minerals.

BACKGROUND

Malagasy Minerals Limited (ASX Code: MGY / "Malagasy") has established a large exploration project in Southern Madagascar (Figure 2) that is prospective for both mafic-ultramafic intrusive related nickel-copper-platinum group metals (PGM) deposits and high-grade high-quality graphite deposits.

The graphite prospectivity of the region has been established by the discovery of the large, high-quality Molo Graphite Deposit by Energizer Resources Inc. ("Energizer"). Malagasy announced (27th March 2014) that it had finalized the sale of the company's 25% interest in the project in order to crystallise significant value and to increase its focus on the company's highly prospective 100% owned ground. The transaction has delivered a low-risk immediate return to Malagasy in the form of initial cash and share payments, whilst maintaining leveraged exposure through future benchmark cash and share payments.

Malagasy has been working to a strategy to define the potential of the 100% held ground to host additional high-grade graphite deposits that would have the potential to either enhance, or be enhanced by, the development of the Molo Graphite Deposit by Energizer. Malagasy is targeting a high-grade resource base with a particular focus on identifying near surface, low mining cost deposits that can be assessed quickly and at modest cost, potentially working off the benefits of the Molo development.

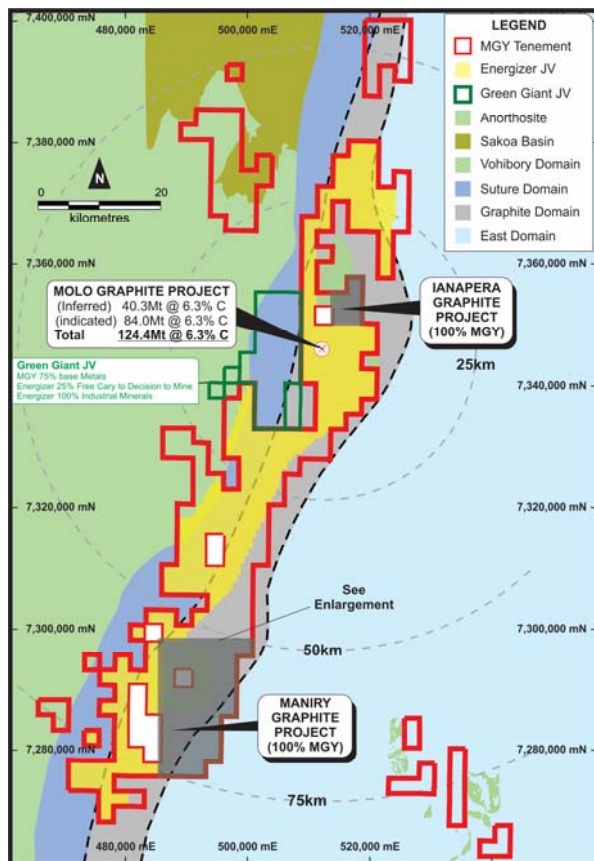


Figure (1) – Regional Location Plan

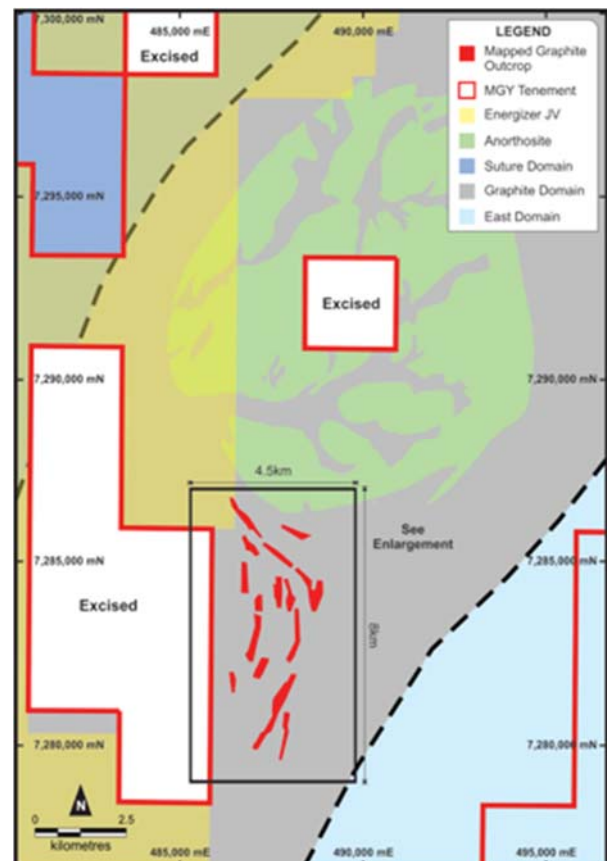


Figure (2) – Maniry Project Overview Plan

GRAPHITE EXPLORATION and EVALUATION

Maniry Project (100% MGY)

The Maniry Project is located in the southern part of the company's Ampanihy Project (Figure 2.) and has been identified as being highly prospective for not only high-grade, high-quality graphite deposits but also for large-scale intrusive related nickel-copper-PGM deposits and molybdenum-selenium-REE deposits.

Graphite exploration has now been ongoing for 15 months at the Maniry Project. Malagasy Minerals has previously reported results to the ASX on the 6th August 2013, 21st November 2013, 13th June 2014 and 19th August 2014.

Malagasy believes these results have established the Maniry Project as a ***“large-scale, world-class graphite province”***.

The Maniry Project has reached an advanced stage of exploration and has now been drill tested in order to provide initial confirmation of the size, grade and quality of the mineralisation. This drilling program was aimed at defining areas that have the potential to host higher-grade zones that can then be focused on to define an initial resource. The key understandings to date include:

- The high-grade graphite mineralisation occurs as defined layers and disseminations hosted by Proterozoic aged gneissic rocks. The Maniry Project area has been upgraded and structurally thickened due to folding on the margin of a large anorthosite intrusion;
- Exploration to date has defined at least 34 large-scale zones of prominently outcropping graphite mineralisation over an estimated area of 6.5km x 2.5km. The individual lenses within this area have strike extensions of up to 1.8km and can attain widths of up to 350m (Figure 3);
- Sampling of the mineralisation indicates consistent grades with low variability and the potential for areas of very high-grade mineralisation (peak result 50.78%C). A total of 464 samples have now been taken across the Maniry Project area. The grade characteristics of the samples are demonstrated in the following tabulation (A full summary of sampling results is provided in Table 1);

Total samples (>5% COG)	Total Graphitic Carbon Assay Results (all sampling)			
	%	Samples	Cumulative %	Cumulative Samples
>20%C	5%	21	5%	21
12-20%C	15%	69	19%	90
10-12%C	15%	68	34%	158
8-10%C	25%	115	59%	273
5-8%C	41%	191	100%	464
Peak Result	50.78%C			

Table (1) – Summary of sampling results.

- The 17 hole (1588.6m) diamond drilling program tested the four (4) highest priority targets within the Maniry Project (Figure 3a & 3b). The targets are named **Razafy, Ivan, Haja and Fitia**. The aim of the program was to:
 - Provide a diagnostic test of the thickness and geometry of the lenses to confirm and validate the results from the surface sampling and mapping;
 - Provide unbiased samples for assay;
 - Determine the nature and geological association of the mineralisation; and
 - Highlight the area most likely to deliver a JORC compliant resource in the shortest time period.
- The drilling program was completed with the company owned drilling equipment at a cost of approximately A\$50 per metre;
- As previously reported the field assessment of the graphite flake size demonstrates a consistently coarse flake size. Previously completed petrological analysis of selected samples has confirmed the high quality nature of the graphite. The graphite flake size is generally >0.7mm with some material as coarse as several millimetres. The graphite samples examined are largely free from inclusions of other minerals;
- Assay results from the diamond drilling program are currently being finalized and will be reported when complete.

Hole_ID	Prospect	Depth (m)	Easting	Northing	RL (m)	Azimuth	Dip
MNDD001	Razafy	84.80	486806	7285996	306	233	-60
MNDD002	Razafy	109.90	486822	7286009	289	233	-60
MNDD003	Razafy	117.60	486850	7286066	306	233	-60
MNDD004	Razafy	95.70	486870	7286082	310	233	-60
MNDD005	Ivan	55.70	487715	7284073	302	93	-50
MNDD006	Ivan	69.15	487674	7284074	303	93	-50
MNDD007	Ivan	66.30	487641	7284081	301	93	-50
MNDD008	Haja	122.00	486700	7284480	297	270	-60
MNDD009	Haja	118.80	486753	7284479	291	270	-60
MNDD010	Razafy	82.60	487076	7285654	287	240	-60
MNDD011	Razafy	113.00	487092	7285663	290	240	-60
MNDD012	Razafy	58.80	487155	7285693	298	240	-60
MNDD013	Razafy	142.00	487174	7285698	293	240	-60
MNDD014	Fitia	90.30	486890	7282413	283	90	-80
MNDD015	Fitia	68.00	486936	7282411	273	90	-80
MNDD016	Haja	82.95	486655	7284480	302	270	-60
MNDD017	Razafy	111.00	486905	7286078	304	233	-60

Table (2) –Drill hole locations and depths.

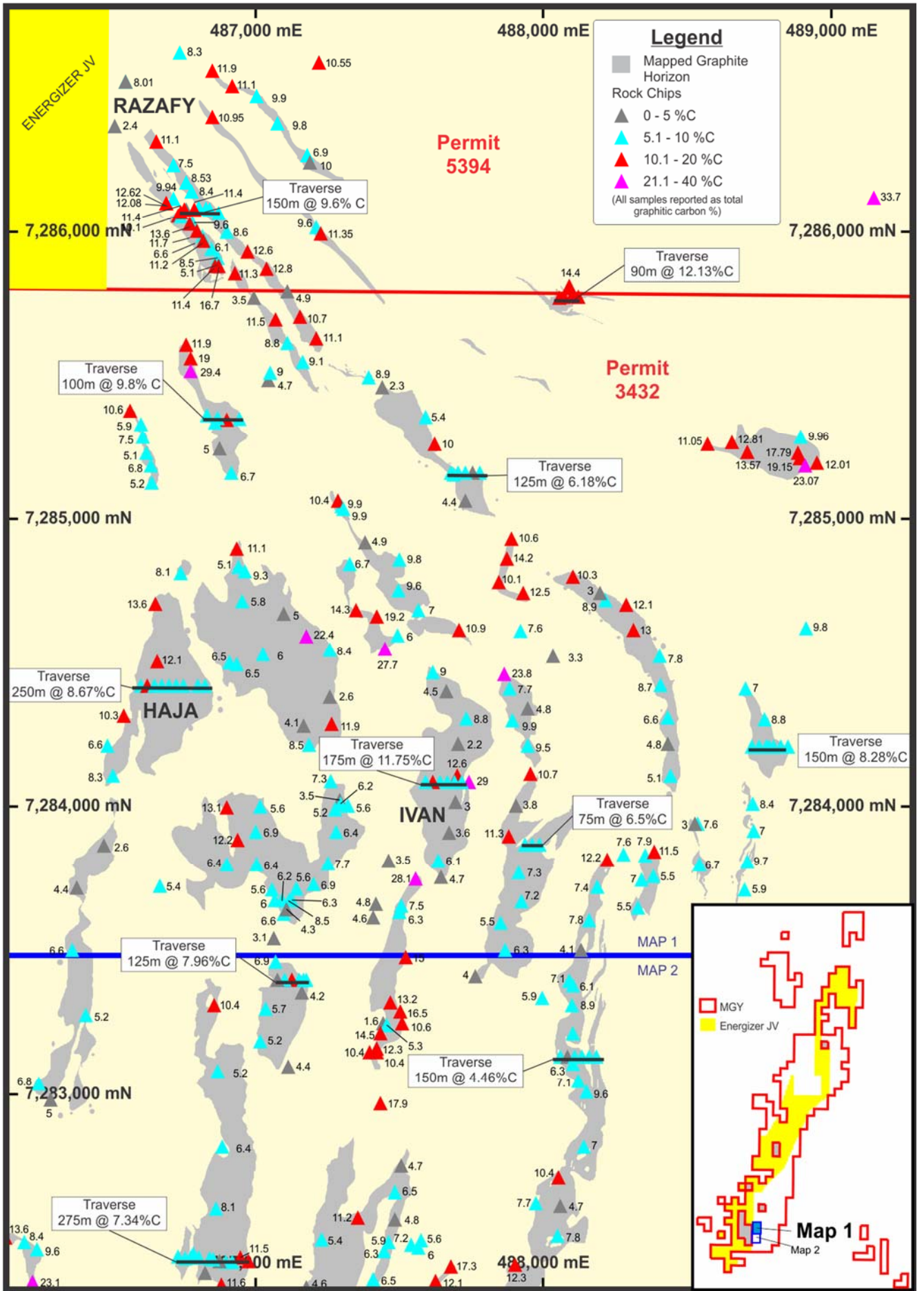


Figure (3a) – Maniry Project high-grade graphite mapped outcrops

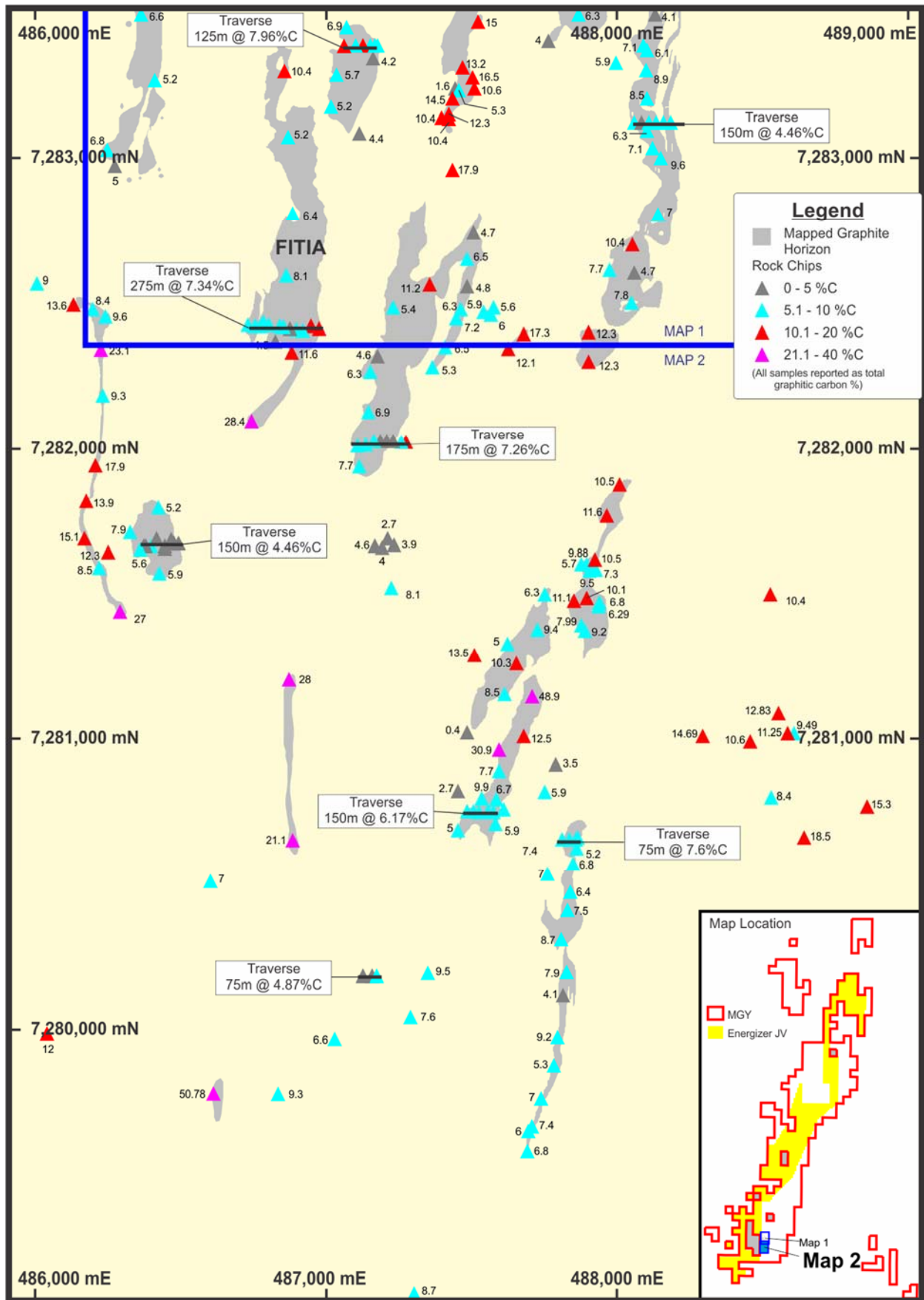


Figure (3b) – Maniry Project high-grade graphite mapped outcrops

NICKEL-COPPER-PGM EXPLORATION

Ampanihy Project (100% of non-industrial mineral rights)

The **Ampanihy Project** has been confirmed to host a significant suite of mafic-ultramafic intrusive rocks that have demonstrated potential to host nickel-copper-PGM mineralisation. Having established that the application of systematic regional geochemical sampling and programs of mapping and rock chip sampling is the most effective way of exploring the entire 110km strike of the project, a work program involving the collection of systematic geochemical soil samples has been undertaken across the entire project.

The first phase of this work was completed in the 2013 field season (4000 samples) and resulted in the identification of two strong geochemically anomalous areas that are host to a cluster of prospective mafic-ultramafic intrusions.

The results of the recently completed sampling program will be reported as the results become available.

CORPORATE

Financial Position

The Company's cash position at 31 December was \$745,000 an increase of \$102,000 for the quarter. Sale of the remaining 250,000 Energizer Resources Inc shares, available for sale, provided \$47,000. A further \$221,000 was received from the sale of a Labradorite mining lease of 6.25km².

Labradorite royalties continue to be received from only one company with a quarrying agreement, totaling \$29,000 for the quarter, and administration costs were partly defrayed by \$36,000 rent receipts from the Tana complex.

Political Situation

The political situation in Madagascar has progressed through democratic elections for the President and the parliament, resulting in the induction of a president, prime minister and government ministers. The international community subsequently began a process of re-engagement with Madagascar, with the prospect of trade and aid relationships being resumed.

Notwithstanding these encouraging developments the Bureau du Cadastre Minier de Madagascar (BCMM), responsible for the regulation and administration of the country's mining tenements, has not begun to deal with the backlog of transactions which has built up over a number of years. Malagasy has tenement applications, tenement renewals, the registration of additional minerals on the permits and the registration of sub-leases to EGZ with the BCMM for processing.

Tenements

A full listing of the company's tenements in Madagascar is included as Appendix 2. Relinquishments or reductions during the quarter were:

Reductions:

Title Number	Permit Type	Grant Date	Expiry Date	Term	Project Name	(Previous) Total Carres (New - 0.391km ²)	(Current) Total Carres (New - 0.391km ²)
3432	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Central (Big 'S')	1648	1488
28340	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	160	48

Relinquishments:

Title Number	Permit Type	Grant Date	Expiry Date	Term	Project Name	Total Carres (New - 0.391km ²)
12834	PR	01-Mar-05	28-Feb-15	10	Majunga	64
13089	PR	04-Feb-05	03-Feb-15	10	Ampanihy - Maniry	48
13812	PR	14-Mar-05	13-Mar-15	10	Ampanihy - Maniry	32
13827	PR	14-Mar-05	13-Mar-15	10	Ampanihy - lanapera	192

Title Number	Permit Type	Grant Date	Expiry Date	Term	Project Name	Total Carres (New - 0.391km2)
13832	PR	14-Mar-05	13-Mar-15	10	Ampanihy - Maniry	16
16749	PR	09-Sep-05	08-Sep-15	10	Ampanihy - Maniry	16
16750	PR	09-Sep-05	08-Sep-15	10	Ampanihy - Maniry	32
18915	PR	10-Mar-06	09-Mar-16	10	Anjeba (Antinimora/Jafaro)	112
18916	PR	23-Feb-06	22-Feb-16	10	Anjeba (Antinimora/Jafaro)	32
28341	PR	08-Jan-08	07-Jan-13	5	Ampanihy-Maniry	16
28345	PR	08-Jan-08	07-Jan-13	5	Ampanihy-Maniry	48
29082	PR	12-Sep-08	11-Sep-13	5	Tranomaro	224
29084	PR	14-Jul-08	13-Jul-13	5	Tranomaro	16
29085	PR	12-Sep-08	11-Sep-13	5	Tranomaro	144
31733	PR	11-Feb-09	10-Feb-14	5	Ampanihy-Maniry	16
19933	PE	10-Mar-06	09-Mar-46	40	Ampanihy - Maniry	16

For and on behalf of the Board

Peter Langworthy
Technical Director

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, Technical Director, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy is a full time Director of Malagasy Minerals Limited and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 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.

APPENDIX 1

MALAGASY MINERALS LIMITED ABN 84 121 700 105

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<p>Sampling consisted of 2m composite samples of quarter core from all significantly mineralised zones. Samples were cut using a diamond blade core saw. Duplicate samples were collected every ~20th sample for QAQC purposes. Sampling is considered to be comprehensive and representative. Remaining core was retained as a permanent reference.</p>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<p>Diamond drilling was undertaken. Core sizes collected were HQ and NQ in 3m intervals. Core was not orientated.</p>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<p>Core recovery was routinely recorded every metre by a trained geologist. Core recovery at the start of hole, 0-10m, averaged 65% recovery whilst from 10m onwards recovery typically ranged between 95-100%. Mineralised zones reported in this announcement have incurred core loss, at this stage it is unsure whether a relationship exists between grades and core loss.</p>
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> 	<p>All holes were logged by a qualified and experienced geologist. All logging included descriptions of geotechnical, mineralisation, structural and lithological aspects of the core and was digitally</p>

APPENDIX 1

JORC Code, 2012 Edition – Table 1 (Continued)

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>recorded using an industry standard code system. Core was formally photographed. Data collected offers sufficient detail for the purpose of interpretation and further studies.</p>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>Quarter core was cut using a diamond core saw and collected for assay. 2 metre composite sampling was deemed to be comprehensive and representative for the style/type of mineralisation under investigation. Duplicate samples were taken (remaining quarter core) approximately every ~20th sample for QAQC purposes</p>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<p>Samples were prepared at Intertek-Genalysis Madagascan operations. Samples were pulverised and split into 200g samples and freighted to ACME laboratories in Canada for Assay. Samples were leached with concentrated nitric acid followed by KOH and finally dilute HCl then analysed by a LECO Carbon-Sulphur analyser to give a Total Graphitic Carbon (TGC) percentage. The laboratory procedures are considered to be appropriate for reporting TGC according to industry best practice. The insertion of CRM's and duplicates every ~20 samples by MGY was used as an internal means of QAQC of laboratory standards. No issues were encountered.</p>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>Significant intersections have been verified by consulting geologists to the group, OMNI GeoX Pty. Ltd. No holes have been twinned. All data has been captured digitally upon logging and stored digitally securely within the Perth head office database.</p>
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> 	<p>All XYZ surveying was collected using a handheld Garmin GPS accurate to ±4m. Projection and Grid System used: UTM (WGS84) Z38S</p>

APPENDIX 1

JORC Code, 2012 Edition – Table 1 (Continued)

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	Drill hole spacing on each section is between 20-40m across various prospects over a 20km ² area.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	The orientation of the drilling is not expected to introduce sampling bias. Most drill holes have intersected the mineralisation at near perpendicular angles to strike.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	Samples were packaged and stored in secure storage from the time of gathering through to submission. Laboratory best practice methods were employed by the laboratory upon receipt.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	An audit of the sampling technique and data was carried out by consulting geologists to the group, OMNI GeoX Pty. Ltd. and deemed to have been satisfactory.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<p>Work was undertaken upon permits 5394 & 3432</p> <ul style="list-style-type: none"> • The tenements are located within the inland South West of Madagascar approximately centered on the townships of Fotradrevo and Ampanihy. • Tenements are held 100% by Mada Aust Ltd. A wholly owned subsidiary of Malagsay Minerals Ltd. • No overriding royalties are in place. • There is no native title agreement required. • Tenure does not coincide with any historical sites or national parkland. • Semi-arid, thinly vegetated, relatively flat to low lying hills with sub-cropping rock. • Tenements are currently secure and in good standing.

APPENDIX 1

JORC Code, 2012 Edition – Table 1 (Continued)

Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	Regional mapping by BRGM
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>The project overlies a prominent 20km wide zone of folded and assemblage of graphite and quartz-feldspar schists (<60% graphite), quartzite and marble units, with lesser intercalated amphibolite and leucogneiss.</p> <p>This zone, termed the Ampanihy Belt is a core component of the Neoproterozoic Graphite System. The belt is interpreted as a ductile shear zone accreted from rocks of volcanic and sedimentary origins</p>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	Refer to table within quarterly activities report.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	No top cuts have been applied. A nominal 4% lower cut-off has been applied in the determination of significant intercepts. High grade intercepts within broader low grade intervals have been separated as 'including' results. No metal equivalent values are used in this report.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> 	Most drilling has intersected mineralised zones at a near perpendicular angle and as so true widths can inferred by the reader.

APPENDIX 1

JORC Code, 2012 Edition – Table 1 (Continued)

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	Refer to figures within text
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	Representative reporting of low and high grades has been effected within this report
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	Previous mapping and rock chip assays have been reported in previous ASX announcements.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	Further assay results are pending. Potential resource definition drilling to be undertaken.

APPENDIX 2

MALAGASY MINERALS LIMITED ABN 84 121 700 105

Tenement Schedule

Title Number	Permit Type	Grant Date	Expiry Date	Term	Project Name	Total Carres (New - 0.391km2)	Interest %	Notes
						4752		
3432	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Central (Big 'S')	1488	403 :100% 1,085:100% - IM	1,2
5391	PE	20-Nov-02	19-Nov-42	40	Ampanihy - lanapera	16	100%	
5392	PE	20-Nov-02	19-Nov-42	40	Ampanihy - lanapera	16	100%	
5393	PE	20-Nov-02	19-Nov-42	40	Ampanihy - lanapera	16	100%	
5394	PE	20-Nov-02	19-Nov-42	40	Ampanihy - Maniry	48	40 : 100% 8 :100% -IM	1
13063	PR	04-Feb-05	03-Feb-15	10	Vohibory	336	100%	2
13064	PR	04-Feb-05	03-Feb-15	10	Fotadrevo	48	100% - IM	1, 2
13508	PR	04-Feb-05	03-Feb-15	10	Vohibory	16	100%	2
13811	PR	14-Mar-05	13-Mar-15	10	Ampanihy - Maniry	48	100% - IM	1, 2
13829	PR	14-Mar-05	13-Mar-15	10	Vohibory	32	100%	
14618	PR	26-Jan-05	25-Jan-15	10	Ampanihy - lanapera	32	100% - IM	1, 2
14619	PR	26-Jan-05	25-Jan-15	10	Ampanihy - Maniry	16	100% - IM	1, 2
14620	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	48	100% - IM	1, 2
14622	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	64	100% - IM	1, 2
14623	PR	26-Jan-05	25-Jan-15	10	Ampanihy - lanapera	112	39 : 100% 73 : 100%-IM	1, 2
16746	PR	09-Sep-05	08-Sep-15	10	Ampanihy - lanapera	16	100%	
16747	PR	09-Sep-05	08-Sep-15	10	Ampanihy - Maniry	48	100% - IM	1
16753	PR	09-Sep-05	08-Sep-15	10	Ampanihy - Maniry	48	4 : 100% 44 :100% - IM	1
19003	PR	23-Feb-06	22-Feb-16	10	Ampanihy - Maniry	16	100% - IM	1
19851	PR	04-Feb-05	03-Feb-15	10	Fotadrevo	32	100% - IM	1, 2
19932	PE	10-Mar-06	09-Mar-46	40	Ampanihy - Maniry	112	102 : 100% 10 : 100% - IM	1
19934	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	16	100% - IM	1, 2
19935	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	16	100% - IM	1, 2

NOTES

- 1) 100% - IM indicates tenements held by MDA and Industrial Minerals rights sub-leased to Energizer Resources Inc.
- 2) Renewal awaiting confirmation from BCMM. All annual fees have been paid up to 31 December 2014
- 3) SQNY – Royalty and partial tenement fees payable to MDA
- 4) GGJV means the Green Giant Joint Venture for non-industrial minerals, between Malagasy Minerals Limited (75%) and Energizer Resources Inc. (25%). Energizer holds the tenements 100% and retains the rights to industrial minerals.

Acquisition and disposal of tenements

- 1) No tenements were acquired during the quarter.
- 2) Details of tenements disposed of during the quarter can be found in the quarterly activities report, to which this schedule is appended.
- 3) No beneficial interests in farm-in or farm-out agreements were acquired or disposed of during the quarter other than the Company has advised Energizer that it wishes to terminate the Green Giant Joint Venture.

APPENDIX 2

Tenement Schedule (Continued)

Title Number	Permit Type	Grant Date	Expiry Date	Term	Project Name	Total Carres (New - 0.391km ²)	Interest %	Notes
21059	PR	14-Sep-07	13-Sep-12	5	Ampanihy - Maniry	16	100% - IM	1,2
21060	PR	30-Oct-06	29-Oct-11	5	Ampanihy - Maniry	16	3 : 100% 13 : 100% - IM	1,2
21061	PR	30-Oct-06	29-Oct-11	5	Ampanihy - Maniry	16	100% - IM	1,2
21062	PR	03-Oct-07	02-Oct-12	5	Ampanihy-Maniry	32	4 : 100% 28 : 100% -IM	1,2
21063	PR	30-Oct-06	29-Oct-11	5	Ampanihy - Maniry	32	100% - IM	1,2
21064	PR	30-Oct-06	29-Oct-11	5	Ampanihy - Maniry	16	1 : 100% 15 : 100% - IM	1,2
24864	PR	08-May-07	07-May-12	5	Fotadrevo	48	100% - IM	1,2
25093	PE	18-Jan-07	17-Jan-47	40	Ampanihy - lanapera	16	100%	3
25094	PE	18-Jan-07	17-Jan-47	40	Ampanihy - lanapera	16	100%	3
25095	PE	18-Jan-07	17-Jan-47	40	Ampanihy - Maniry	48	100%	3
25605	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Maniry	80	100% - IM	1,2
25606	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Maniry	16	9 : 100% 7 : 100% - IM	1,2
28340	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	48	25 : 100% 23 : 100% - IM	1,2
28346	PR	08-Jan-08	07-Jan-13	5	Ampanihy-Maniry	16	4 : 100% 12 : 100% - IM	1,2
28347	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	112	4 : 100% 108 : 100% -IM	1,2
28348	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	16	100% - IM	1,2
28349	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	16	100% - IM	1,2
28352	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	96	100% - IM	1,2
28353	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	96	47 : 100% 49 : 100% - IM	1,2
29020	PR	12-Sep-08	25-Oct-12	5	Fotadrevo	32	20 : 100% 12 : 100% - IM	1,2
31734	PR	11-Feb-09	10-Feb-14	5	Ampanihy-Maniry	16	100% - IM	1,2
31735	PR	11-Feb-09	10-Feb-14	5	Ampanihy-Maniry	16	100% - IM	1,2

NOTES

- 1) 100% - IM indicates tenements held by MDA and Industrial Minerals rights sub-leased to Energizer Resources Inc.
- 2) Renewal awaiting confirmation from BCMM. All annual fees have been paid up to 31 December 2014
- 3) SQNY – Royalty and partial tenement fees payable to MDA
- 4) GGJV means the Green Giant Joint Venture for non-industrial minerals, between Malagasy Minerals Limited (75%) and Energizer Resources Inc. (25%). Energizer holds the tenements 100% and retains the rights to industrial minerals.

Acquisition and disposal of tenements

- 1) No tenements were acquired during the quarter.
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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

MALAGASY MINERALS LIMITED

ABN

84 121 700 105

Quarter ended ("current quarter")

31 DECEMBER 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	29	43
1.2 Payments for (a) exploration & evaluation	(146)	(663)
(b) development	-	-
(c) production	-	-
(d) administration (net)	(45)	(201)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (TVA recoverable)	-	-
Net Operating Cash Flows	(156)	(812)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments (deferred)	(10)	(25)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	221	231
(b) equity investments	47	226
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	258	432
1.13 Total operating and investing cash flows (carried forward)	(102)	(380)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(102)	(380)
Cash flows related to financing activities			
1.14	Net Proceeds from issues of shares, options, etc	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		102	(380)
1.20	Cash at beginning of quarter/year to date	643	1,125
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	745	745

Payments to directors of the entity and associates of the directors & Payments to related entities of the entity and associates of the related entities.

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	45
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
		<u>\$A'000</u>
	Directors Fees and superannuation	-
	Exploration management services	26
	Company secretarial, accounting & administration services	19
		45

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$'000
4.1	Exploration and evaluation	(350) ¹
4.2	Development	-
4.3	Production	-
4.4	Administration (Net)	(120)
Total		(470)

(1) Includes annual tenements rentals totalling \$250,000.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$'000	Previous quarter \$'000
5.1	Cash on hand and at bank	334	237
5.2	Term Deposit	411	406
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		745	643

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer to Covering Quarterly Activity Report attached hereto		
6.2	Interests in mining tenements acquired or increased	Refer to Covering Quarterly Activity Report attached hereto		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities	Nil	Nil	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	165,346,421	165,346,421	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	874,000 1,394,679 1,236,792 993,183	874,000 1,394,679 1,236,792 993,183	\$0.025 \$0.0235 \$0.0265 \$0.033	\$0.025 \$0.0235 \$0.0265 \$0.033
7.5 *Convertible debt securities	Nil	Nil	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options Unlisted	7,500,000	-	15c Options	Expiry: 31/11/2016
		375,000	-	30c Options	Expiry: 30/09/2015
		375,000	-	40c Options	Expiry: 31/12/2015
		375,000	-	50c Options	Expiry: 31/03/2016
		500,000	-	15c Options	Expiry: 31/11/2016
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	Nil	Nil		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: (Company Secretary)
 Print name: Graeme R Boden

Date: 30th January 2015

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.