TORONTO, ONTARIO--(Marketwired - Nov 7, 2016) -

Highlights:

- Value engineering and Front-End Engineering and Design ("FEED") Study results provide a cost effective solution for a demonstration plant to test and verify the flow sheet design process of the Molo Graphite Project
- Demonstration plant in Madagascar will have an estimated capital cost (CAPEX) of US$7,000,000
- 9-month estimated build time
- Will allow the Company to provide off-takers with multi-tonne, "run of mine" Molo graphite flake concentrate for final product test verification purposes

Energizer Resources Inc. (TSX:EGZ)(OTCQB:ENZR)(WKN:A1CXW3) ("Energizer" or the "Company") is pleased to announce that it has received results from its FEED Study, which was initiated in September, 2016.

The FEED study was initiated as a part of a comprehensive value engineering exercise undertaken by the Company in order to examine ways of optimizing the mine plan as envisioned in the Molo Feasibility Study. All costing aspects were examined with the goal of providing a method to produce meaningful, multi-tonne test samples of Molo graphite concentrate to potential off-takers while reducing the CAPEX and time required to the commencement of commercial production.

Under an exploration permit, the Company will initially be limited to an input of 20,000 cubic metres (or approximately 50,000 tonnes) of front-end feed into the demonstration plant for the purposes of verifying the flow sheet design process of the proposed Molo Project mine plan. The Company has already initiated the application process for a mining permit, which upon approval would remove the 20,000 cubic metre test limit. At full capacity, the demonstration plant would be capable of processing 240,000 tonnes of feed per annum. This equates to 30 tonnes per hour of feed, and roughly 1 to 3 tonnes of flake graphite concentrate per hour.

The FEED Study suggests a phased approach to achieving commercial production at the Molo Project may be attainable as set forth below.

Phase 1

Phase 1 will consist of the construction of a demonstration processing plant, capable of producing flake graphite concentrate on a test basis. The plant will utilize dry-stack tailings in order to eliminate the up-front capital costs associated with a tailings dam. The demonstration plant is designed to be a "proof of concept" operation with the goal of optimizing the process circuit while allowing the Company to supply true "run-of-mine" flake concentrate to customers for final product validation. Energizer has reached the stage with several potential off-takers where they are awaiting final multi-tonne samples of Molo concentrate in order to run full-scale end production runs using Molo concentrate and enter into definitive off-take contracts. This initial phase will allow Energizer to complete those trials.

Base, essential-only infrastructure will be employed for this phase, with Energizer's current camp being used for accommodation and offices, including accommodation for workers in the nearby town of Fotadrevo.

It is estimated that the Phase I processing plant will require a total of 9 months to complete. This build-out will include detailed engineering, equipment procurement, off-site fabrication and assembly, factory assurance testing (FAT), module disassembly, shipping, plant infrastructure construction, and onsite module assembly at a cost of approximately US$8,500,000 ($7,000,000 for the processing plant and $1,500,000 for related infrastructure).

Phase 2

Once the process circuit has been proven and optimized in Phase 1, Phase 2 will include the development of sustaining infrastructure required for long-term processing and the ramp up of production at the demonstration plant to its full capacity of 240,000 tpa (or 30 tonnes per hour) of ore. In so doing, this phase will likely include the construction of additional on-site accommodation and offices, upgrading of mine-site road infrastructure, and purchases to provide redundancy in the processing circuit. The costs for these items are unknown at this time, but the Company will determine these costs in parallel with the development of Phase 1.

Energizer will also investigate the inclusion of value-added processing for lithium-ion battery and graphite foil applications at the classification portion of the plant. A costing review will be undertaken to identify the costs associated with incorporating these value-add enhancements.

Assuming Phase II operates at full capacity, it would produce 14,750 tonnes of graphite at the estimated operating costs as outlined below.

FEED Operating Cost Summary

	Ore US$/T	*Concentrate US$/T*
Mining	$5.29	$86.07
Processing	$18.47	$300.46
Trucking		$68.60
Shipping (CIF Rotterdam Port)		$140.53
G&A	$4.17	$67.85
Total		$663.51

Phase 3

With the successful completion of Phases 1 and 2, Phase 3 of the development of the Molo Project will involve additional mine build-out infrastructure and plant construction for a fully operational, large-scale mine as envisioned in the Molo Feasibility Study. This would include construction of a tailings dam facility and upgrading or maintenance of the regional road system used to transport graphite concentrate to the port.

Next Steps

The Company will be immediately initiating the required steps to implement Phase 1. During Phase 1, the Company will assess the capabilities of the plant and undertake a similar comprehensive costing review exercise to ascertain the possibility of utilizing a modular build methodology for the full-scale Molo mine.

The Company anticipates that any modules used in Phase 1 and 2 will be integrated where possible in the Phase 3 build-out and supported with additional modules as required. In such an event, the Company expects it will be able to achieve savings in both CAPEX and OPEX costs for full-scale production, relative to those envisioned in the Molo Feasibility Study.

Qualified Persons

Mr. Craig Scherba, P.Geo., President and CEO, is the qualified person who reviewed and approved the technical information provided in this press release.

About Energizer Resources

Energizer Resources is a mineral exploration and mine development company based in Toronto, Canada, that is developing its 100%-owned, feasibility-stage Molo Graphite Project in southern Madagascar. Please see the Feasibility Study titled, "Molo Feasibility Study, National Instrument 43-101 Technical Report, On the Molo Graphite Project located near the village of Fotadrevo in the Province of Toliara, Madagascar" prepared by DRA Projects (Pty) Limited, effective date February 6, 2015.

Safe Harbour: This press release contains statements that may constitute "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation. Readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements are related to capital and operating costs, the success of the various phases, the modular approach, the results of the FEED study, value engineering, continued product test results and product analysis, and the use of the Molo concentrate to further discussions regarding potential off take agreements. These are based on current expectations, estimates and assumptions that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by the Company and described in the forward-looking statements contained in this press release. No assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits the Company will derive there from. The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the forward- looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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