

## MARKETS

# Explorer makes move on minerals from Madagascar



**Company: Malagasy Minerals Ltd**  
**Proposed ASX code: MGY**  
**Proposed listing date: July 21, 2008**  
**Shares on offer: 50 million**  
**Issue price: 20c**  
**Recommendation: None**

MALAGASY Minerals boasts a portfolio of green-field exploration projects in the frontier African island nation of Madagascar. The company is targeting coal, nickel, copper, cobalt and platinum.

Wise-owl.com analyst Tim Morris says: "All eight projects are in their very early stages as resource bases have yet to be outlined, but the company's coal projects are a point of interest. Sentiment towards the coal sector has been very strong in light of rising global prices, and despite being frontier territory, Madagascar has attracted the attention of major coal producers who envisage the nation's future production potential. The Sakoa Coal Field, which hosts Malagasy's Ianapera Coal project, has attracted particular interest after ASX200 member Straits Resources (code: SRL) recently spent \$45

million to acquire a coal project in the area.

"Straits' project appears considerably larger and more advanced, targeting a 100 million to 1 billion/tonne resource — however, its close proximity to the Ianapera Coal project could have a positive impact, with development work by Straits potentially driving interest in neighbours such as Malagasy," Morris says.

Straits is undertaking a detailed drilling and feasibility study on its Sakoa Coal project. Malagasy has yet to outline specific exploration time lines for Ianapera or any of its other projects but has committed itself to undertaking a big drilling program in the first 18 months of listing.

"Shareholders will be eager to see a firm activity schedule put in place sooner rather than later. However, Malagasy's move to acquire its own drilling rigs should provide flexibility in doing so," Morris says.

Malagasy has signed a deal with a French government organisation based in the country to acquire three rigs, an operating assay testing laboratory, and commercial property that will act as an operations base. Around half of the proceeds from the IPO are destined to fund the purchase of these assets.

