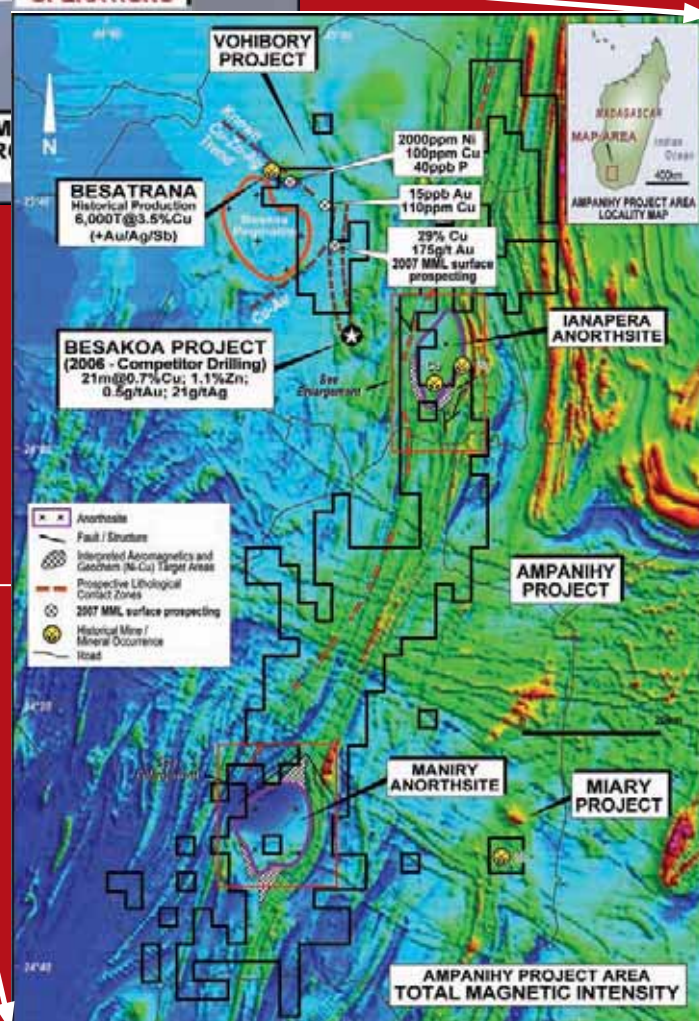


annual report
to 30th June 2008



MALAGASY
MINERALS LIMITED

corporate directory

MALAGASY MINERALS LIMITED

ACN 121 700 105

Registered under the Corporations Act 2001 in the State of Western Australia on 22nd September 2006.

Directors

Max Cozijn – Chairman

Steven Goertz – Managing Director

Guy LeClezio – Director

Peter Woods – Director

Company Secretary

Max Cozijn

Registered and Corporate Office

Unit 7, 11 Colin Grove
WEST PERTH WA 6005

Telephone: +61 8 9463-6656
Facsimile: +61 8 9463-6657
Internet: www.malagasyminerals.com

Postal Address

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WEST PERTH WA 6872

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Stock Exchange Listing

ASX Limited
ASX Code: MGY

Auditor & Investigating Accountant

WHK Horwath
Level 6
256 St Georges Terrace
PERTH WA 6000

Independent Geologist

RSG Global Pty Ltd
Ground floor
1162 Hay Street
WEST PERTH WA 6005

Solicitors to the Company

Hardy Bowen Lawyers
Level 1, 28 Ord Street
WEST PERTH WA 6005

Solicitors (Madagascar)

Lexel Juridique & Fiscal
Zone Tana Water Front
Ambodivona
Antananarivo 101 Madagascar

Madagascar Corporate Advisors

Fidafrica Madagascar
Rue Rajakoba Augustin
Ankadivato – Antananarivo 101
Madagascar

Annual General Meeting

The Annual General Meeting of Malagasy Minerals Limited, will be held in the President's Room, The Celtic Club, 1st Floor, 48 Ord Street, West Perth Australia at 5-00 pm on Tuesday 25th November 2008.

Web Site

Visit our website at:
www.malagasyminerals.com.



Figure 1: MML mineral tenure and infrastructure assets in Madagascar

highlights

Building Value in Madagascar

- Experienced and successful management team
- Long-term presence and experience in Madagascar
- Established operations bases in Madagascar
- Senior operations management personnel based in Madagascar
- 100%-owned tenements (9 projects – 6,300 sq km) – all located in Madagascar
- Acquisition of BRGM land & buildings– Madagascar key assets; including 4 drilling rigs
- Coal prospects in Sakoa region in southern Madagascar.
- Focussed on target commodities & mineralisation styles (Ni-Coal-Cu-Co-PGE-VMS)
- Defined follow-up targets for interpreted Voiseys Bay style mineralisation at Ampanihy Project
- Up to 24,000 metres drilling planned for the next 18 months

Malagasy Minerals Ltd – The Assets

- **Madagascar - a New Frontier**
 - Significant yet under explored metals province
 - Over 7,000 recorded historical mineral occurrences
 - World-class mineral resource projects (e.g. Ni-Co-ilmenite) currently under development
- **Madagascar – Strongly Prospective**
 - Geologically linked to central-eastern Africa (Kenya-Tanzania) & western India. Significant yet under explored metals province
 - Complex variety of rock associations and intrusions and abundance of 7 variety of mineral occurrences
- **Madagascar – Investment Friendly**
 - Fourth largest island in the world – approximate size of NSW Australia
 - Politically stable democracy – President recently re-elected (2006)
 - National mining culture – low operating costs
 - New mining code – modern transparent tenement administration regime
 - Major ongoing foreign-assisted upgrade in geological data infrastructure
 - Major infrastructure development – 9,000km of roads rehabilitated

- **Malagasy Minerals Limited – an established presence in Madagascar**

- 10 years in-country experience
- Successful exploration track record
- BRGM – Madagascar: acquisition & ongoing co-operation
- Established operational bases with several drilling rigs
- Ongoing cash flow from quarrying dimension stone operations

- **Malagasy Minerals – A Solid Project Portfolio**

- Nickel-copper-coal-cobalt-PGE mineralisation in south-central Madagascar
- Nine (9) 100%-owned projects – totalling 6,300 square kilometres of tenure
- Three priority projects identified including defined targets of interpreted Voiseys Bay style nickel-copper-PGE mineralisation and basin Coal at Sakoa
- Immediate follow up targets incorporating up to 24,000m of drilling planned for the next 18 months

BRGM Assets

- Acquiring three drilling rigs with operators and support equipment
- Operating assay laboratory and staff
- Adjacent to Ministry of Mines & Mining tenements national offices for Madagascar.
- 19,000 square metre commercial property base in Antananarivo, the capital of Madagascar
- Company offices and management residences on-site
- Ongoing co-operation and mutual support agreements with BRGM

Objectives and Strategy

- Create Shareholder wealth through focused exploration, discovery and development of significant nickel, Coal, PGE & copper ore bodies.
- Utilise the technically competent and experienced resource team assembled by the Company.
- Fast track evaluation and exploration of the Company's priority projects utilising its own drilling rigs and established service base.
- Continually assess existing projects & create new opportunities whilst remaining a focussed nickel-copper-Coal-PGE explorer in southern Madagascar.

Exploration Programs

- Three (3) priority projects identified with immediate follow up and/or drill-ready targets delineated.
- Focussing on rapid target delineation and aggressive follow-up with up to 24,000 metres of drilling planned within the next 18 months.
- Utilising established exploration teams and logistical support infrastructure to enable sustained momentum in target generation and follow-up.
- Well-established in-country expertise will facilitate acquisition of additional prospective exploration acreage.



MML office staff - Antananarivo



Village of Miadakafeno west of Antsirabe & southwest of Antananarivo

contents

Corporate Directory	1
Chairman's Review	6
Operations Review	7
Corporate Governance Statement	19
Directors' Report	22
Auditor's Independence Declaration	28
Income Statement for the year ended 30 June 2008	29
Balance Sheet as at 30 June 2008	30
Statement of Changes in Equity for the year ended 30 June 2008	31
Cash Flow Statements for the year ended 30 June 2008	32
Notes to the Financial Statements for the year ended 30 June 2008	33
Directors' Declaration	51
Independent Audit Report	52
Shareholder Information	53
Tenement Schedules	55
Notice of Annual General Meeting and Proxy Form	Insert



Countryside southeast of Tulear in southern Madagascar

chairman's review

Dear Shareholder,

It gives me great pleasure to present Malagasy Minerals Limited's (Malagasy) maiden Annual Report as a publicly listed company for 2008.

Malagasy listed on 7 June 2008, following the Company's highly successful Initial Public Offer of 50 million shares at \$0.20 per share, which raised \$10 million.

The success of the IPO, which was significantly oversubscribed, has provided the Company with an extremely strong platform for future growth through the aggressive exploration and development of its premium asset portfolio on the island of Madagascar.

The raising has enabled Malagasy Minerals to complete the acquisition of the Drilling & Assaying business, and the Long Term Lease over the Madagascar assets of the Bureau de Recherches Géologiques et Minières (BRGM) with effect as from 31 July 2008.

Malagasy Minerals is also well placed to advance its priority exploration activities over its five priority targets, including the interpreted Voiseys Bay style nickel-copper-PGE mineralization at the Ampanihy Project, the lanapera coal and Copper-zinc-silver Vohibory Project areas.

Presently, we have field crews undertaking a comprehensive geochemical soil sampling program at Vohibory to assist with the delineation of significant Copper mineralization, to be followed by similar programmes over the Ampanihy labradorite intrusives. A diamond drilling rig is currently drilling specified targets on the lanapera Coal area, following a field survey concluded by Tasman Consulting during July 2008.

A detailed airborne magnetic VTEM survey is being prepared for September 2008, over both of the large labradorite intrusives at the Ampanihy Project area, coupled with a survey over the Vohibory Project area. It is anticipated that these surveys will greatly assist in identifying areas of sulphide mineralization for follow-up drilling of potential nickel sulphide and copper ore bodies located over these significant structural anomalies.

An agreement has also been negotiated with Intertek-Genalysis (GLS-ITTK) whereby they are in the process of establishing a modern industry standard sample preparation facility within the existing BRGM mineral laboratory, inclusive of our staff. This facility will be run as a fully independent laboratory.

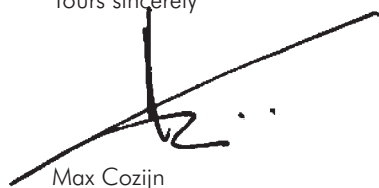
The company continues to cultivate the royalty stream from the Labradorite quarrying operations conducted by 3 independent parties. Over the past 12 months total revenues of A\$302,240 were received from these operations.

Malagasy Minerals will also continue to receive revenues from the provision of third party drilling services utilizing the current fleet of four drilling rigs. Two of these rigs are now being utilized on our own projects, while the remaining two are deployed on other business. The company is reviewing development options for the drilling business, so as to maximize effective use and income, coupled with some commercial rental income from sub-leases on our commercial properties. These revenue streams will greatly assist in covering our ongoing operating costs in Madagascar.

As a result of the BRGM acquisition and previous amalgamation of Mada-Aust SARL, Malagasy Minerals now has a total of 50 mineral industry experienced staff in Madagascar, operating out of a commercial facility, centrally located in the capital of Madagascar on 19,000 sqm of ground, incorporating offices, warehousing for our drilling and assay business and residential expatriate accommodation.

The Board wishes to thank all of its staff and stakeholders for their contribution to the successful establishment and development of Malagasy Minerals, and we look forward to creating significant value through the targeted development of our assets within Madagascar.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Max Cozijn', is written over a horizontal line.

Chairman 24 September 2008

operations review

Projects Summary

Exploration tenure comprises nine (9) projects covering approximately 6,300 square kilometres of mineral tenure in southern and central Madagascar, for commodities as diverse as Coal, nickel, cobalt, copper, silver, base metals, coal, manganese, ilmenite (titanium) and silica. In order to enhance the opportunities for early exploration success, the Company has ranked all of its projects; with a decision to focus primarily on the top three (3) projects in the first 12 months after completion of the Offer:

Ampanihy (Ni-Cu-PGE)

- Nickel sulphide targets delineated with strong similarities to the geological setting of the Voiseys Bay deposit in Canada where a resource of 140 million tonnes grading 1.6%Ni is being developed.
- Coincident surface geochemical and aeromagnetic anomalous indicating possible sulphide-hosted Ni-Cu (+/- PGE) mineralization.
- Early results from sampling of sulphides: 0.67% Ni; 0.64% Cu; 0.12% Co; 26ppb (Pt+Pd).
- Immediate follow up targets from geophysical interpretation and surface geochemistry.
- Comprehensive airborne magnetic-VTEM survey and soil-rock chip geochemical sampling programme planned for August-September 2008.

Ianapera (Thermal Coal)

- Project overlies eastern portion of Sakoa Coal Field with extensive (historical mapped) mapped coal measures of the southern Ianapera Coal Basin;
- Target is thermal coal – current data indicates that coal within the Sakoa Coal Field is of good quality thermal grade – low sulphur (<1%) with average calorific contents of 6,500 kcal/kg (17% ash);
- Recent strong competitor interest in western Sakoa Coal Field – 25km WSW of Ianapera project; ≤ AU\$394m in two (2) acquisition transactions in last four months (Straits Resources Ltd. [US\$45m – US\$225m] & Asia Thai Mining [C\$141M]) to develop direct extraction projects.
- Independent coal experts Tasman Mining mobilised to site in July 2008 to assess the prospectivity and forward direction of project. Four (4) stratigraphic holes identified; to be drilled in August-September 2008. Drill rig on site with additional rigs on the way.

Vohibory (Cu-Zn-Ag-[Au])

- Polymetallic 'Besshi'-type VMS mineralisation targeted (e.g. Besshi contained 30 million Tonnes averaging 2.5% Cu; 0.3% Zn; 7gpt Ag & 0.2gpt Au).
- Numerous surface Cu-mineralisation indications suggest possible new Cu-Zn-Ag VMS mineralisation district.

- On-strike between historical (Cu) production (Besatrana) centre and recent anomalous competitor drilling (e.g. 21m @ 0.7% Cu; 1.1% Zn; 0.5gpt Au; 21gpt Ag).
- MML surface sampling in late 2007: results of up to 29% Cu; 175g/t Au and 2,000ppm Ni; 100ppm Cu; 40ppb Pt from rock chips and 110ppm Cu; 15ppb Au from soils within defined mineralisation corridor over 20km.
- Detailed soil and rock chip geochemical sampling programme underway; scheduled for completion in early September 2008.

Corporate

Malagasy Minerals Ltd (MGY) listed on the ASX on 7th July 2008 after successfully completing an oversubscribed IPO issue of 50 million shares at 20 cents per share to raise \$10 million.

Total issued capital is 95,000,003 of which 73,725,003 shares are listed, with the following securities being escrowed:

1,650,000	Shares escrowed for 12 months
19,625,000	Shares escrowed for 24 months

Approximately 5,000,000 Unlisted 20c 5 year Options remain to be issued to parties who assisted in the IPO. These Options will be subject to 24 months escrow, and will be issued upon receipt of all of the executed Restriction Agreement.

The Company retained cash resources of approximately \$10 million as at 30 June 2008.

Tenements & Technical

MML has acquired a portfolio of nine (9) wholly-owned projects covering 6,300 sqkm of mineral tenure primarily prospective for nickel, copper and coal in the southern-central region of Madagascar. The company has developed a strategy for systematically evaluating these projects and has prioritised the top three projects for comprehensive exploration this field season. All of MML's priority projects are located within a 100km radius of each other.

The current MML tenement position is summarised on Figure 1 above. Projects are summarised below in order of priority:

Project Ranking & Key Targets

Exploration tenure comprises nine (9) projects covering approximately 6,300 square kilometres of mineral tenure in southern and central Madagascar, for commodities as diverse as nickel, cobalt, copper, silver, base metals, coal, manganese, ilmenite (titanium) and silica. Additionally, the company is currently building a tenement portfolio over ground prospective for uranium mineralisation. A précis of projects follows below:

1. Ampanihy (Cu-Ni-PGE)

- Coincident surface geochemical and aeromagnetic anomalism indicating sulphide-hosted Ni-Cu (+/-PGE) mineralization.
- Strong similarities with Voiseys Bay mineralization style including the presence of Ni-Cu sulphides.
- Good potential for early delineation of drill targets.

2. Ianapera (Coal)

- 23 strike km of Sakoa Coal Measures historically mapped within project tenements.
- Follow up programmes completed in early 2008 to further delineate areas of potential prospectivity.
- Subsequent to these programmes, independent coal consultants Tasman Consulting were engaged immediately post-listing, to undertake a detailed follow-up assessment of the project environs and target areas.
- Four (4) stratigraphic drill targets identified - drill rigs mobilized to site – August 2008.

3. Vohibory (Cu-Zn-Ag-[Au] + Coal)

- Strong historical indications of mineralization and localized production history.
- Multi-element occurrences and successful adjacent JV competitor activity.
- Good potential for early drill target definition.
- Known occurrences of Coal within project area.
- Competitor JV interest.

4. Satrokala (Ni-Co)

- Observed lateritic nickel development in regolith with historical assays in garnierite of up to 0.60% Ni.
- Known target corridor allowing rapid assessment and decision for retention or relinquishment.

5. Bekisopa (Ni [Fe])

- Observed lateritic nickel development (garnierite) in regolith.
- Known target corridor allowing rapid assessment and decision for retention or relinquishment.

6. Anjeba (U-Th)

- Initial programmes indicate favourable mineralization environment.
- Low-cost, rapid assessment possible allowing for retention/relinquishment decision.

7. Miary (Mn)

- Close to southern Ampanihy project area (logistical synergy).
- Known historical occurrence of manganese mineralization.
- Discrete target allows for rapid assessment and decision for retention or relinquishment.

8. Majunga (Mineral Sands: Ti-Zr)

- Known presence of ilmenite-bearing sands.
- Close to significant port infrastructure.
- Substantial in-house expertise and proven track record in delineation and development of this mineralization style.

9. Mananjary Regional (Cu-Ni-PGE)

- Grass-roots / Conceptual targeting of Alaskan PGE and or Noril'sk mineralisation styles.
- Large tenement holding close to (eastern) coast – amenable to airborne geophysical interpretation and regional geochemical sampling evaluation.

Operations – Labradorite Dimension Stone- Royalty Stream

Location and Tenure

Through its wholly-owned subsidiary in Madagascar, Mada-Aust SARL ('MDA') MML holds significant tenement interests over both the Ankafotia (northern) and Saririaky (southern) anorthosite bodies. The two tenement blocks are centred 40km apart, along a NNE-SSW trend. They are centred approximately 170km ESE of Tulear in the south-central portion of Madagascar. At Ankafotia (Ianapera) in the north, the Company controls approximately 50% of the permits covering the anorthosite body. At Saririaky (Maniry) in the south, MDA holds title to some 90% of permits over the lithologies of interest. All permits covered by labradorite contracts are of exploitation (i.e. mining) type. They were granted in 2002 and are valid for 40 years. Beneficial ownership of the Permits resides with the Company, with tenement title held by MDA.

Geology, Production History and Projected Cash Flow

Labradorite is a calcium-rich variety of feldspar that exhibits an attractive internal refractance (termed 'schiller') akin to that seen with opal. Colour reflectance exhibits a mottled habit that varies between green, gold and blue, with the latter being most common.

MML, through its acquisition of MDA, has agreements with three (3) entities, giving the latter rights to mine labradorite-bearing anorthosite dimension stone from the two gabbroic anorthosite intrusives within the Ampanihy tenement group. The rights to all other minerals & metals remains with MML/MDA.

Two Italian companies (MAGRAMA SARL & EUROMAD SA) are operating two quarries for a combined production of approximately 3,000 metric tonnes per year. In addition, one Indian company (SQNY International) is preparing a further quarry and plans to be in production during 2007. Metallic mineral rights to all optioned Permits remain with MML / MDA.



Labradorite (blue variety) in outcrop and quarrying operations at Maniry operated and owned by Magrama

Projected minimum production for 2007 is a combined 5,000 tonnes. Contractual minimum royalties of €4250 per counterparty per month equate to a projected cash flow to the company of €153K (approximately A\$257K) for 2007; of which 70% is to be applied to repay to MRNL the balance of the cash component of the MDA acquisition. Beyond 2008, combined production is projected to increase toward the 10,000 metric tonne level with a corresponding increase on royalty revenue. It is intended to apply these royalty payments to fund the Company's operations.

The labradorite operations comprise a key aspect of the MML strategy going forward; providing valuable pre and after completion of the Offer cash flow to the Company, with a high likelihood of long operational life and increased cash flow in the medium to longer term. This will be utilised in providing a cash flow subsidy to operational funds.

MML - Priority Projects

Ampanihy (Targeted Ni-Cu-PGE): the largest of the projects, Ampanihy is located approximately 200km southeast of Toliara in south-central Madagascar. It overlies an inter-tectonic mafic-ultramafic sequence of graphitic and quartzo-feldspathic schists, marble, migmatite which have been locally intruded by mafic dykes.

Malagasy is targeting Voiseys Bay style Ni-Cu-PGE mineralisation at Ampanihy; centred around two (2) large gabbroic (labradorite) intrusives; 70 kilometres apart within a large suture zone and averaging 80 square kilometres each. The intrusives contain disseminated Cu-Ni sulphides and have produced anomalous Ni-Cu-PGE results from surface sampling around the margins.



Aerial view of Magrama quarry and camp at lanapera

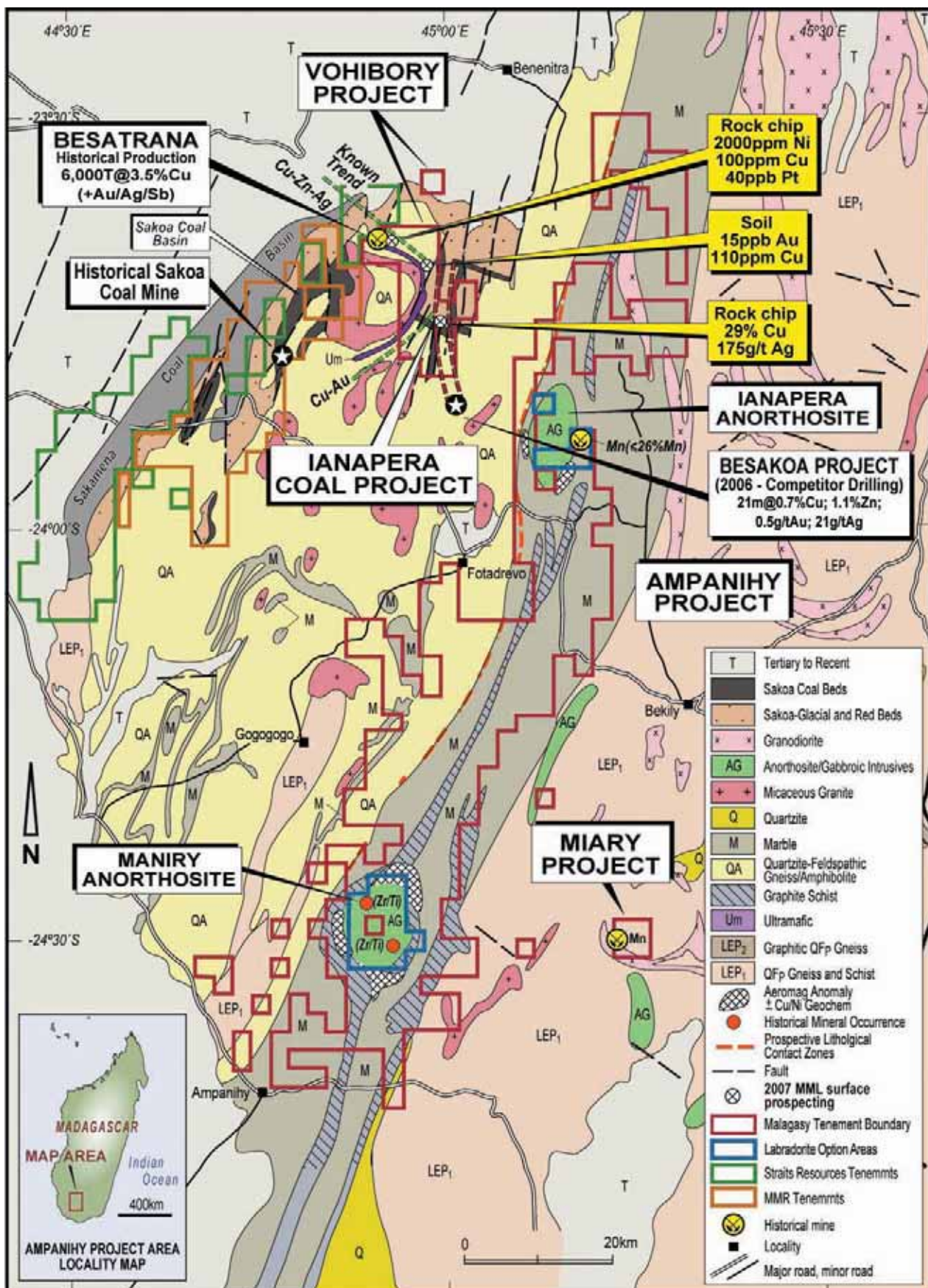


Figure 2: Composite geological plan of Ampanihy & Vohibory-Ianapera projects showing preliminary targets and results of initial and historical exploration

Previous surface exploration prospecting generated results up to 0.67% Ni; 0.64% Cu; 0.12% Co and 28ppb (Pt+Pd) around the margins of these intrusives (NB: see BW hashed areas around 'lanapera' & 'Maniry' anorthosites in Figure 2). Additionally, aeromagnetic survey data indicate numerous areas of structural targets and hydrothermal activity indicators.



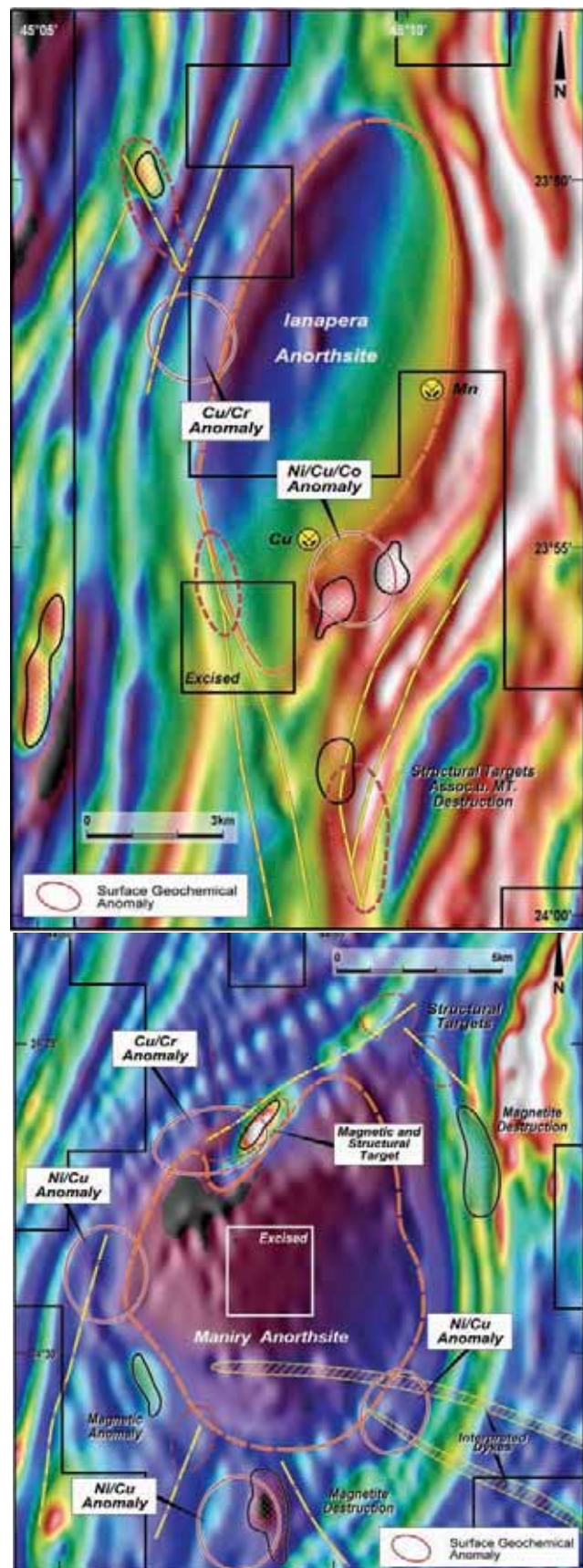
Pyrite (+/- Pyrrhotite) and Sphalerite in samples of lanapera Anorthosite

Southern Geoscience has been engaged to coordinate a detailed airborne magnetic / VTEM survey over both intrusives and their margins. This is scheduled for August-September 2008.

Detailed soil geochemical sampling will be undertaken commencing mid-August over existing geochemical and geophysical areas of interest. This is seen as an important complement to the abovementioned airborne geophysical programme. Additionally, nickel expert Dr. Martin Gole will spend time in the field with Company geologists post completion of the geophysical survey to assess and refine the company's targeting strategy.

Early indications from surface geochemistry and geophysical interpretation indicate distinct anomalies in low-pressure sites along the margins of these intrusives with a high likelihood of early drill target delineation.

With the completion of the above two complementary programmes and receipt of results, it is anticipated to have drill-ready targets by end September 2008.



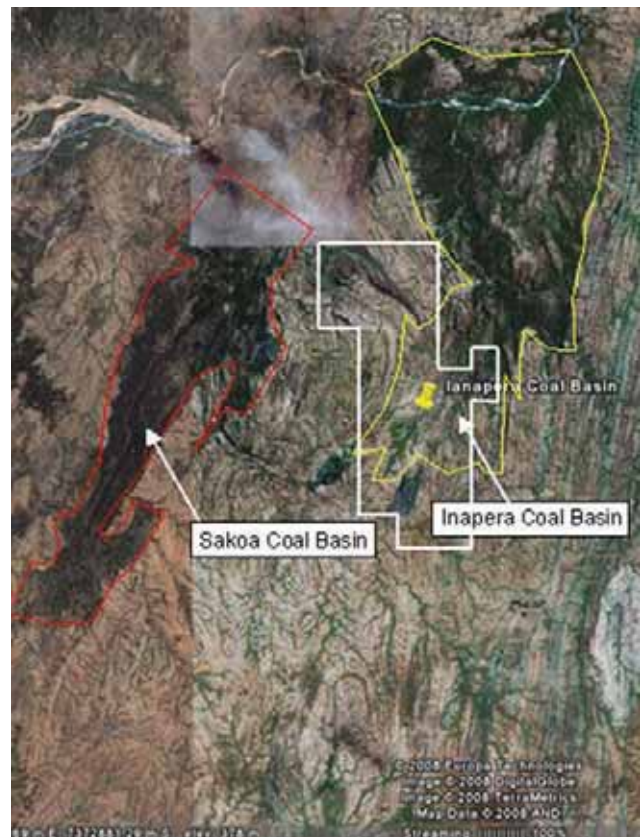
Target areas of interest from prior geophysical and geochemical exploration at lanapera (northern intrusive – top) and Maniry (southern intrusive – bottom)

Ianapera (Coal): Subsequent to the confirmation of the presence of Sakoa Coal Measures within the project tenements, a follow-up field assessment of the coal potential was completed in May, identifying several target areas of interest for further study. From these programmes and interpretation of historical BRGM data some 23 strike kilometres of potentially coal-bearing formations were identified within the company's tenements.

Subsequent to these programmes, international coal consultants Tasman Mining were engaged immediately post-listing, to undertake a detailed follow-up assessment of the project environs and target areas. This programme was completed over the period 17th to 20th July, 2008. Two days (18th & 19th July) were spent in the field, assisted by helicopter support.

According to Tasman: "The Ianapera coal sub-basin is located about 20 kilometres east of the Sakoa coal basin which has been the subject of extensive mapping, trenching, drilling and has one underground mine. The coal is of similar quality to standard South African thermal coals. The Ianapera sub-basin is likely to contain coal of similar quality."

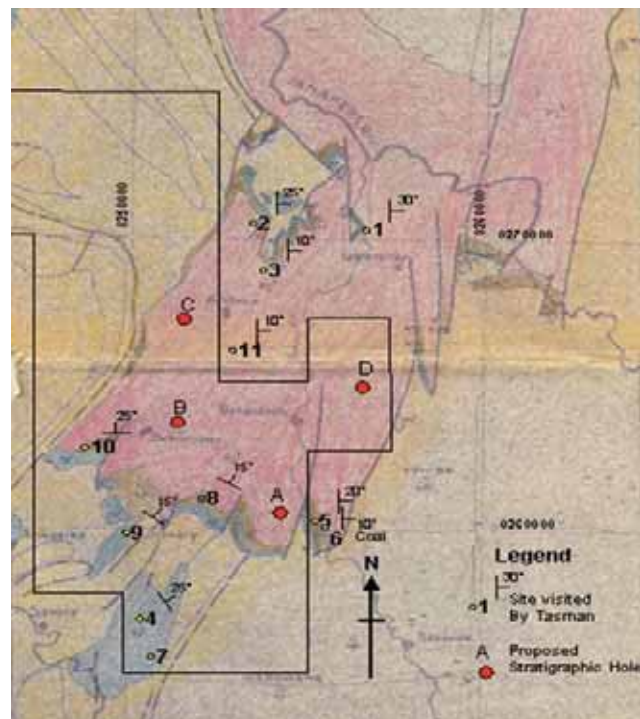
Tasman recommended: "that MML should drill at least 4 exploratory holes to basement to test the potential of this sub-basin. This report provides the results of the site visit and the background to the recommended exploration programme."



Satellite image of the Sakoa Coal Field showing Ianapera Project tenements in the context of known Coal Sub-Basins



In the field with Tasman Mining during July 2008 assessment of Ianapera Coal project



Geological plan of Ianapera Project area showing (i) Sites Visited [yellow dots]; (ii) measured bedding plane orientations and (iii) Locations of proposed Stratigraphic Drill Holes [Red Circles] – [Tasman 2008]

Tasman concluded: "that it is difficult to locate coal seams in areas of low rainfall and low relief. The lanapera sub-basin meets those criteria. Streams are not deeply incised and exposure of soft sediments and coal seams is likely to be masked by surficial soils that develop along the subcrop of such units. This is in comparison with the Sakoa basin where preservation of a harder layer supporting the spiny forest has resulted in more deeply incised stream beds and exposure of more outcrop on the banks of these streams."

Subsequent to receipt and review of the Tasman report The LY34 drilling rig is being mobilised to site currently. Additional down hole gear is being acquired at present to complete core recovery in accordance with Tasman recommendations of minimum JORC standards.

Vohibory (Historical & Recent Cu-Zn-Ag-[Au] + Coal): located along strike to the southeast of the Besakoa (Vohibory) polymetallic copper deposit and along the eastern margin of the Beseva pegmatite, this project contains numerous recorded occurrences of copper. Previous work by MASARL confirmed the presence of gold and copper at all areas sampled (figure 4).

MML is targeting Volcanogenic Massive Sulphide (VMS) hosted base metals and gold-silver at its 100% owned Vohibory Project. The project overlies Neoproterozoic sediments and mafic –ultramafic sills associated with felsic intrusives.

Surface prospecting by Company personnel has returned strong results up to 29% copper, 175gpt silver, 2000ppm

nickel and 40ppb platinum from two sub-parallel north-south trending corridors within the project tenements.

Follow-up work has commenced with Company geologists conducting on-site detailed prospecting and regolith evaluation for the purposes of designing an effective geochemical sampling programme.

Additionally, the presence of extensive but generally thin (<50 thickness) Sakoa units over Neoproterozoic basement has indicated likely efficacy of geophysical data in conjunction with soil and rock geochemistry. With this in mind, the planned airborne geophysical magnetic – VTEM survey has been modified to also cover the Vohibory project as the target ('Besshi') mineralisation style is also compatible with these survey methods (refer Figure 3 below). This will aid in identifying sulphide-bearing bodies near surface and at depth.

Additionally, a field team has been mobilised to site to commence a 1,300 sample geochemical programme that will comprise collection of 250g -80 mesh fraction at 100m intervals on east-west lines spaced 400m apart. Geologists will assist in site location, sampling supervision as well as prospecting and mapping of the area around each sample site. To assist in this endeavour, a new geologist has been employed and has accompanied the team to the field; bringing the programme complement to two (2) senior geologists and two (2) junior geologists. Samplers will be employed locally. The programme is expected to be completed by early September 2008.



Figure 3: Outline of areas to be surveyed by airborne magnetics and VTEM (clockwise from top Vohibory, Ampanihy-lanapera & Ampanihy-Maniry)



High-grade copper mullock from historical workings (top) and copper-mineralised quartz vein from central Vohibory

The Company has acquired a portable (bench top) XRF field unit to provide immediate indications of mineralisation in the field. It is initially planned to utilise this unit adjacent to the laboratory at the company headquarter in Antananarivo for screening of samples prior to submission to the laboratory for analysis.

Other MML Projects

The remaining six (6) MML projects are designated for follow-up over the next 6 months, depending on the results of exploration programmes at Ianapera, Vohibory and Ampanihy. Project locations are summarised on Figure 1.

Miary (Grass-Roots – Historical Mn): a small permit of 25km² located 30km east of the southern extremity of Ampanihy, Miary covers an area of known historical manganese mineralisation, within a sequence of graphite schists, migmatites and quartzites. Additionally, the prospect lies along strike to the north of the Mahambahy anorthosite (gabbro) intrusive. A grass-roots project, Miary has been identified for early assessment to determine retention or relinquishment.

Anjeba (First-Pass Anomalous U-Th): located in the extreme south of Madagascar near the town of Jafaro, the Anjeba project comprises a sub-contiguous pair of permits overlying Proterozoic amphibolites and orthopyroxenites. The country rocks have been intruded by early Palaeozoic granites, whilst intercalated phlogopite and quartzite units are ubiquitous in the country rocks. The project was acquired on the basis of strong (airborne) radiometric anomalism and prospective geology from published geological and geophysical coverage. Anjeba has returned encouraging indications of uranium-thorium mineralisation. Androyen orthopyroxenites have provided the host for the bulk of historical uranothorianite mining in Madagascar. A grass roots project, Anjeba has been selected for early assessment to determine retention or relinquishment.

Bekisopa (Grass-Roots Ni-Fe): located 150km west of Fianarantsoa, and overlying a Proterozoic sequence of intercalated ultramafics, micaschists, amphibolites, marbles and quartzite units. Bekisopa was originally acquired for postulated nickel-cobalt potential; indeed, initial field assessment demonstrated potential for development of nickeliferous laterite. Assay results from reconnaissance sampling were inconclusive. This project has been designated for early assessment to determine retention or relinquishment.

Satrokala (Grass-Roots Ni-Co): located 50km northwest of Ihosy, in south-central Madagascar, and overlying a Proterozoic sequence of intercalated ultramafics, micaschists, amphibolites, garnetiferous quartz-feldspar schists and quartzite units. Satrokala was acquired for postulated nickel-cobalt potential; historical assessment demonstrated potential for development of nickeliferous laterite, with initial sampling by Malagasy Geological Survey returning up to 0.60% Ni from observed garnierite horizons. This project has been designated for early assessment to determine retention or relinquishment.

Mananjary Regional (Grass-Roots Ni-Cu-PGE): located along the central-eastern seaboard of Madagascar, north and south of Mananjary, this large (1,900km²) group of tenements is centred primarily around the Mananjary region in the same geological belt as Jubilee's Ambodilafa (Ni/Cu/PGE) project. They overlie a variable sequence of (Cretaceous) flood basalts and rhyolite (in the north) and (Proterozoic) quartz-feldspar gneisses and schists; the latter frequently intruded by Charnockites and amphibolites. Some of these intrusives may be of Noritic composition. The voluminous flood basalts of Cretaceous age have parallels with Analalava in the NW of Madagascar where Ni-Cu-PGE's are known to be associated with gabbroic intrusives – BHP geologists postulated an analogy with Noril'sk style mineralisation. MML plans to utilise airborne geophysical data (Aeromagnetism & EM) combined with regional stream geochemical sampling to delineate prospective areas. This project has been designated for early assessment to determine retention or relinquishment.

Majunga (Grass-Roots HM-Ti-Zr): located on the central-northwest coast of Madagascar, 35km southwest of the port city of Majunga, the project Permits cover an area

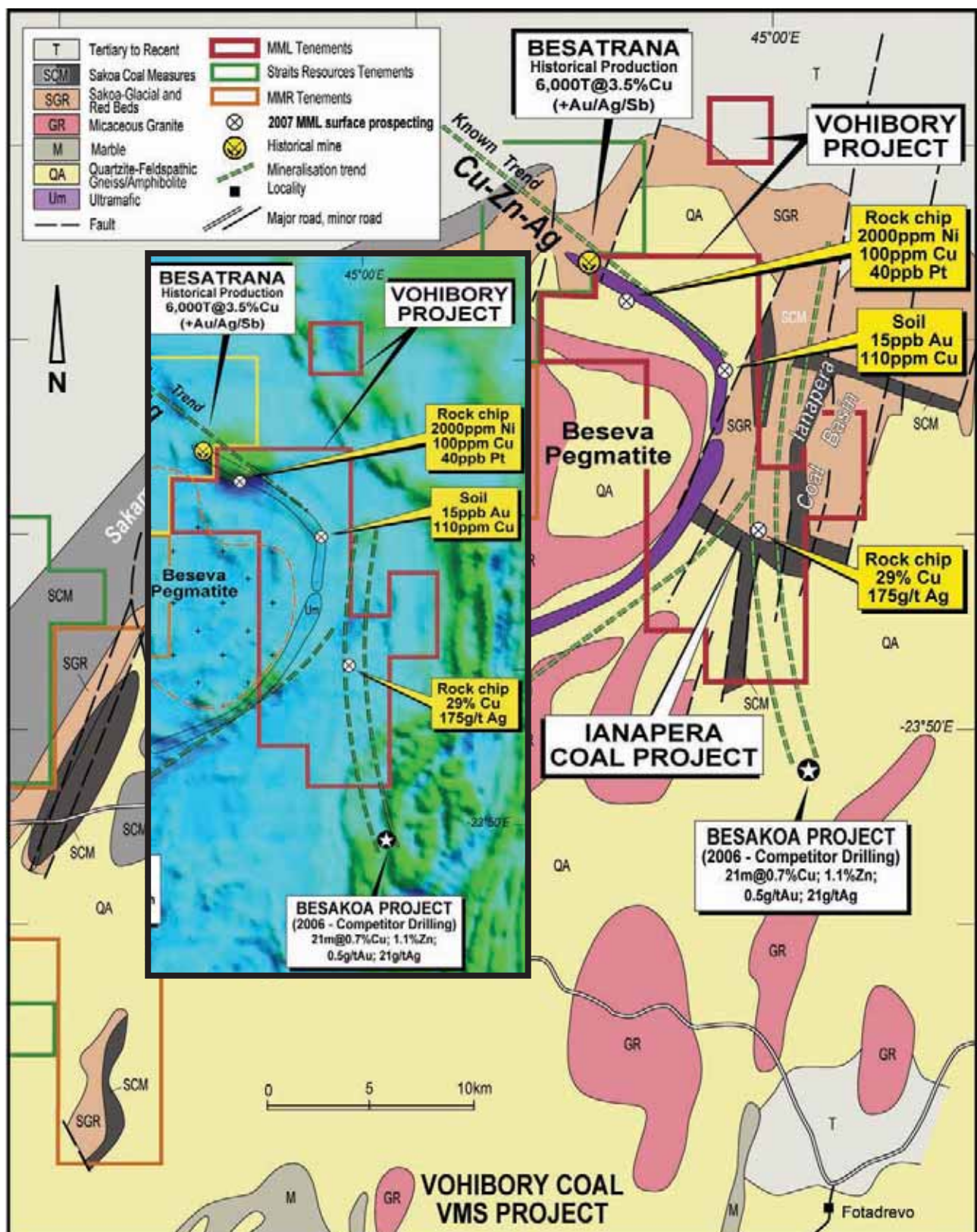


Figure 4: Vohibory Project and Magnetics (inset) showing main mineralisation corridors and results of surface prospecting programmes

prospective for Quaternary alluvial mineral sands (ilmenite, rutile and zircon) mineralisation. This is a grass-roots project for which early assessment has indicated a favourable mineralisation environment. An additional advantage is proximity to significant port facilities at Majunga. The project area is located close to an area of environmental sensitivity, a factor which may complicate project advancement going forward. However the strength of the experience base of the MASARL management team should allow effective negotiation of any regulatory hurdles.

BRGM Acquisition & Strategic Alliance

On 6th August 2007 a Memorandum of Understanding was signed with (French-based geoscientific group) Bureau de Recherches Géologiques et Minières ('BRGM') in respect of acquiring certain of their assets in Madagascar. These include a 19,000 square-metre block of land in northern Antananarivo, incorporating substantial (resource-related) building infrastructure and existing drilling and assaying businesses, also included in the acquisition (Figure 5). The total price of the transaction is EUR2,000,000, (plus TVA).

Subsequent to completion of the MOU, MML and BRGM negotiated Business Sale Agreement and Long Term Lease. These were completed utilising two of the Company's wholly-owned MML subsidiary companies, and were executed on 13th December 2007 in Paris France. The land acquisition has been structured as a 99-year lease; renewable for a further 99 years. Should the property laws in Madagascar change in the future in respect of foreign land ownership, MML may elect to have BRGM transfer the lease land as freehold title to the Company or its nominated subsidiary for no additional consideration.

The BRGM business assets acquired include drilling rigs and support equipment as well as extensive maintenance and storage facilities, light and support vehicles and experienced personnel.

The property itself covers approximately 19,000 sqm of land and contains (i) MML office facilities, (ii) expatriate residences and (iii) several third party leases; all of which provide revenues to BRGM. Post-acquisition these revenues now flow to the Company.

The primary advantages to MML of acquiring the BRGM operations include:

- Availability of 4 drilling rigs to expedite drilling of MML projects,
- Availability of in-country assaying facility to utilise on an arms-length basis through third-party farm-in and development.
- Access to experienced technical staff and industry intelligence.
- Long term 99 year lease over existing Buildings, offices and premises covering 19,000 sq m of commercial property in the capital of Madagascar, suitable for long term utilization and commercial redevelopment.

During July 2008 final arrangements were completed for handover of BRGM assets under the LT Lease and Sale Agreements to Malagasy Minerals' subsidiaries in Madagascar. BRGM staff were briefed and equipment serviced preparatory to handover to allow reasonably seamless transition to the control of the Company. Subsequent to this, a formal handover ceremony was conducted at BRGM offices on the evening of the 31st July 2008.



BRGM and Malagasy Minerals personnel at the handover ceremony 31st July 2008.

Drilling Business

Malagasy Minerals now has formally assumed control and management of the BRGM drilling business in Madagascar – including 3 diamond core drilling rigs and one RAB Rig acquired separately by the Company's wholly owned subsidiary Mineral Services SARL.

Presently, the largest core rig is being mobilized to the IANAPERA Coal project in the south, whilst the RAB rig is presently engaged in completing two water drilling contracts for third parties on a commercial basis. The remaining two core rigs are undergoing final preparation and outfitting for deployment to MGY projects VOHIBORY and AMPANIHY. The Company will continue to operate and expand the existing BRGM drilling business under the supervision of Mr Luc Guyot, who previously managed the business for BRGM.

Assay Facilities

As at the date of this report, an agreement has been negotiated with Intertek-Genalysis (GLS-ITTK) involving establishing a world industry standard sample preparation facility within the existing BRGM laboratory on site, inclusive of staff. This is an exciting development for both the Company and the minerals sector in Madagascar, as this facility will represent the first of its kind in the country.

Although the lab will be run on a fully independent basis and available to competitors, the benefits to Malagasy will nonetheless be realised through savings on sample freight charges and (potentially) reduction on analytical turnaround times (dependent on assay methodology selected).



Atlas Copco RAB rig at work in the field



BRGM (MML) workshop – refer Figure 5 page 18 for location within complex area



Long Year 34 Core rig at work in the field



Mineral laboratory (awaiting refit)

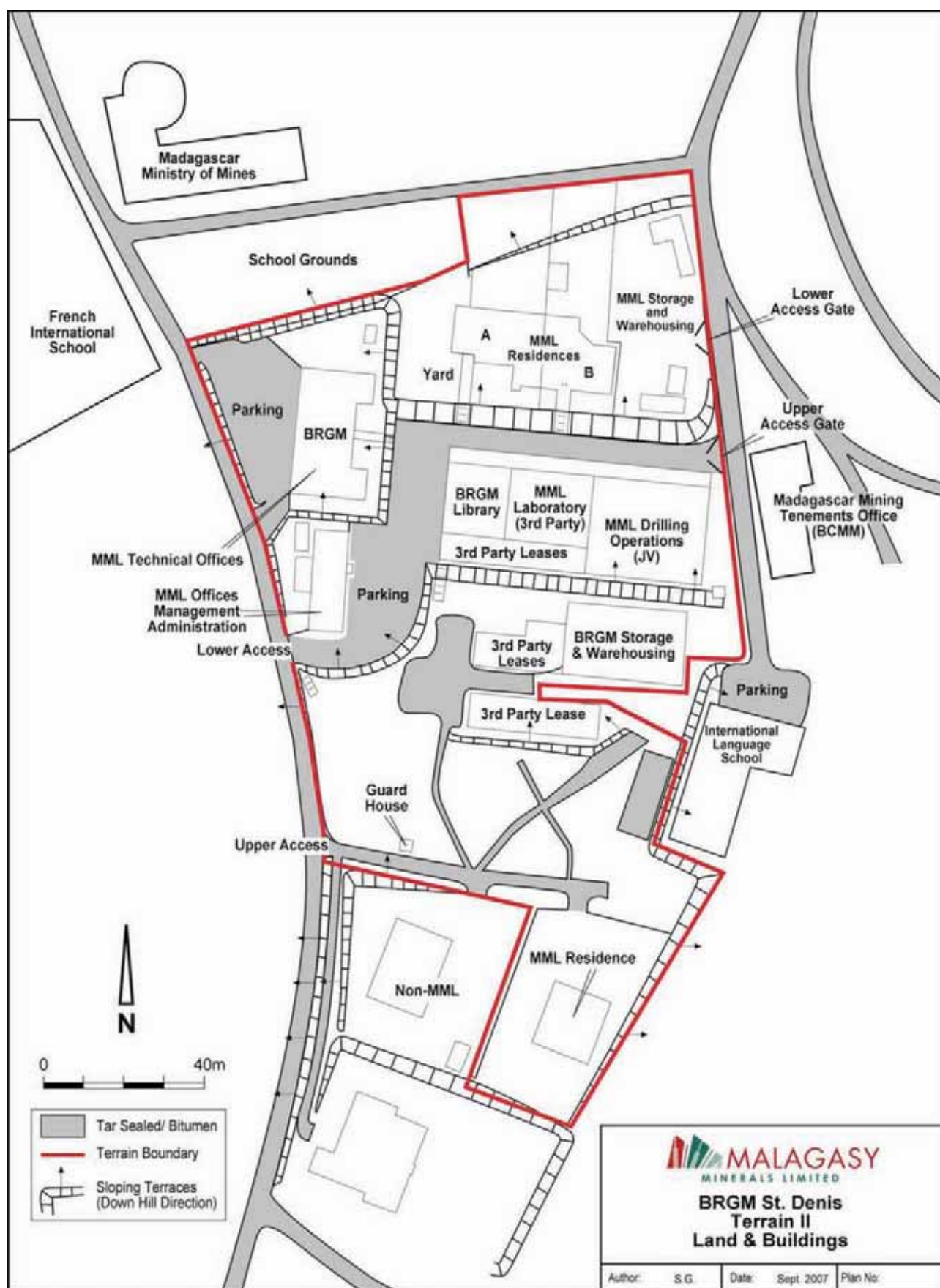


Figure 5: Plan of St. Denis Terrain showing location & extent of building infrastructure

corporate governance statement

In preparation for listing on the Australian Securities Exchange (“ASX”), Malagasy Minerals Limited (“**Company**”) made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations* (2nd edition) (“**Principles & Recommendations**”), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due

consideration, the Company’s corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the “if not, why not” regime.

Further information about the Company’s corporate governance practices including the relevant information on the Company’s charters, code of conduct and other policies and procedures is set out on the Company’s website at www.malagasyminerals.com.

Disclosure of Corporate Governance Practices

Summary Statement	ASX P & R ¹	If not, why not ²		ASX P & R ¹	If not, why not ²
Recommendation 1.1	P		Recommendation 4.3	P	
Recommendation 1.2	P		Recommendation 4.4	P	
Recommendation 1.3	P		Recommendation 5.1	P	
Recommendation 2.1		P	Recommendation 5.2	P	
Recommendation 2.2		P	Recommendation 6.1	P	
Recommendation 2.3	P		Recommendation 6.2	P	
Recommendation 2.4		P	Recommendation 7.1	P	
Recommendation 2.5	P		Recommendation 7.2	P	
Recommendation 2.6	P		Recommendation 7.3	P	
Recommendation 3.1	P		Recommendation 7.4	P	
Recommendation 3.2	P		Recommendation 8.1		P
Recommendation 3.3	P		Recommendation 8.2	P	
Recommendation 4.1		P	Recommendation 8.3	P	
Recommendation 4.2		P			

1 Indicates where the Company has followed the Principles & Recommendations

2 Indicates where the Company has provided “if not, why not” disclosure.

“If Not, Why Not” Disclosure

Although the Company was not listed on the ASX during the Company’s 2007/2008 financial year (“**Reporting Period**”), the Company adopted a governance framework in preparation for reporting against the Principles & Recommendations. The Company sets out below its “if not, why not” disclosure where it has not followed a recommendation under the Principles & Recommendations.

Principle 2

Recommendation 2.1: A majority of the board should be independent directors.

Notification of departure:

The Company does not have a majority of independent directors as currently none of the Directors are independent.

Explanation for departure:

The Board considers that its composition is adequate for the Company’s current size and operations. The Board believes it has an appropriate mix of skills and expertise, relevant to the Company’s business at this time. Further, the Board has adopted a Policy on Independent Professional Advice to assist Directors to bring independent judgement to the Board.

Principle 2

Recommendation 2.2: The chair should be an independent director.

Notification of departure:

The Chair, Mr Max Cozijn, is not an independent director as he acts in an executive capacity for the Company. Further, Mr Cozijn has a substantial shareholding.

Explanation for departure:

The current Board composition does not allow for the Company to follow recommendation 2.2. However, the Board believes that Mr Cozijn is the most appropriate person for the position of Chair because of his qualifications and experience.

Principle 2

Recommendation 2.4: The board should establish a nomination committee.

Notification of departure:

There is no separate nomination committee.

Explanation for departure:

The full Board considers those matters that would usually be the responsibility of a nomination committee. Given that the Board comprises only four Directors, the Board considers that no efficiencies or other benefits would be gained by establishing a separate committee. The Board has adopted a Nomination Committee Charter which it applies, as relevant.

Principle 4

Recommendations 4.1 & 4.2: The board should establish an audit committee and structure it in accordance with Recommendation 4.2.

Notification of departure:

A separate audit committee has not been formed and therefore is not structured in accordance with the compositional recommendation.

Explanation for departure:

The role of the audit committee is carried out by the full Board. The Board considers that given its size and composition, no efficiencies or other benefits would be gained by establishing a separate committee. When considering audit related matters, the Board functions in accordance with its Audit Committee Charter. The Audit Committee Charter also provides that the Board may meet with the external auditor, as required.

Principle 8

Recommendation 8.1: The board should establish a remuneration committee.

Notification of departure:

There is no separate remuneration committee.

Explanation for departure:

The role of the remuneration committee is carried out by the full Board. The Board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration committee. However, the Board has adopted a Remuneration Committee Charter, which it applies when convening as the remuneration committee. No Directors participate in any deliberations regarding their own remuneration or related issues.

Nomination Committee

The full Board did not meet as the Nomination Committee during the Reporting Period as its function as the Nomination Committee was not formalised until 23 May 2008. In accordance with the Principles & Recommendations and in preparation for listing, the Board has adopted a Nomination Committee Charter which is disclosed on the Company's website.

Audit Committee

The full Board did not meet as the Audit Committee during the Reporting Period as its function as the Audit Committee was not formalised until 23 May 2008. In accordance with the

Principles & Recommendations and in preparation for listing, the Board has adopted an Audit Committee Charter which is disclosed on the Company's website.

Details of each of the director's qualifications are set out in the Director's Report. All of the directors have industry experience and consider themselves to be financially literate. Mr Cozijn has a Bachelor of Commerce and is an Associate of the Australian Society of Certified Practising Accountants. Mr Cozijn's qualifications and experience enable him to bring financial expertise to the Board's role as the Audit Committee.

Remuneration Committee

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report.

The full Board did not meet as the Remuneration Committee during the Reporting Period as its function as the Remuneration Committee was not formalised until 23 May 2008. In accordance with the Principles & Recommendations and in preparation for listing, the Board has adopted a Remuneration Committee Charter which is disclosed on the Company's website.

Other

Skills, Experience, Expertise and term of office of each Director

A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.

Assurances to the Board

The Board has received assurance from management that the Company's management of its material business risks are effective. Further, the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risk.

Identification of Independent Directors and the Company's Materiality Thresholds

In considering the independence of directors, the Board refers to its *Policy on Assessing the Independence of Directors* (available on the Company's website).

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's *Board Charter* (available on the Company's website):

- Balance sheet items are material if they have a value of more than 5% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

There are currently no independent directors of the Company.

Statement concerning availability of Independent Professional Advice

To assist directors with independent judgement, it is the Board's Policy that if a director considers it necessary to obtain

independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Confirmation whether performance Evaluation of the Board and its members have taken place and how conducted

An evaluation of the performance of the Board, its committees and individual directors was not carried out due to the short period of time that the Company has been listed. For the same reasons, senior executives were not evaluated during the Reporting Period. The focus of the Board included listing the Company on the ASX and therefore evaluations were not considered to be appropriate at the time.

Existence and Terms of any Schemes for Retirement Benefits for Non-Executive Directors

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

directors' report

Your Directors present their report on the company and its controlled entities for the financial year ended 30 June 2008.

Directors

The names of Directors in office at any time during or since the end of the year are:

Max Cozijn
Steven Goertz
Guy LeClezio
Peter Woods

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Max Cozijn held the position of Company Secretary for the entire financial year. Details of Mr Cozijn's experience and qualifications are set out in the information on Directors in the Directors' Report.

Principal Activities

The principal activities of the Company during the financial year were mineral exploration and project evaluation. No significant change in the nature of these activities occurred during the financial year.

Operating Results

The consolidated loss of the economic entity after providing for income tax amounted to \$717,851 (2007: \$247,604).

Dividends paid or recommended

Preference dividends of \$8,930 were paid during the year. The preference shares converted to ordinary shares on 27 June 2008 following approval of the Company's ASX listing.

Review of Operations

A review of the economic entity's operations during the year and the results of those operations are contained in the Operations Review section of this Annual Report.

Financial Position

The net assets of the economic entity have increased by \$9,182,535 to \$10,235,420 during the financial year.

This increase is largely a result of the following factors

- Placement and Share Capital Raising \$9,710,236 (Net of capital raising costs)
- Exploration costs incurred \$47,569.

The directors believe the group is in a strong and stable financial position to progress its objectives and strategies.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Parent entity occurred during the financial year:

- On 10 August 2007, 1,700,000 fully paid ordinary shares were allotted at \$0.10 per share pursuant to a raising of seed capital;
- On 9 May 2008, 3,300,000 fully paid ordinary shares were allotted at \$0.10 per share pursuant to a raising of seed capital;
- On 27 June 2008, 50,000,000 fully paid ordinary shares were allotted at \$0.20 per share pursuant to a prospectus issue; and
- On 27 June 2008, 1,000,000 unlisted 5-year options of 20c were issued to Jules LeClezio on the successful completion of the prospectus issue.

After Balance Date Events

There were no material events arising subsequent to 30 June 2008 to the date of this report which may significantly affect the operations of the economic entity, the results of those operations and the state of affairs of the economic entity in the future, other than:

(a) Share Sale Agreement

On 4 April 2007, the parent entity acquired 100% of Mada-Aust sarl, a Company incorporated in the Republic of Madagascar, for a purchase consideration of 10,000,000 preference shares in Malagasy Minerals Limited plus \$2.2 million in cash, with \$750,000 payable upon successful listing of Malagasy Minerals Limited, and the balance being payable out of 70% of the net Royalty receipts due under three existing Labradorite Royalty agreements. This agreement is conditional upon Malagasy Minerals Limited listing by 30 November 2007, and is secured by way of an escrow over the Mada-Aust sarl shares.

(b) Business Sale Agreement

Mining Services sarl, a wholly owned subsidiary of MML, has entered into a sales agreement with BRGM dated 13 December 2007 as amended on 14 March 2008 ("Business Sale Agreement") to purchase BRGM's drilling business and geotechnical assay laboratory business in Antananarivo, Madagascar ("Business"). MML has guaranteed the performance of Mining Services' obligations under the Business Sale Agreement. The purchase price for the Business is 500,000 Euros (excluding taxes) comprising 25,000 Euros payable on execution of the Business Sale Agreement, 12,500 Euros payable by 15 April 2008, 12,500 Euros payable by 30 June 2008, 325,000 Euros payable by 31 July 2008, 115,000 Euros payable by 31 December 2008 and 10,000 Euros payable by 31 March 2009 ("Purchase Price"). The Purchase Price includes 100,000 Euros for intangible property such as clientele, 200,000 Euros for materials and commercial furniture and 200,000 Euros for existing stock. The Business includes the clientele of the Business, commercial furniture and materials, certain materials and equipment described in the Business Sale Agreement, utilities and structures and installations.

(c) Long Term Lease Agreement

Saint Denis Holdings sarl has entered into a lease agreement with BRGM in respect of two properties in Madagascar ("Long Term Lease") dated 13 December 2007 as amended on 14 March 2008. The land the subject of the Long Term Lease covers an area of approximately 20,000 square metres and is the land upon which BRGM operates its business, the subject of the Business Sale Agreement ("Land"). The term of the Long Term Lease is 99 years with an option to renew for a further 99 years commencing on the date that the Conditions Precedent are satisfied.

The Long Term Lease is conditional on Official Quotation, payment of 675,000 Euros, payment of 325,000 Euros by Mining Services sarl to BRGM under the Business Sale Agreement, simultaneous payment by Mining Services of any taxes payable on the Purchase Price under the Business Sale Agreement and simultaneous payment by St Denis of any taxes payable on 750,000 Euros (comprising part of the Rent under the Long Term Lease) by 31 July 2008. Rent is 1,500,000 Euros (excluding taxes) payable as follows, 75,000 Euros payable on the date of execution of the Long Term Lease, 37,500 Euros payable by 15 April 2008, 37,500 Euros payable by 30 June 2008, 600,000 Euros payable on 31 July 2008, 375,000 Euros payable by 31 December 2008 and 375,000 Euros payable on 31 March 2009 ("Rent").

These transactions have all been incorporated in the Accounts as at 30 June 2008 following the successful completion of the IPO and quotation on the ASX on 7 July 2008

Future Developments

Likely future developments in the operations of the economic entity are referred to in the Operations Review section of this Annual Report. Further information as to likely developments in the operations of the economic entity and likely results of those operations would, in the opinion of the directors, be speculative and not in the best interests of the economic entity.

Environmental Issues

Mining and exploration operations in Madagascar are subject to environmental regulation under the Laws of Madagascar. The economic entity's current activities generally involve low level disturbance only associated with geochemical and geophysical surveys and exploration drilling programs.

Information on Directors

Mr Max Dirk Jan COZIJN, B.Com. ASA, MAICD – Executive Director & Company Secretary

Mr Cozijn graduated from the University of Western Australia in 1972 with a Bachelor of Commerce degree and is an Associate of the Australian Society of Certified Practising Accountants. He has over 30 years experience in the administration of listed mining and industrial companies. Mr Cozijn is Finance Director of Carbon Energy Ltd, a Finance Director and Company Secretary of Magma Metals Limited and Non-Executive Chairman of Oilex Ltd.

During the past three years Mr Cozijn has held the following other listed company directorships

- Carbon Energy Ltd * (from September 1992)
- Oilex Ltd * (from September 1997)
- Magma Metals Limited (from June 2005)
- Elkedra Diamonds NL* (from April 2000 to November 2007)

* Denotes current directorship

Mr. Steven Goertz, BSc (Geology), MAusIMM / MAIG – Managing Director

Mr. Goertz graduated from the University of British Columbia in 1986 with a BSc in Geology and is a Member of both the AusIMM and the AIG. He is a geologist with 25 years experience in exploration and mining in Canada, Australia, New Caledonia, Philippines and Madagascar. During this time Mr. Goertz has worked in a variety of management and operational roles involving a diverse range of commodities and mineralisation styles, including gold, silver, base metals, PGE's, nickel, cobalt, antimony and gemstones. He has been involved with Madagascar since 1999 when he began developing a project concept for the country. Mr. Goertz is a corporate member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

During the past three years Mr Goertz has not held any other listed company directorships.

Mr. Guy Francois Marie Le Clezio, BA – Director / Non-Executive Director

Mr Le Clezio holds a Bachelor of Arts from the University of Western Australia. He has had 20 years experience in the mining and exploration industry and was an Executive Director of Eyres Reed Ltd and Canadian Imperial Bank of Commerce who were leading Western Australian stockbrokers specialising in the mining industry. He is a founding director of MRNL and a former director of ASX listed Windy Knob Resources Ltd.

During the past three years Mr Le Clezio has held the following other listed company directorships:

- Windy Knob Resources Limited * (from October 2006 to April 2008)

Dr Peter James Woods, BScH / PhD (Geol), MAIG – Director / Non-Executive Director

Dr. Woods holds a Bachelor of Science (Honours) and a Doctorate of Philosophy (Geology) from the University of Western Australia. He has had over 20 years experience in the mining and exploration industry specialising in base metals, gold and industrial minerals, and as a consulting environmental scientist. He has worked in Madagascar since 1994 and in that time discovered the 710 million tonne Ranobe mineral sand deposit currently the subject of a Bankable Feasibility Study being carried out by Exxaro of South Africa. He is a founding director of Madagascar Resources NL and a Member of the Australian Institute of Geoscientists.

During the past three years Dr Woods has not held any other listed company directorships.

As at the date of this report, the interests of the Directors in shares and options of the Company were:

	No. of Shares Held		No. of Unlisted Options held	
	Direct	Indirect	Direct	Indirect
Mr. M D J Cozijn	10,001	5,130,000	-	-
Mr. S B Goertz	1	5,000,000	-	-
Dr. P J Woods ¹	-	-	-	-
Mr. G F Le Clezio ¹	250,000	-	-	-

(1) Madagascar Resources NL ('MRNL') holds 10,000 000 Shares in MML; Mr. G F Le Clezio and Dr. P J Woods are also Directors and Shareholders of MRNL.

Remuneration Report

This report details the nature and amount of remuneration for each director of Malagasy Minerals Limited and for the executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy, which sets the terms and conditions for the Managing Director and other senior executives, was developed after seeking professional advice from independent consultants and was approved by the Board. All executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits. The remuneration committee reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is reviewed annually, in June, by the remuneration committee, with revised remuneration packages generally taking effect from the 1st of July of that year.

Executives may be granted unlisted share options from time to time, as determined by the Board.

The amount of remuneration for all key management personnel including all monetary and non-monetary components, are detailed in the Note 7c to the financial report. All remuneration paid to executives is valued at the cost to the company and expensed. Any options that are issued will be valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to manage the economic entity. It will also provide executives with the necessary incentives to work towards sustainable growth in shareholder value.

The payment of bonuses, stock options and other incentive payments are reviewed by the remuneration committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

The company's remuneration committee Charter is set out on the company's website at www.malagasyminerals.com

Details of Remuneration for Year Ended 30 June 2008

The remuneration for each director and each of the specified executive officers of the consolidated entity during the year were as follows:

2008	Salary \$	Directors' Fees \$	Non-Cash Benefits \$	Super Contributions \$	Equity \$	Options \$	Total \$	Performance related %
Parent Entity								
Directors:								
S B Goertz	60,000	-	-	-	-	-	60,000	-
M D J Cozijn	-	-	-	-	-	-	-	-
P J Woods	-	-	-	-	-	-	-	-
G Le Clezio	-	-	-	-	-	-	-	-
	60,000	-	-	-	-	-	60,000	-
Executives:								
J Le Clezio	36,000	-	-	-	-	198,552	234,552	-
	36,000	-	-	-	-	198,552	234,552	-

2007	Salary \$	Directors' Fees \$	Non-Cash Benefits \$	Super Contributions \$	Equity \$	Options \$	Total \$	Performance related %
Parent Entity								
Directors:								
S B Goertz	10,000	-	-	-	50,000	-	60,000	-
M D J Cozijn	-	-	-	-	-	-	-	-
P J Woods	-	-	-	-	-	-	-	-
G Le Clezio	-	-	-	-	-	-	-	-
	10,000	-	-	-	50,000	-	60,000	-
Executives:								
J Le Clezio	9,600	-	-	-	50,000	-	59,600	-
	9,600	-	-	-	50,000	-	59,600	-

None of the remuneration was performance related.

Shares and Options issued as part of remuneration for the year ended 30 June 2008.

Pursuant to Malagasy Minerals Limited's prospectus, the following Options were issued:

2008	Granted: No	Options granted as part of remuneration \$	Total remuneration represented by options %	Options lapsed \$	Options exercised \$	Total \$
Directors:						
S B Goertz	-	-	-	-	-	-
M D J Cozijn	-	-	-	-	-	-
P J Woods	-	-	-	-	-	-
G Le Clezio	-	-	-	-	-	-
	-	-	-	-	-	-
Executives:						
J Le Clezio	1,000,000	1,000,000	100%	-	-	1,000,000
	1,000,000	1,000,000	100%	-	-	1,000,000

2007

No options were granted during 2007.

Service Agreements of Directors and Specified executives

Mr Goertz has been engaged under a Consultancy Agreement for a 3 year period commencing 7 July 2008. Mr Cozijn is retained under an Employment Contract for a 3 year period which is still to be finalised. Prior to listing on the ASX Mr Goertz was paid consultancy fees through his company, Cedarwood Investments Pty Ltd.

Mr Jules Le Clezio has been engaged under a Consultancy Agreement for a 3 year period commenced 6 April 2007.

Required notice period is three months from either party. Payment of termination benefit on early termination by the employer, other than for gross misconduct will be equal to 12 months remuneration.

The aggregate amount of remuneration payable to all non-executive directors was set by shareholders at \$200,000 per annum.

Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the executive directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Meetings of Directors

During the financial year, the directors' attendance at meetings of directors and committees of directors were as follows:

Director	Directors' Meetings		Committee Meetings			
	Number eligible to attend	Number attended	Audit Number eligible to attend	Number attended	Remuneration Number eligible to attend	Number attended
Mr. M D J Cozijn	16	16	-	-	-	-
Mr. S B Goertz	16	16	-	-	-	-
Dr. P J Woods	16	16	-	-	-	-
Mr. G F Le Clezio	16	16	-	-	-	-

The Full Board undertakes the role of the Audit and Remuneration Committees with effect from the date of adoption of the Corporate Governance procedures on 23 May 2008.

Indemnifying Officers and Auditors

The Company is establishing an insurance policy insuring Directors and officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to insurers will not be disclosed. This is permitted under S300(9) of the Corporation Act 2001.

Share Options

At the date of this report, the unissued ordinary shares of Malagasy Minerals Limited under option are as follows:

Unlisted Options

Grant date	Vesting date	Date of expiry	Exercise price	No. under option
27 June 2008	27 June 2008	26 June 2013	\$0.20	1,000,000
				<u>1,000,000</u>

No options were exercised during the year ended 30 June 2008.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any body corporate.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

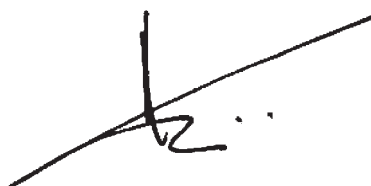
The lead auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 32 of the annual report.

Signed in accordance with a resolution of the Board of Directors.



S. B. Goertz
Managing Director
West Perth, Western Australia

24 September 2008



M.D.J. Cozijn
Finance Director

auditor's independence declaration



AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Malagasy Minerals Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK HORWATH PERTH AUDIT PARTNERSHIP

CYRUS PATELL
PRINCIPAL

Perth, WA

Dated this 24th day of September 2008

Total Financial Solutions



Horwath refers to Horwath International Association, a Swiss Verein.
Each member of the Association is a separate and independent legal entity.

Member Horwath International

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A WHK Group firm

income statement for the year ended 30 June 2008

	Notes	ECONOMIC ENTITY		PARENT ENTITY	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue	2	325,643	221,010	60,686	10,419
Employee benefits expense		(11,141)	(13,806)	-	-
Depreciation expense		(19,157)	(18,273)	(1,878)	(948)
Impairment of Assets		(1,000)	(3,948)	-	-
Finance costs		(1,374)	(8,819)	(1,374)	(1,060)
Administration costs		(537,362)	(264,714)	(317,972)	(154,232)
Exploration expenditure		(47,569)	(6,603)	(8,578)	-
Tenement Holding costs		(225,564)	(49,813)	-	-
Share-based payments		(198,552)	(100,000)	(198,552)	(100,000)
Loss before income tax expense		(716,076)	(244,966)	(467,668)	(245,821)
Income tax expense	4	(1,775)	(2,638)	-	-
Net Loss attributable to members of the parent entity		(717,851)	(247,604)	(467,668)	(245,821)
Overall Operations:					
Basic earnings (loss) per share		(1.69)	(2.36)		
- cents per share	6				
Diluted earnings (loss) per share		(1.69)	(2.36)		
- cents per share	6				

The accompanying notes form part of these financial statements

balance sheet as at 30 June 2008

		ECONOMIC ENTITY		PARENT ENTITY	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
Current Assets					
Cash and Cash Equivalents	8	9,973,208	747,785	9,899,950	688,337
Trade and Other Receivables	10	635,516	95,877	49,376	3,335
Other Current Assets	9	133,048	80,529	46,393	36,393
Total Current Assets		10,741,772	924,191	9,995,719	728,065
Non-Current Assets					
Trade and Other Receivables	10	166,667	-	761,981	38,497
Financial Assets	11	-	-	2,371,320	313,860
Property, Plant & Equipment	12	3,336,868	41,956	44,186	5,171
Intangible Assets	13	166,667	-	-	-
Deferred Exploration and Evaluation costs	14	2,368,977	345,148	-	-
Total Non-Current Assets		6,039,179	387,104	3,177,487	357,528
TOTAL ASSETS		16,780,951	1,311,295	13,173,206	1,085,593
Current Liabilities					
Trade and other Payables	15	5,435,327	257,048	1,577,965	33,274
Short-term Provisions	16	9,375	1,362	9,375	-
Total Current Liabilities		5,444,702	258,410	1,587,340	33,274
Non-Current Liabilities					
Trade and other Payables	17	1,100,829	-	1,100,829	-
Long-term Provisions		-	-	-	-
Total Non- Current Liabilities		1,100,829	-	1,100,829	-
TOTAL LIABILITIES		6,545,531	258,410	2,688,169	33,274
NET ASSETS/(LIABILITIES)		10,235,420	1,052,885	10,485,037	1,052,319
EQUITY					
Issued Capital	18	11,010,767	1,300,003	11,010,767	1,300,003
Reserves	19	200,901	2,349	198,552	-
Accumulated Losses		(976,248)	(249,467)	(724,282)	(247,684)
TOTAL EQUITY		10,235,420	1,052,885	10,485,037	1,052,319

The accompanying notes form part of these financial statements.

statement of changes in equity as at 30 June 2008

ECONOMIC ENTITY					
	Issued Capital \$	Accumulated Losses \$	Foreign currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 30 June 2006	-	-	-	-	-
Shares issued during the year	1,300,003	-	-	-	1,300,003
Loss attributable to members of the parent entity	-	(247,604)	-	-	(247,604)
Adjustment from translation of foreign controlled entities	-	-	2,349	-	2,349
Dividends paid or provided for	-	(1,863)	-	-	(1,863)
Balance at 30 June 2007	1,300,003	(249,467)	2,349	-	1,052,885
Shares issued during the year	10,500,000	-	-	-	10,500,000
Transaction costs	(789,236)	-	-	-	(789,236)
Movement in Share Option Reserve	-	-	-	198,552	198,552
Loss attributable to members of the parent entity	-	(717,851)	-	-	(717,851)
Adjustment from translation of foreign controlled entities	-	-	-	-	-
Dividends paid or provided for	-	(8,930)	-	-	(8,930)
	9,710,764	(726,781)	-	198,552	9,182,535
Balance at 30 June 2008	11,010,767	(976,248)	2,349	198,552	10,235,420

PARENT ENTITY					
	Issued Capital \$	Accumulated Losses \$	Foreign currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 30 June 2006	-	-	-	-	-
Shares issued during the year	1,300,003	-	-	-	1,300,003
Loss attributable to members of the parent entity	-	(245,821)	-	-	(245,821)
Dividends paid or provided for	-	(1,863)	-	-	(1,863)
Balance at 30 June 2007	1,300,003	(247,684)	-	-	1,052,319
Shares issued during the year	10,500,000	-	-	-	10,500,000
Transaction costs	(789,236)	-	-	-	(789,236)
Movement in Share Option Reserve	-	-	-	198,552	198,552
Loss attributable to members of the parent entity	-	(467,668)	-	-	(467,668)
Dividends paid or provided for	-	(8,930)	-	-	(8,930)
	9,710,764	(476,598)	-	198,552	9,432,718
Balance at 30 June 2008	11,010,767	(724,282)	-	198,552	10,485,037

The accompanying notes form part of these financial statements

cash flow statements for the year ended 30 June 2008

		ECONOMIC ENTITY		PARENT ENTITY	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
Cash flows from Operating Activities					
Payments to suppliers and employees		(619,963)	(154,119)	(476,941)	(263,609)
Payments for exploration expenditure		-	-	-	-
Interest received		58,403	11,225	40,266	10,419
Royalties received		246,820	-	-	-
Other income		20,420	-	20,420	-
Borrowing costs		(1,374)	-	(1,374)	-
Net cash used in operating activities	20(a)	(295,694)	(142,894)	(417,629)	(253,190)
Cash flows from Investing Activities					
Payments for property, plant and equipment		(172,310)	(60,229)	(40,893)	(6,119)
Payments for exploration and evaluation expenditure		-	(349,095)	-	-
Investments in subsidiaries on incorporation		-	-	(23,292)	(313,860)
Net cash used in investing activities		(172,310)	(409,324)	(64,185)	(319,979)
Cash flows from Financing Activities					
Proceeds from issues of shares		10,500,000	1,300,003	10,500,000	1,300,003
Capital raising costs		(789,236)	-	(789,236)	-
Repayment of borrowings		(8,407)	-	(8,407)	-
Dividends paid by parent company		(8,930)	-	(8,930)	-
Advances to subsidiaries and other companies		-	-	-	(38,497)
Net cash flows provided by financing activities		9,693,427	1,300,003	9,693,427	1,261,506
Net increase in cash held		9,225,423	747,785	9,211,613	688,337
Cash at the beginning of the financial year	8	747,785	-	688,337	-
Effect of exchange rates on cash holdings in foreign currencies		-	-	-	-
Cash at the end of the financial year	8	9,973,208	747,785	9,899,950	688,337

The accompanying notes form part of these financial statements.

notes to the financial statements

for the year ended 30 June 2008

Note 1 - Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Malagasy Minerals Limited and controlled entities, and Malagasy Minerals Limited as an individual parent entity. Malagasy Minerals Limited is a listed public company, incorporated and domiciled in Australia.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity controlled by Malagasy Minerals Limited. Control exists where Malagasy Minerals Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Malagasy Minerals Limited to achieve the objectives of Malagasy Minerals Limited. All controlled entities have a 30 June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding computers, is depreciated on a reducing balance commencing from the time the asset is held ready for use. Computers are depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	25%
Motor vehicles	20%
Field equipment	37.5%
Office furniture	7.5%
Office equipment	37.5% to 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost on the income statement.

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid process for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(f) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and tangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where

deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(i) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(l) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(o) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment

The group assess impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of costs carried forward as exploration assets. The ultimate recoupment of value is dependent on the successful development and commercial exploitation or sale of the respective areas.

	ECONOMIC ENTITY		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$

Note 2 – Revenue

Operating Activities				
- royalties	246,820	209,785	-	-
- other	20,420	-	20,420	-
Non-operating activities				
- Interest received – other persons	58,403	11,225	40,266	10,419
Total Revenue	325,643	221,010	60,686	10,419

Note 3 – Loss For The Year

Expenses

Borrowing costs	1,374	141	1,374	-
Depreciation of non-current assets				
- Office equipment	4,426	1,849	1,575	890
- Field equipment	303	58	303	58
- Motor vehicles	14,428	16,366	-	-
Total depreciation	19,157	18,273	1,878	948
Exploration expenditure	37,695	-	8,578	-
Impairment of non-current investments	1,000	3,948	-	-
Rental expenses on operating leases - minimum lease payments	112,846	9,555	27,120	1,188
Foreign exchange movement	-	-	-	-

Note 4 - Income Tax Expense

(a) Income Tax Expense

The prima facie tax/(benefit) on Profit/(Loss) from ordinary activities is reconciled to the income tax expense as follows:

Prima facie tax/(benefit) on Profit/(Loss) from ordinary activities before income tax at 30% (2007: 30%)	(215,355)	(73,490)	(140,300)	(73,746)
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Add tax effect of:-

Tax attributable to foreign subsidiary	1,775	2,638	-	-
Deferred tax assets not brought to account	215,355	73,490	140,300	73,746
Income tax expense attributable to entity	1,775	2,638	-	-

(b) Deferred Tax Assets

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 (b) occur

Timing differences				
Tax losses – Australia	214,047	73,746	214,047	73,746
Tax losses - Madagascar	74,798	(256)	-	-
Total deferred tax assets	288,845	73,490	214,047	73,746

Note 5 - Dividends

5% convertible preference dividend	8,930	1,863	8,930	1,863
	8,930	1,863	8,930	1,863

ECONOMIC ENTITY

	2008 \$	2007 \$
Note 6 – Loss Per Share		
(a) Reconciliation of Earnings to Net Loss	(717,851)	(247,604)
Loss used in the calculation of basic EPS	(717,851)	(247,604)
Loss used in the calculation of dilutive EPS	(717,851)	(247,604)
Basic loss per share - cents per share	(1.69)	(2.36)
Diluted loss per share - cents per share	(1.69)	(2.36)
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	42,394,798	10,493,153
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	42,394,798	10,493,153

Options outstanding at 30 June 2008, totalling 1,000,000, are not considered potential ordinary shares as the effect is anti-dilutive.

Note 7 – Key Management Personnel Compensation

(a) Key Management Personnel

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Mr S B Goertz – Managing Director (Executive Director)
 Mr M D J Cozijn – Finance Director/Company Secretary (Executive Director)
 Mr G F M Le Clezio - Director (Non-Executive Director)
 Dr P J Woods - Director (Non-Executive Director)
 Mr J Le Clezio – Country Manager (Madagascar)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

(b) Compensation Practices

The remuneration policy, which sets the terms and conditions for the Managing Director and other senior executives, was developed after seeking professional advice from independent consultants and was approved by the Board. All executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits. The remuneration committee reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is reviewed annually, in June, by the remuneration committee, with revised remuneration packages generally taking effect from the 1st of July of that year.

Executives may be granted unlisted share options from time to time, as determined by the Board.

All remuneration paid to executives is valued at the cost to the company and expensed. Any options that are issued will be valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the economic entity. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, stock options and other incentive payments are reviewed by the remuneration committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

The company's remuneration committee Charter is set out on the company's website at www.malagasyminerals.com

(c) Key Management Personnel Compensation

2008	Salary	Directors' Fees	Non-Cash Benefits	Super Contribution	Equity	Options	Total	Performance related
	\$	\$	\$	\$	\$	\$	\$	%
Key Management Personnel:								
Mr SB Goertz	60,000	-	-	-	-	-	60,000	-
Mr MDJ Cozijn	-	-	-	-	-	-	-	-
Mr GFM Le Clezio	-	-	-	-	-	-	-	-
Dr P J Woods	-	-	-	-	-	-	-	-
	60,000	-	-	-	-	-	60,000	-
Executives:								
Mr J Le Clezio	36,000	-	-	-	-	198,552	234,552	-
	36,000	-	-	-	-	198,552	234,552	-

2007	Salary	Directors' Fees	Non-Cash Benefits	Super Contribution	Equity	Options	Total	Performance related
	\$	\$	\$	\$	\$	\$	\$	%
Key Management Personnel:								
Mr SB Goertz	10,000	-	-	-	50,000	-	60,000	-
Mr MDJ Cozijn	-	-	-	-	-	-	-	-
Mr GFM Le Clezio	-	-	-	-	-	-	-	-
Dr P J Woods	-	-	-	-	-	-	-	-
Mrs K Ford ¹	-	-	-	-	-	-	-	-
	10,000	-	-	-	50,000	-	60,000	-
Executives:								
Mr J Le Clezio	9,600	-	-	-	50,000	-	59,600	-
	9,600	-	-	-	50,000	-	59,600	-

¹ Mrs K Ford – appointed 18th September 2006, resigned 5th April 2007.

(d) Equity and Options granted as compensation

Shares and Options Granted as Compensation and Terms & Conditions of each Grant:

2008	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
Parent Entity Directors:							
Mr SB Goertz	-	-	-	-	-	-	-
Mr MDJ Cozijn	-	-	-	-	-	-	-
Mr GFM Le Clezio	-	-	-	-	-	-	-
Dr P J Woods	-	-	-	-	-	-	-
Executives:							
Mr J Le Clezio	1,000,000	1,000,000	27/06/08	\$0.20	\$0.20	27/06/2008	26/06/2013
	1,000,000	1,000,000					

Exercise prices are in excess of the market prices at the date of grant.

The services and performance criteria set to determine remuneration are included in the Remuneration Report in this Annual Report.

All options were granted for \$nil consideration.

(e) Shares issued on Exercise of Compensation Options

There were no options exercised by key management personnel during the financial year.

(f) Option Holdings held directly and indirectly by Key Management Personnel

2008	Balance at 1 July 2007	Granted as Remuneration	Balance at 30 June 2008	Total Vested 30 June 2008	Total Exercisable 30 June 2008	Total Unexercisable 30 June 2008
Parent Entity Directors:						
Mr SB Goertz	-	-	-	-	-	-
Mr MDJ Cozijn	-	-	-	-	-	-
Mr GFM Le Clezio	-	-	-	-	-	-
Dr P J Woods	-	-	-	-	-	-
Executives:						
Mr J Le Clezio	-	1,000,000	1,000,000	1,000,000	1,000,000	-
	-	1,000,000	1,000,000	1,000,000	1,000,000	-

(g) Shareholdings of key management personnel

	Balance 1 July 2007	Purchased ¹	Options Exercised	Net change other ²	Balance 30 June 2008
Key Management Personnel:					
Mr SB Goertz ¹	5,000,001	-	-	-	5,000,001
Mr MDJ Cozijn ¹	5,000,001	140,000	-	-	5,140,001
Mr GFM Le Clezio	250,000	-	-	-	250,000
Dr P J Woods	-	-	-	-	-
Mrs K Ford (resigned 5 th April 2007)	5,000,001	-	-	(5,000,001)	-
	15,250,003	140,000	-	(5,000,001)	10,390,002
Executives:					
Mr J Le Clezio ²	5,000,000	-	-	-	5,000,000
	5,000,000	-	-	-	5,000,000
	20,250,003	140,000	-	(5,000,001)	15,390,002

Notes

1. 15,380,000 shares are held indirectly and Mr Goertz and Mr Cozijn hold 1 share and 10,001 shares each respectively directly.
2. Preference shares converted to ordinary shares upon listing approval on 27 June 2008.

ECONOMIC ENTITY		PARENT ENTITY	
2008	2007	2008	2007
\$	\$	\$	\$

Note 8 – Cash and Cash Equivalents

Cash on hand	63	251	63	-
Cash at bank	3,967,335	141,128	3,894,077	81,931
Deposits at call (i)	6,000,000	606,406	6,000,000	606,406
Bond	5,810	-	5,810	-
	9,973,208	747,785	9,899,950	688,337

(i) The effective interest rate on deposits at call was 7.4% (2007 – 6.25%), these deposits have an average maturity of 30 days.

Note 9 – Other Current Assets

Prepayments	133,048	80,529	46,393	36,393
Total Other Current Assets	133,048	80,529	46,393	36,393

	ECONOMIC ENTITY		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$
Note 10 – Trade and Other Receivables				
CURRENT				
Other receivables	635,516	95,877	49,376	3,335
	635,516	95,877	49,376	3,335
NON-CURRENT				
Other receivables	166,667	-	-	-
Loan to Subsidiary	-	-	761,981	38,497
	166,667	-	761,981	38,497

The loan to the subsidiary is unsecured and non-interest bearing.

Note 11 – Non-Current Financial Assets

Available-for-sale financial assets
- Unlisted investments, at cost

-	-	2,371,320	313,860
-	-	2,371,320	313,860

Note 12 – Property, Plant and Equipment

Office Equipment – At cost	53,975	8,892	46,090	5,197
Less accumulated depreciation	(6,275)	(1,849)	(2,465)	(890)
Total Office Equipment	47,700	7,043	43,625	4,307
Field Equipment – At cost	922	922	922	922
Less accumulated depreciation	(361)	(58)	(361)	(58)
Total Field Equipment	561	864	561	864
Motor Vehicles – At cost	152,735	50,415	-	-
Less accumulated depreciation	(30,794)	(16,366)	-	-
Total Motor Vehicles	121,941	34,049	-	-
Property, Plant and Equipment – At cost	666,666	-	-	-
Less accumulated depreciation	-	-	-	-
Total Property, Plant and Equipment	666,666	-	-	-
Land & Buildings – At cost	2,500,000	-	-	-
Total Land & Buildings	2,500,000	-	-	-
TOTAL FIXED ASSETS	3,336,868	41,956	44,186	5,171

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land & Buildings \$	Property, Plant & Equipment \$	Office Equipment \$	Field Equipment \$	Motor Vehicles \$	Total \$
Economic Entity						
Balance at 30 June 2006	-	-	-	-	-	-
Additions	-	-	8,892	922	50,415	60,229
Depreciation expense	-	-	(1,849)	(58)	(16,366)	(18,273)
Balance at 30 June 2007	-	-	7,043	864	34,049	41,956
Additions	2,500,000	666,666	45,083	-	127,227	3,338,976
Disposals	-	-	-	-	(24,907)	(24,907)
Depreciation expense	-	-	(4,426)	(303)	(14,428)	(19,157)
Carrying amount at 30 June 2008	2,500,000	666,666	47,700	561	121,941	3,336,868
Parent Entity						
Balance at 30 June 2006	-	-	-	-	-	-
Additions	-	-	5,197	922	-	6,119
Depreciation expense	-	-	(890)	(58)	-	(948)
Balance at 30 June 2007	-	-	4,307	864	-	5,171
Additions	-	-	40,893	-	-	40,893
Depreciation expense	-	-	(1,575)	(303)	-	(1,878)
Carrying amount at 30 June 2008	-	-	43,625	561	-	44,186

	ECONOMIC ENTITY		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$

Note 13 – Intangible Assets

Goodwill at Cost	166,667	-	-	-
Accumulated impaired losses	-	-	-	-
Total Intangible Assets	166,667	-	-	-

Note 14 – Deferred Exploration and Evaluation Costs

Opening Balance	345,148	-	-	-
Payments for Tenement interests	2,024,829	349,096	-	-
Impairment	(1,000)	(3,948)	-	-
Costs carried forward in respect of areas of interest in Exploration and Evaluation phases	2,368,977	345,148	-	-

The ultimate recoupment of costs carried forward for exploration assets is dependent on the successful development and commercial exploitation or sale of the respective areas.

Note 15 – Current Trade & Other Payables

Unsecured liabilities				
Trade Payables	708,136	245,185	594,966	21,411
Sundry Payables	50,999	-	50,999	-
Accrued Expenses (1)	4,676,192	11,863	932,000	11,863
Total Current Trade & Other Payables	5,435,327	257,048	1,577,965	33,274

(1) Accrued expenses include amounts in respect of the Share Sale Agreement with Madagascar Resources NL, the Business Sale Agreement between Mining Services SARL and BRGM and the Long Term Lease Agreement between St Denis Holdings SARL and BRGM. Details can be found in the Directors' Report.

	ECONOMIC ENTITY		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$

Note 16 – Short-Term Provisions

Provision for annual leave

Opening Balance

Additional provisions

Balance at 30 June 2008

1,362	-	-	-
8,013	1,362	9,375	-
9,375	1,362	9,375	-

No.	No.	No.	No.
14	8	1	1

Number of employees at year end

Note 17 – Non-Current Trade & Other Payables

Unsecured liabilities

Accrued Expenses (2)

Total Current Trade & Other Payables

1,100,829	-	1,100,829	-
1,100,829	-	1,100,829	-

(2) Accrued expenses include amounts in respect of the Share Sale Agreement with Madagascar Resources NL. This liability is only repayable from 70% of net labradorite royalties received by MADA-Aust SARL. Details can be found in the Directors' Report.

	ECONOMIC ENTITY		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$

Note 18 – Issued Capital

95,000,003 fully paid ordinary shares

25,000,003 fully paid ordinary shares

15,000,000 fully paid preference shares

11,010,767	-	11,010,767	-
-	1,150,003	-	1,150,003
-	150,000	-	150,000
11,010,767	1,300,003	11,010,767	1,300,003

Ordinary shares

At the beginning of reporting period

Shares issued during the year

10 August 2007¹

9 May 2008²

27 June 2008³

27 June 2008⁴

No.	No.	No.	No.
25,000,003	-	25,000,003	-
-	25,000,003	-	25,000,003
1,700,000	-	1,700,000	-
3,300,000	-	3,300,000	-
50,000,000	-	50,000,000	-
15,000,000	-	15,000,000	-

At reporting date

95,000,003	25,000,003	95,000,003	25,000,003
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Preference shares

At the beginning of reporting period

Shares issued during the year

Shares converted to ordinary shares

15,000,000	-	15,000,000	-
-	15,000,000	-	15,000,000
(15,000,000)	-	(15,000,000)	-

At reporting date

-	15,000,000	-	15,000,000
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Notes

- 1 On 10 August 2007, 1,700,000 fully paid ordinary shares were allotted at \$0.10 per share pursuant to a raising of seed capital; and
- 2 On 9 May 2008, 3,300,000 fully paid ordinary shares were allotted at \$0.10 per share pursuant to a raising of seed capital; and
- 3 On 27 June 2008, 50,000,000 fully paid ordinary shares were allotted at \$0.20 per share pursuant to a prospectus issue.
- 4 On 27 June 2008, 15,000,000 preference shares converted to fully paid ordinary shares on the company obtaining ASX listing.

The Company has no maximum authorised share capital. Ordinary shares are of no par value.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Stock Exchange Listing

Total Issued Capital is 95,000,003 shares, of which 72,875,003 are listed and 23,125,000 Shares are escrowed to between 10 August 2008 and 7 July 2010.

Options

1,000,000 unlisted Options with an exercise price of \$0.20 and with expiry date of 26 June 2013 are on issue.

ECONOMIC ENTITY		PARENT ENTITY	
2008	2007	2008	2007
\$	\$	\$	\$

Note 19 – Reserves

Foreign Currency Translation Reserve ⁽¹⁾	2,349	2,349	-	-
Option Reserve ⁽²⁾	198,552	-	198,552	-
	200,901	2,349	198,552	-

⁽¹⁾ The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

⁽²⁾ The Option Reserve records items recognised as expenses on valuation of employee share option scheme.

Note 20 – Cash Flow Information

(a) Reconciliation of cash flow from operations with loss after income tax:

Loss after income tax	(717,851)	(247,604)	(467,668)	(245,821)
Non-cash flows in loss:				
Depreciation	19,157	18,273	1,878	948
Share Option expense	198,552	-	198,552	-
Impairment of assets	1,000	3,948	-	-
Changes in assets and liabilities :				
Increase in income taxes payable	1,175	2,638	-	-
(Increase) in other current assets	(288,680)	(176,406)	(755,484)	(39,728)
Increase in provisions	8,013	1,362	9,375	-
Increase in trade payables and accruals	482,940	254,895	595,718	31,411
Cashflow used by Operations	(295,694)	(142,894)	(417,629)	(253,190)

(b) Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the items in the balance sheet as follows:

Cash and cash equivalents (note 8)	9,973,208	747,785	9,899,950	688,337
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Note 21 – Controlled Entities

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned	
		2008	2007
Parent Entity			
Malagasy Minerals Limited	Australia	-	-
Subsidiaries of Malagasy Minerals Limited:			
Mada Aust SARL	Madagascar	100%	100%
Mazoto Minerals SARL *	Madagascar	90%	90%
Energex SARL	Madagascar	100%	100%
Mining Services SARL	Madagascar	100%	-
St Denis Holdings SARL	Madagascar	100%	-

* Mr. Steven Goertz holds a 10% interest in trust for Malagasy Minerals Limited.

The subsidiaries noted above are all controlled entities and are dependant on the parent entity for financial support. At the year end, total loans to these subsidiaries amount to \$761,981 (2007: \$38,497). Loans to subsidiaries made in this financial year total \$723,484 (2007: \$38,497)

(b) Acquisition of Controlled Entities

On 24 August 2007 and 18 September 2007, the Company incorporated Mining Services SARL and St Denis Holdings SARL respectively, as wholly owned subsidiaries.

Note 22 – Contingent Liabilities and Commitments

(a) Exploration Commitments

The economic entity has no statutory obligations to perform minimum exploration work on its tenements.

	ECONOMIC ENTITY		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$

(b) Finance Lease Commitments

Payable – minimum lease payments

- not later than one year	8,104	-	8,104	-
- between one year and five years	8,869	-	8,869	-
Minimum lease payments	18,612	-	18,612	-
Less future finance charges	(1,639)	-	(1,639)	-
	16,973	-	16,973	-

(c) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalized in the financial statements payable:

These obligations which are not provided for in the financial statements and are payable:

- not later than one year	27,127	2,987	27,127	4,420
- between one and five years	-	8,961	-	-
	27,127	11,948	27,127	4,420

This relates to a property lease for 2 years commenced on 1 June 2007. An option exists to renew the lease at the end of the 2-year term.

Note 23 – Events Subsequent to Balance Date

There were no material events arising subsequent to 30 June 2008 to the date of this report which may significantly affect the operations of the economic entity, the results of those operations and the state of affairs of the economic entity in the future, other than:

(a) Share Sale Agreement

On 4 April 2007, the parent entity acquired 100% of Mada-Aust sarl, a Company incorporated in the Republic of Madagascar, for a purchase consideration of 10,000,000 preference shares in Malagasy Minerals Limited plus \$2.2 million in cash, with \$750,000 payable upon successful listing of Malagasy Minerals Limited, and the balance being payable out of 70% of the net Royalty receipts due under three existing Labradorite Royalty agreements. This agreement is conditional upon Malagasy Minerals Limited listing by 30 November 2007, and is secured by way of an escrow over the Mada-Aust sarl shares.

(b) Business Sale Agreement

Mining Services, a wholly owned subsidiary of MML, has entered into a sales agreement with BRGM dated 13 December 2007 as amended on 14 March 2008 ("Business Sale Agreement") to purchase BRGM's drilling business and geotechnical assay laboratory business in Antananarivo, Madagascar ("Business"). MML has guaranteed the performance of Mining Services' obligations under the Business Sale Agreement. The purchase price for the Business is 500,000 Euros (excluding taxes) comprising 25,000 Euros payable on execution of the Business Sale Agreement, 12,500 Euros payable by 15 April 2008, 12,500 Euros payable by 30 June 2008, 325,000 Euros payable by 31 July 2008, 115,000 Euros payable by 31 December 2008 and 10,000 Euros payable by 31 March 2009 ("Purchase Price"). The Purchase Price includes 100,000 Euros for intangible property such as clientele, 200,000 Euros for materials and commercial furniture and 200,000 Euros for existing stock. The Business includes the clientele of the Business, commercial furniture and materials, certain materials and equipment described in the Business Sale Agreement, utilities and structures and installations.

(c) Long Term Lease Agreement

Saint Denis has entered into a lease agreement with BRGM in respect of two properties in Madagascar ("Long Term Lease") dated 13 December 2007 as amended on 14 March 2008. The land the subject of the Long Term Lease covers an area of approximately 20,000 square metres and is the land upon which BRGM operates its business, the subject of the Business Sale Agreement ("Land"). The term of the Long Term Lease is 99 years with an option to renew for a further 99 years commencing on the date that the Conditions Precedent are satisfied. The Long Term Lease is conditional on Official Quotation, payment of 675,000 Euros, payment of 325,000 Euros by Mining Services to BRGM under the Business Sale Agreement, simultaneous payment by Mining Services of any taxes payable on the Purchase Price under the Business Sale Agreement and simultaneous payment by St Denis of any taxes payable on 750,000 Euros (comprising part of the Rent under the Long Term Lease) by 31 July 2008. Rent is 1,500,000 Euros (excluding taxes) payable as follows, 75,000 Euros payable on the date of execution of the Long Term Lease, 37,500 Euros payable by 15 April 2008, 37,500 Euros payable by 30 June 2008, 600,000 Euros payable on 31 July 2008, 375,000 Euros payable by 31 December 2008 and 375,000 Euros payable on 31 March 2009 ("Rent").

As at 30 June 2008 all of these transactions have been recorded in the Accounts following the successful completion of the IPO and quotation on the ASX on 7 July 2008.

Note 24 – Financial Instruments

(a) Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries. The group does not speculate in the trading of derivative instruments.

Treasury Risk Management

The Finance Director and Managing Director discuss on a regular basis the currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Financial Risk

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk and liquidity risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate deposits.

Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's measurement currency.

As a result of subsidiary companies being registered in Madagascar, the Group's balance sheet can be affected by movements in the AUD\$/Ariary exchange rates. The Group does not seek to hedge this exposure.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognized financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

(b) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within Year		Non-interest Bearing		Total	
	2008 %	2007 %	2008 \$	2007 %	2008 \$	2007 %	2008 \$	2007 %	2008 \$	2007 %
Financial Assets										
Cash	7.6%	6.25%	3,967,335	141,128	6,005,810	606,406	63	251	9,973,208	747,785
Receivables			-	-	-	-	635,516	95,877	635,516	95,877
Total Financial Assets			3,967,335	141,128	6,005,810	606,406	635,579	96,128	10,608,724	843,662
Financial Liabilities										
Payables			-	-	(16,973)	-	(5,418,354)	(257,048)	(5,435,327)	(257,048)
Total Financial Liabilities			-	-	(16,973)	-	(5,418,354)	(257,048)	(5,435,327)	(257,048)
Net Financial Assets			3,967,335	141,128	5,988,837	606,406	(4,782,775)	(160,920)	5,173,397	586,614

(c) Sensitivity Analysis

Interest Rate Risk and Foreign Currency Risk at Balance Date

The group has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis at Balance Date

At 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	ECONOMIC ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
Change in profit				
– Increase in interest rate by 1%	7,741	2,002	5,927	1,922
– Decrease in interest rate by 1%	(7,741)	(2,002)	(5,927)	(1,922)
Change in equity				
– Increase in interest rate by 1%	(7,741)	(2,002)	(5,927)	(1,922)
– Decrease in interest rate by 1%	7,741	2,002	5,927	1,922

Foreign Currency Risk Sensitivity Analysis

At 30 June 2008, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the Madagascan Ariary, with all other variables remaining constant is as follows:

Change in profit				
– Improvement in AUD to MGA by 5%	(12,509)	(89)	-	-
– Decline in AUD to MGA by 5%	12,509	89	-	-
Change in equity				
– Improvement in AUD to MGA by 5%	12,509	89	-	-
– Decline in AUD to MGA by 5%	(12,509)	(89)	-	-

Note 25 – Statement of Operations by Segment

The Company operates predominantly in one business segment, mineral exploration and two geographical segments Australia and Madagascar.

Primary report – Geographical Segments

2008	Australia	Madagascar	Eliminations	Economic Entity
Revenue				
Other Income	60,686	264,957	-	325,643
Total Segment Revenue	60,686	264,957	-	325,643
Result				
Segment Result	(467,668)	(250,183)	-	(717,851)
Unallocated Revenue	-	-	-	-
Loss before income tax expense	(467,668)	(248,408)	-	(716,076)
Loss after income tax	(467,668)	(250,183)	-	(717,851)
Assets				
Segment Assets	13,935,187	3,607,745	(761,981)	16,780,951
Segment Liabilities	2,688,169	3,095,381	761,981	6,545,531
Other				
Acquisition of non-current segment assets	2,057,461	-	-	2,057,461
Depreciation	1,878	17,279	-	19,157
Impairment of tenements	-	1,000	-	1,000

2007	Australia	Madagascar	Eliminations	Economic Entity
Revenue				
Other Income	10,419	210,591	-	221,010
Total Segment Revenue	10,419	210,591	-	221,010
Result				
Segment Result	(232,214)	855	-	(231,359)
Loss before income tax expense	(232,214)	855	-	(231,359)
Loss after income tax	(232,214)	(1,783)	-	(233,997)
Assets				
Segment Assets	1,045,865	265,430	-	1,311,295
Segment Liabilities	28,076	230,334	-	258,410
Other				
Acquisition of non-current segment assets	313,857	-	-	313,857
Depreciation	948	17,325	-	18,273
Impairment of tenements	-	3,948	-	3,948

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses when a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Note 26 – Related Party Transactions

	ECONOMIC ENTITY		PARENT ENTITY	
	2008 Number	2007 Number	2008 Number	2007 Number

Transactions between related parties are on usual commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Directors' Share Transactions:

Directors and director related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the Company

Ordinary Shares	10,390,002	10,250,002	10,390,002	10,250,002
Preference Shares	-	10,000,000	-	10,000,000

	2008 \$	2007 \$	2008 \$	2007 \$
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(b) Related Party Transactions:

Madagascar Resources NL	141,300	264,362	141,300	264,362
Midas Consultancy Limited	36,000	50,000	36,000	50,000

Madagascar Resources NL was the holder of 10,000,000 preference shares in Malagasy Minerals Ltd. Mr Guy Le Clezio and Dr Peter Woods are also Directors of Madagascar Resources NL. These converted to fully paid ordinary shares upon the company obtaining ASX listing.

Midas Consultancy Ltd is the holder of 5,000,000 ordinary shares in Malagasy Minerals Ltd. Mr Jules Le Clezio is a Director of Midas Consultancy Ltd.

Note 27 – Auditors Remuneration

Amount payable to WHK Horwath as Auditor	15,000	6,000	15,000	6,000
Auditing or reviewing the financial report				
Independent Accountants report for prospectus	17,800	-	17,800	-
	32,800	6,000	32,800	6,000

Note 28 – Share Based Payments

The following Share-based payment arrangements existed at 30 June 2008.

Options

On 27 June 2008, 1,000,000 share options were granted to executive employees as follows:

No. of Options	Exercise Price	Vesting Date	Expiry Date
1,000,000	\$0.20	27/6/2008	26/06/2013

None of the options hold voting or dividend rights. If the Option holder ceases to be in the employment of the Company prior to vesting the Options will lapse.

	2008 \$	
	No of Options	Exercise Price
Outstanding at the beginning of the period	-	-
Granted: 27 June 2008	1,000,000	\$0.20
Outstanding at period end	1,000,000	\$0.20
Exercisable at period end	1,000,000	\$0.20

The weighted average fair value of the options granted during the period was \$198,552. This price was calculated using a Black Sholes option pricing model applying the following inputs:

Weighted average exercise price	\$0.20
Weighted average life of option	5 years
Underlying share price	\$0.20
Expected share price volatility	70%
Risk free interest rate	6.5%

Due to the Company's recent ASX listing (July 2008) there is limited historical trading data. A volatility rate of 70% has been used based on the calculated average volatility rates of similar ASX-listed exploration companies.

Note 29 – Company Details

The registered office of the company is:
Malagasy Minerals Limited
Unit 7, 11 Colin Grove
West Perth WA 6005
Australia

director's declaration

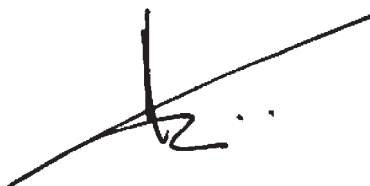
The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 29 to 50 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the company and economic entity;
2. the Managing Director and Finance Director have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view; and:
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Mr S B Goertz
Managing Director



Mr M.D.J. Cozijn
Finance Director

Perth, Western Australia
24 September 2008

independent auditors report



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MALAGASY MINERALS LIMITED AND ITS CONTROLLED ENTITIES

We have audited the accompanying financial report of Malagasy Minerals Limited and its Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion, the financial report of Malagasy Minerals Limited and its Controlled Entities is in accordance with the Corporations Act 2001 including:

- a) i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WHK HORWATH PERTH AUDIT PARTNERSHIP
CYRUS PATELL
Principal

Perth, WA
Dated this 24th day of September 2008

Total Financial Solutions



*Horwath refers to Horwath International Association, a Swiss Verein.
Each member of the Association is a separate and independent legal entity.*

Member Horwath International

WHK Horwath Perth Audit Partnership ABN 96 844 819 2
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GPO Box P1213 Perth WA 6844 Australia
Telephone +61 8 9481 1448 Facsimile +61 8 9481 0152
Email perth@whkhorwath.com.au www.whkhorwath.com.
A WHK Group firm

shareholder information

1. Shareholding

The shareholder information set out below was applicable as at 25 August 2008:

(a) Distribution of Share Holdings as at 25 August 2008

Size of Holding and Option Holdings	Number of Shareholders
1 - 1,000	2
1,001 - 5,000	16
5,001 - 10,000	56
10,001 - 100,000	420
100,001 and over	133
Total Shareholders	627

(b) Of the above total 12 Ordinary Shareholders hold less than a marketable parcel.

(c) Substantial Shareholders

- Madagascar Resources NL holds 10,000,000 ordinary shares representing 10.53% of the company's equity.
- Goertz Superfund A/c holds 5,000,000 ordinary shares representing 5.26% of the company's equity.
- Diplomat Holdings P/L and associates of Max Cozijn hold 5,110,001 ordinary shares representing 5.38% of the company's equity.
- Harpendon Nominees P/L holds 5,000,000 ordinary shares representing 5.26% of the company's equity.
- Midas Consultancy Limited holds 5,000,000 ordinary shares representing 5.26% of the company's equity.

(d) Voting Rights

The voting rights attached to the ordinary shares are governed by the Constitution.

On a show of hands every person present who is a Member or representative of a Member shall have one vote and on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

2. The name of the Company Secretary is Mr Max D.J. Cozijn.

3. The address of the principal registered office in Australia is Unit 7, 11 Colin Grove, West Perth, Western Australia 6005, Telephone +61 (0)8 9463 6656.

4. The register of securities is held at;

Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross WA 6153, Telephone +61 (0)8 9315 2333.

5. Stock Exchange Listing

Quotation has been granted for 72,875,003 ordinary shares on all member exchanges of the Australian Stock Exchange Limited ("ASX") and trade under the symbol 'MGY'.

6. Unquoted Securities - Shares

A remaining 22,125,000 ordinary shares are unquoted and subject to Escrow for various periods from ASX Listing on 7 July 2008 to dates between 10 August 2008 and 7 July 2010.

7. Detailed schedules of exploration and mining tenements held are included in the operations review.

8. Directors' interests in share capital are disclosed in the Directors Report.

9. Unquoted Securities – Options

The following Unlisted Options are on issue:

No. of Options	Exercise Price	Vesting Date	Expiry Date
1,000,000	\$0.20	27 June 2008	26 June 2013
1,000,000	Options held by 1 holder.		

10. There is currently no on-market buy-back in place.

11. For the current financial year, the entity used its cash and assets in a form readily convertible to cash in a manner consistent with its business activities.

Twenty Largest Shareholders as at 25 August 2008

SHAREHOLDERS (Fully Paid Ordinary)	Number of Shares	%
MADAGASCAR RESOURCES NL	10,000,000	10.53%
GOERTZ SUPERFUND A/C	5,000,000	5.26%
DIPLOMAT HOLDINGS NL	5,000,000	5.26%
HARPENDON NOMINEES NL	5,000,000	5.26%
MIDAS CONSULTANCY LTD	5,000,000	5.26%
TWYNAM AGRICULTURAL GROUP PL	2,400,000	2.53%
MAD HOLDINGS LTD	1,700,000	1.79%
UBS NOMINEES PL	1,475,000	1.55%
NEFCO NOMINEES PL	1,250,000	1.32%
BOND STREET CUSTOMERS LTD	1,250,000	1.32%
TREECITY PL	1,000,000	1.05%
SPRINGTIDE CAPITAL PL	1,000,000	1.05%
DAMPIER MASTER FUND LTD	1,000,000	1.05%
ORION EQUITIES LTD	750,000	0.79%
CG SUPER PL	700,000	0.74%
MANNWEST GROUP PL	700,000	0.74%
SUPERPETE PL	600,000	0.63%
HORVAT JOSIP	600,000	0.63%
JORGE BELMIRO DA SILVA	600,000	0.63%
LEET INVESTMENTS PL	580,000	0.61%
TOP 20 SHAREHOLDERS	45,605,000	48.00%
TOTAL ISSUED SHARES as at 25 August 2008	95,000,003	100.00%

tenement schedules

Title Number	Holder	Permit Type	Appl'n Date	Grant Date	Expiry Date	Term	Project Name	Minerals currently under title	Total Area (km2)	Tenement Fees 2008 \$A	Note
Totals:									6328,406	242 614	
3432	MDA	PR	NA	18/06/01	17/06/11	10	Ampanihy - Central (Big 'S')	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag	725,000	70 481	4 9 10
5391	MDA	PE	NA	18/06/2001	17/06/2041	40	Ampanihy - lanapera	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag	6,250	1 114	10
5392	MDA	PE	NA	18/06/2001	17/06/2041	40	Ampanihy - lanapera	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag	6,250	1 114	10
5393	MDA	PE	NA	18/06/2001	17/06/2041	40	Ampanihy - lanapera	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag	6,250	1 114	10
13064	MDA	PR	NA	04/02/2005	03/02/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	18,750	911	
13827	MDA	PR	NA	14/03/2005	13/03/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	112,500	5 468	
13882	MDA	PR	NA	14/03/2005	13/03/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	6,250	304	
14614	MDA	PR	NA	26/01/2005	25/01/2015	10	Toliara	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	25,000	1 215	
14618	MDA	PR	NA	26/01/2005	25/01/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	12,500	608	
14620	MDA	PR	NA	26/01/2005	25/01/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	18,750	911	
14622	MDA	PR	NA	26/01/2005	25/01/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	25,000	1 215	
14623	MDA	PR	NA	26/01/2005	25/01/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	56,250	2 734	
16746	MDA	PR	NA	09/09/2005	08/09/2015	10	Ampanihy - lanapera	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au, Zn.	31,250	1 519	
16748	MDA	PR	NA	09/09/2005	08/09/2015	10	Ampanihy - lanapera	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au, Zn.	25,000	1 215	
19851	MDA	PR	NA	04/02/2005	03/02/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	12,500	608	
19934	MDA	PR	NA	26/01/2005	25/01/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Zn, Co.	6,250	304	
19935	MDA	PR	NA	26/01/2005	25/01/2015	10	Ampanihy - lanapera	Ni, Cu, Au, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Zn, Co.	6,250	304	
25093	MDA	PE	NA	18/06/2001	17/06/2041	40	Ampanihy - lanapera	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag	6,250	1 114	3
25094	MDA	PE	NA	18/06/2001	17/06/2041	40	Ampanihy - lanapera	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag	6,250	1 114	3

Title Number	Holder	Permit Type	Appl'n Date	Grant Date	Expiry Date	Term	Project Name	Minerals currently under title	Total Area (km2)	Tenement Fees 2008 \$A	Note
5394	MDA	PE	NA	18/06/2001	17/06/2041	40	Ampanihy - Maniry	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag	18,750	3 342	11
13089	MDA	PR	NA	04/02/2005	03/02/2015	10	Ampanihy - Maniry	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn	18,750	911	
13811	MDA	PR	NA	14/03/2005	13/03/2015	10	Ampanihy - Maniry	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	18,750	911	
13812	MDA	PR	NA	14/03/2005	13/03/2015	10	Ampanihy - Maniry	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn	37,500	1 823	
13831	MDA	PR	NA	14/03/2005	13/03/2015	10	Ampanihy - Maniry	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	12,500	608	
13832	MDA	PR	NA	14/03/2005	13/03/2015	10	Ampanihy - Maniry	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	6,250	304	
13877	MDA	PR	NA	14/03/2005	13/03/2015	10	Ampanihy - Maniry	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	6,250	304	
14619	MDA	PR	NA	26/01/2005	25/01/2015	10	Ampanihy - Maniry	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.	6,250	304	
16747	MDA	PR	NA	09/09/2005	08/09/2015	10	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au, Zn.	18,750	911	
16749	MDA	PR	NA	09/09/2005	08/09/2015	10	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au, Zn.	6,250	304	
16750	MDA	PR	NA	09/09/2005	08/09/2015	10	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au, Zn.	31,250	1 519	
16753	MDA	PR	NA	09/09/2005	08/09/2015	10	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au, Zn.	18,750	911	
19003	MDA	PR	NA	23/02/2006	22/02/2016	10	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au, Zn.	6,250	152	
19932	MDA	PE	NA	10/03/2006	09/03/2046	40	Ampanihy - Maniry	Ni, Cu, Co, Labradorite	43,750	3 190	8
19933	MDA	PE	NA	10/03/2006	09/03/2046	40	Ampanihy - Maniry	Ni, Cu, Co, Labradorite	6,250	456	6
19936	MDA	PR	NA	04/02/2005	03/02/2015	10	Ampanihy - Maniry	Ni, Cu, Au, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Zn, Co.	12,500	608	
21059	MDA	PR	06/07/2006	14/09/2007	13/09/2012	5	Ampanihy - Maniry	Ni, Cu, Co	6,250	152	12, 2
21060	MDA	PR	05/12/2005	30/10/2006	29/10/2011	5	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Zn, Au	6,250	152	
21061	MDA	PR	NA	30/10/2006	29/10/2011	5	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Zn, Au	6,250	152	
21063	MDA	PR	NA	30/10/2006	29/10/2011	5	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au, Zn	12,500	304	
21064	MDA	PR	NA	30/10/2006	29/10/2011	5	Ampanihy - Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Au	6,250	152	

Title Number	Holder	Permit Type	Appl'n Date	Grant Date	Expiry Date	Term	Project Name	Minerals currently under title	Total Area (km2)	Tenement Fees 2008 \$A	Note
25095	MDA	PE	NA	18/06/2001	17/06/2041	40	Ampanihy - Maniry	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag,	18,750	3 342	5
25605	MDA	PR	NA	18/06/2001	17/06/2011	10	Ampanihy - Maniry	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag,	31,250	3 038	10 7
25606	MDA	PR	NA	18/06/2001	17/06/2011	10	Ampanihy - Maniry	Ni, Cu, Co, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag,	6,250	608	6
21062	MDA	PR	06/07/2006	03/10/2007	02/10/2012	5	Ampanihy-Maniry	Ni, Cu, Co,	12,500	304	2 13
24864	MDA	PR	10/05/2007	08/05/2007	07/05/2012	5	Ampanihy-Maniry	Ni, Cu, Labradorite, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Co, Au	18,750	456	
28340	MZT	PR	06/09/2007	08/01/2008	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	62,500	1 519	
28341	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	
28345	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	18,750	456	
28346	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	
28347	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	43,750	1 063	
28348	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	
28349	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	
28350	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	12,500	304	
28351	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	43,750	1 063	
28352	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	37,500	911	
28353	MZT	PR	06/09/2007	08/01/08	07/01/2013	5	Ampanihy-Maniry	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	37,500	911	
18915	MDA	PR	NA	10/03/2006	09/03/2016	10	Anjeba (Antinimora/Jafaro)	Cu, Co, Ni, Fe, Mn, Ag, Au, Zn.	43,750	1 063	
18916	MDA	PR	NA	23/02/2006	22/02/2016	10	Anjeba (Antinimora/Jafaro)	Cu, Co, Ni, Fe, Mn, Ag, Au, Zn.	12,500	304	
13507	MDA	PR	NA	04/02/2005	03/02/2015	10	Bekisopa (Soatanimbary)	Ni, Cu, Cr, Co, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	31,250	1 519	
15778	MDA	PR	NA	20/07/2005	19/07/2015	10	Bekisopa (Soatanimbary)	Ni, Co, Cr, Cu, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	56,250	2 734	
12834	MDA	PR	NA	01/03/2005	28/02/2015	10	Majunga	Ilménite	25,000	1 215	2

Title Number	Holder	Permit Type	Appl'n Date	Grant Date	Expiry Date	Term	Project Name	Minerals currently under title	Total Area (km2)	Tenement Fees 2008 \$A	Note
28130	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	337,000	8 190	
28131	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	412,500	10 025	
28181	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	50,000	1 215	
28182	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	31,250	759	
28183	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	
28184	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	18,750	456	
28185	MDA	AERP	N/A	25/05/2007	12/10/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	12,500	304	1
		PR	24/08/2007	N/A	N/A						
28186	MDA	AERP	N/A	25/05/2007	12/10/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	18,750	456	1
		PR	24/08/2007	N/A	N/A						
28188	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	75,000	1 823	
28191	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	150,000	3 646	
28192	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	112,500	2 734	
28193	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	
28194	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	25,000	608	
28195	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	
28196	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	43,750	1 063	
28197	MDA	PR	24/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	
28198	MDA	AERP	N/A	25/05/2007	12/10/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	118,750	2 886	1
		PR	24/08/2007	N/A	N/A						
28199	MDA	AERP	N/A	25/05/2007	12/10/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	24/08/2007	N/A	N/A						
28200	MDA	AERP	N/A	25/05/2007	12/10/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	18,750	456	1
		PR	24/08/2007	N/A	N/A						
28359	MDA	PR	31/08/2007	26/10/2007	25/10/2012	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	25,000	608	

Title Number	Holder	Permit Type	Appl'n Date	Grant Date	Expiry Date	Term	Project Name	Minerals currently under title	Total Area (km2)	Tenement Fees 2008 \$A	Note
28427	MZT	PR	13/09/2007	21/01/08	20/01/2013	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	81,250	1 975	
28428	MZT	PR	13/09/2007	21/01/08	20/01/2013	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	43,750	1 063	
28429	MZT	PR	13/09/2007	21/01/08	20/01/2013	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	18,750	456	
28430	MZT	PR	13/09/2007	21/01/08	20/01/2013	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	191,406	4 652	
28433	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	31,250	759	1
		PR	13/09/2007	N/A	N/A						
28434	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	12,500	304	1
		PR	13/09/2007	N/A	N/A						
28435	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28436	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28437	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	25,000	608	1
		PR	13/09/2007	N/A	N/A						
28438	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28439	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28440	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28441	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28442	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28443	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28444	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	18,750	456	1
		PR	13/09/2007	N/A	N/A						
28445	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	18,750	456	1
		PR	13/09/2007	N/A	N/A						

Title Number	Holder	Permit Type	Appl'n Date	Grant Date	Expiry Date	Term	Project Name	Minerals currently under title	Total Area (km2)	Tenement Fees 2008 \$A	Note
28446	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28447	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
28448	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	NYG	NYG						
28449	MZT	AERP	N/A	14/06/2007	02/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
26341	MZT	PR	18/05/2007	11/07/2007	10/07/2012	5	Satrokala	Ni, Cu, Co, Cr, Fe, Pt, Pd, Au	412,500	10 025	2 15
13063	MDA	PR	NA	04/02/2005	03/02/2015	10	Vohibory	Cu, Au, Ni, Co, Cr, Fe, Mn, Pt, Pd, Rh, Ag, Zn. Coal	131,250	6 380	
13508	MDA	PR	NA	04/02/2005	03/02/2015	10	Vohibory	Cu, Au, Ni, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn. Coal	6,250	304	
13829	MDA	PR	NA	14/03/2005	13/03/2015	10	Vohibory	Ni, Cu, Au, Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn. Coal	12,500	608	
29020	MDA	PR	19/07/2007	26/10/2007	25/10/2012	5	Ampanihy - Maniry	Co - Cu - Ni	12,500	304	2 14
29756	MZT	PR	13/09/2007	21/01/08	20/01/2013	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	1612,500	39 190	
29757	MZT	AERP	N/A	14/06/2007	03/11/2007	5	Mananjary Reg.	Ni, Cu, Co, Cr, Fe, Mn, Pt, Pd, Rh, Au, Ag, Zn	6,250	152	1
		PR	13/09/2007	N/A	N/A						
17388	MDA	PR	N/A	28/07/2005	27/07/2015	10	Ankililoaka	Illménite	18,750	911	2
24873	MDA	PR	N/A	08/05/2007	07/05/2012	5	Miadakafeno	Cu, Fe, Mn, Au, Ag, Zn.	12,500	304	
29082	MZT	AERP	N/A	30/07/2007	18/12/2007	5	Tranomaro	Ni, Cu, Co, Fe, Mn, Ag, Zn, Au	87,500	2 127	1
		PR	29/10/2007	N/A	N/A						
29084	MZT	AERP	N/A	30/07/2007	18/12/2007	5	Tranomaro	Ni, Cu, Co, Fe, Mn, Ag, Zn, Au	6,250	152	1
		PR	29/10/2007	N/A	N/A						
29085	MZT	AERP	N/A	30/07/2007	18/12/2007	5	Tranomaro	Ni, Cu, Co, Fe, Mn, Ag, Zn, Au	56,250	1 367	1
		PR	29/10/2007	N/A	N/A						

Notes

1. AERP is valid until PR is obtained.
2. New mining title not yet available.
3. According to the contract with SQNY International dated on 03/11/06, Right of Exploration/ Exploitation of Labradorite on 1 square was granted to SQNY International for 5 Years from the date of contract. Not registered at BCMM.
4. According to the contract with SQNY International dated on 03/11/06, Right of Exploitation of Labradorite on 2 squares was granted to SQNY International for 5 Years from the date of contract. Not registered at BCMM.
5. According to the contract with SQNY International dated 03/11/06, Right of Exploration/ Exploitation of Labradorite on 3 squares were granted to SQNY International for 5 Years from the date of contract. Not registered at BCMM.
6. According to the contract with MAGRAMA dated on 21/11/2005, Right of Exploration/ Exploitation of Labradorite on 1 square was granted to MAGRAMA for 10 Years from the date of contract. Registered at BCMM.
7. According to the contract with MAGRAMA dated on 21/11/2005, Right of Exploration/ Exploitation of Labradorite 3 squares were granted to MAGRAMA for 10 years from the date of contract. Registered at BCMM.
8. According to the contract with MAGRAMA dated on 21/11/2005, Right of Exploration/ Exploitation of Labradorite on 7 squares were granted to MAGRAMA for 10 Years from the date of contract. Registered at BCMM.
9. According to the contract with MAGRAMA dated on 21/11/05, Right of Exploitation of Labradorite on 13 squares was granted to MAGRAMA for 10 Years from the date of contract
10. According to the contract with EUROMAD dated on 17/11/05, Right of Exploration/ Exploitation of Labradorite on 1 square was granted to EUROMAD for 10 Years from the date of contract. Not registered at BCMM.
11. According to the contract with EUROMAD dated on 17/11/05, Right of Exploration/ Exploitation of Labradorite on 2 squares was granted to EUROMAD for 10 Years from the date of contract. Not registered at BCMM.
12. Extension on substances has been applied for Cr, Co, Fe, Mn, Pt, Pd, Rh, Ag, Zn.
13. Extension on substances has been applied for Cr, Fe, Mn, Pt, Pd, Rh, Ag, Zn, Au.
14. Extension on substances has been applied for: Cr, Fe, Mn, Au, Ag, Zn, Ta, Nb, Sc.
15. Extension on substances has been applied for Mn, Rh, Ag, Zn

Glossary

AERP has the meaning in article 22 of the Mining Code of Madagascar.

Exploitation Permits (PE) has the meaning in article 37 of the Mining Code of Madagascar.

Mada-Aust or MDA means Mada-Aust Sarl, a wholly owned subsidiary of MML, registered in Madagascar.

Mazoto Minerals or MZT means Mazoto Minerals Sarl, a wholly owned subsidiary of MML, registered in Madagascar.

MML means Malagasy Minerals Limited.

Research Permits (PR) has the meaning in article 33 of the Mining Code of Madagascar.

Cu means Copper

Fe means Iron

Mn means Manganese

Au means Gold

Ag means Silver

Zn means Zinc

U means Uranium

Th means Thorium

Ta means Tantalum

Nb means Niobium

Sc means Scandium

Ni means Nickel

Pt means Platinum

Pd means Palladium

Rh means Rhodium, and

Co means Cobalt



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