

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 000-51151

ENERGIZER RESOURCES INC.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
Incorporation or organization)

20-0803515
(I.R.S. Employer
Identification No.)

520 – 141 Adelaide Street West, Toronto, Ontario
(Address of principal executive offices)

M5H 3L5
(Zip Code)

(416) 364-4911

(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock, \$0.001 par value per share
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

Large accelerated filer Accelerated Filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 14, 2017, there were 460,995,711 shares of the Registrant's common stock issued and outstanding.



Energizer Resources Inc.

FORWARD-LOOKING STATEMENTS

This Quarterly Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA") regarding management's plans and objectives for future operations including plans and objectives relating to our planned marketing efforts and future economic performance.

Any statement in this report that is not a statement of an historical fact constitutes a "forward-looking statement". Further, when we use the words "may", "expect", "anticipate", "plan", "believe", "seek", "estimate", and similar words, we intend to identify statements and expressions that may be forward-looking statements. We believe it is important to communicate certain of our expectations to our investors. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions that could cause our future results to differ materially from those expressed in any forward-looking statements. Many factors are beyond our ability to control or predict. You are accordingly cautioned not to place undue reliance on such forward-looking statements. Important factors that may cause our actual results to differ from such forward-looking statements include, but are not limited to, the risks outlined under "Risk Factors" herein.

The forward-looking statements herein are based on current expectations that involve a number of risks and uncertainties. Such forward-looking statements are based on assumptions described herein. The assumptions are based on judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Accordingly, although we believe that the assumptions underlying the forward-looking statements are reasonable, any such assumption could prove to be inaccurate and therefore there can be no assurance that the results contemplated in forward-looking statements will be realized. In addition, as disclosed in "Risk Factors", there are a number of other risks inherent in our business and operations, which could cause our operating results to vary markedly, and adversely from prior results or the results contemplated by the forward-looking statements. Management decisions, including budgeting, are subjective in many respects and periodic revisions must be made to reflect actual conditions and business developments, the impact of which may cause us to alter marketing, capital investment and other expenditures, which may also materially adversely affect our results of operations. In light of the significant uncertainties inherent to forward-looking information included in the report statement, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives or plans will be achieved.

The forward-looking statements and associated risks set forth in this Report include or relate to, among other things, (a) our growth strategies, (b) anticipated trends in the mining industry, (c) currency fluctuations, (d) our ability to obtain and retain sufficient capital for future operations, and (e) our anticipated needs for working capital. These statements may be found under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Business".

Our future financial results are uncertain due to a number of factors, some of which are outside the Company's control. These factors include, but are not limited to: (1) our ability to raise additional funding; (2) the market price for graphite, vanadium and other minerals and materials; (3) the results of the exploration programs and metallurgical analysis of our mineral properties; (4) the political instability and/or environmental regulations that may adversely impact costs and ability to operate in Madagascar; and (5) our ability to find joint venture and/or off-take partners in order to advance the development of our mineral properties. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors". In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this report will in fact occur.

The reader is cautioned that our Company does not have a policy of updating or revising forward-looking statements and thus the reader should not assume that silence by management of our Company over time means that actual events are bearing out as estimated in such forward-looking statements.

All references to "dollars", "\$" or "US\$" are to United States dollars and all references to "CAD\$" are to Canadian dollars. United States dollar equivalents of Canadian dollar figures are based on the noon exchange rate as reported by the Bank of Canada on the applicable date. All references to "common shares" refer to the common shares in our capital stock.

PART 1

FINANCIAL INFORMATION

As used in these footnotes, “we”, “us”, “our”, “Energizer Resources”, “Energizer”, “Company” or “our company” refers to Energizer Resources Inc. and all of its subsidiaries.

All references to “dollars”, “\$” or “US\$” are to United States dollars and all references to “CAD\$” are to Canadian dollars. United States dollar equivalents of Canadian dollar figures are based on the exchange rate as reported by the Bank of Canada on the applicable date.

ITEM 1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

General

The accompanying reviewed interim unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles applicable in the United States of America. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in our Company's annual report on Form 10-K for the year ended June 30, 2016.

In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Operating results for the period ended December 31, 2016 are not necessarily indicative of the results that can be expected for the year ending June 30, 2017.

ENERGIZER RESOURCES INC.

(An Exploration Stage Company)

Unaudited Condensed Consolidated Interim Financial Statements

For the six month periods ended December 31, 2016 and 2015

(Expressed in US Dollars)

Energizer Resources Inc.
Unaudited Condensed Consolidated Interim Balance Sheets
(Expressed in US Dollars)

	December 31, 2016	June 30, 2016
Assets		
Current Assets:		
Cash and cash equivalents (note 12)	\$ 3,607,641	\$ 544,813
Amounts receivable	83,268	13,955
Prepaid expenses (note 6)	26,126	11,545
Total current assets	3,717,035	570,313
Equipment (note 4)	21,748	21,911
Total Assets	\$ 3,738,783	\$ 592,224
Liabilities and Stockholders' Equity		
Liabilities		
Current Liabilities:		
Accounts payable (note 6)	\$ 155,956	\$ 215,391
Accrued liabilities	16,658	24,743
Contingency provision (note 13)	176,606	182,742
Warrant liability (note 10)	-	111,049
Total Liabilities	\$ 349,220	\$ 533,925
Stockholders' Equity (Deficiency)		
Common stock	460,996	364,932
650,000,000 shares authorized, \$0.001 par value, 460,995,711 issued and outstanding (June 30, 2016: 364,931,425) (note 7)		
Additional paid-in capital (note 7)	98,365,264	93,654,114
Accumulated deficit	(95,436,697)	(93,960,747)
Total Stockholders' Equity	3,389,563	58,299
Total Liabilities and Stockholders' Equity	\$ 3,738,783	\$ 592,224

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Nature of Operations and Going Concern (note 1)

Mineral Properties (note 5)

Energizer Resources Inc.
Unaudited Condensed Consolidated Interim Statements of Operations and
Comprehensive Loss
(Expressed in US Dollars)

	Six months ended		Three months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Revenues		\$ -		\$ -
Expenses				
Mineral exploration expense (notes 5, 6 and 12)	835,402	360,656	522,295	183,697
Professional and consulting fees (note 6)	279,031	395,680	135,314	206,963
Stock-based compensation	-	331,491	-	331,491
General and administrative (note 6)	220,565	219,892	158,381	129,034
Depreciation (note 4)	21,911	34,600	10,910	11,001
Part XII.6 taxes (note 13)	129,478	-	95,848	-
Foreign currency translation loss (gain)	100,612	93,180	47,376	(10,138)
Total Expenses	1,586,999	1,435,499	970,124	852,048
Net Loss From Operations	(1,586,999)	(1,435,499)	(970,124)	(852,048)
Other Income (Expenses)				
Investment income	-	561	-	280
Change in value of warrant liability (note 10)	111,049	513,110	53,883	(120,396)
Net Loss	\$(1,475,950)	\$(921,828)	\$(916,241)	\$(972,164)
Unrealized loss from marketable securities	-	(3,049)	-	(4,225)
Comprehensive Loss	\$(1,475,950)	\$(924,877)	\$(916,241)	\$(976,389)
Loss per share – basic and diluted	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Weighted average shares outstanding – basic and diluted (note 11)	400,421,842	333,137,168	460,995,711	343,189,001

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Energizer Resources Inc.
Unaudited Condensed Consolidated Interim Statements of Cash Flows
(Expressed in US Dollars)

	Six months ended December 31, 2016	Six months ended December 31, 2015
Operating Activities		
Net Loss	\$(1,475,950)	\$ (921,828)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	21,911	34,600
Change in value of warrant derivative liability	(111,049)	(513,110)
Stock-based compensation	-	331,491
Change in non-cash working capital:		
Amounts receivable and prepaid expenses	(83,894)	(393)
Accounts payable and accrued liabilities	(67,520)	(81,779)
Contingency provision	(6,136)	(18,629)
Net cash used in operating activities	(1,722,638)	(1,169,648)
Investing Activities		
Loan to related party	-	76,450
Equipment Purchases	(21,748)	-
Net cash (used in) provided by investing activities	(21,748)	76,450
Financing Activities		
Proceeds from issuance of common stock	5,177,885	530,673
Common stock issue costs	(370,671)	(31,942)
Net cash provided by financing activities	4,807,214	498,731
Net increase (decrease) in cash and cash equivalents	3,062,828	(594,467)
Cash and cash equivalents - beginning of period	544,813	779,118
Cash and cash equivalents - end of period	\$ 3,607,641	\$ 184,651
Supplemental Disclosures:		
Interest Received	\$ -	\$ 559

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Energizer Resources Inc.
Unaudited Condensed Consolidated Interim Statement of Stockholder's Equity (Deficiency)
(Expressed in US Dollars)

	Shares #	Common Stock \$	Additional Paid-In Capital \$	Accumulated Comprehensive Income (Loss) \$	Accumulated Deficit \$	Total \$
Balance - June 30, 2015	309,384,670	309,385	91,614,714	(4,323)	(92,327,034)	(407,258)
Conversion of Special Warrants into common shares	20,550,998	20,551	(20,551)	-	-	-
Private placement of common shares subscribed	14,200,000	14,200	516,473	-	-	530,673
Cost of issue of private placement of common shares subscribed	-	-	(31,942)	-	-	(31,942)
Stock-based compensation	-	-	331,491	-	-	331,491
Unrealized loss on marketable securities	-	-	-	(3,049)	-	(3,049)
Net loss for the period	-	-	-	-	(921,828)	(921,828)
Balance - December 31, 2015	344,135,668	344,136	92,410,185	(7,372)	(93,248,862)	(501,913)
Private placement of common shares subscribed	6,437,900	6,438	322,539	-	-	328,977
Private placement of common shares subscribed	3,207,857	3,208	169,425	-	-	172,633
Private placement of common shares subscribed	11,150,000	11,150	771,580	-	-	782,730
Cost of issue of private placement of common shares subscribed	-	-	(19,615)	-	-	(19,615)
Gain on marketable securities	-	-	-	480	-	480
Reclassified loss to profit or loss	-	-	-	6,892	-	6,892
Net loss for the period	-	-	-	-	(711,885)	(711,885)
Balance - June 30, 2016	364,931,425	364,932	93,654,114	-	(93,960,747)	58,299
Private placement of common shares subscribed	96,064,286	96,064	5,081,821	-	-	5,177,885
Cost of issue of private placement of common shares subscribed	-	-	(370,671)	-	-	(370,671)
Net loss for the period	-	-	-	-	(1,475,950)	(1,475,950)
Balance - December 31, 2016	460,995,711	460,996	98,365,264	-	(95,436,697)	3,389,563

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
(Expressed in US Dollars)

1. Nature of Operations and Going Concern

Energizer Resources Inc. (the "Company") is incorporated in the State of Minnesota, USA and has a fiscal year end of June 30. The Company's principal business is the acquisition, exploration and development of mineral resources. The Company has yet to generate revenue from mining operations or pay dividends and is unlikely to do so in the immediate or foreseeable future.

During fiscal 2008, the Company incorporated Energizer Resources (Mauritius) Ltd. ("ERMAU"), a Mauritius subsidiary, and Energizer Resources Madagascar Sarl. ("ERMAD"), a Madagascar subsidiary of ERMAU. During fiscal 2009, the Company incorporated THB Ventures Ltd. ("THB"), a Mauritius subsidiary of ERMAU, and Energizer Resources Minerals Sarl. ("ERMIN"), a Madagascar subsidiary of THB, which holds the 100% ownership interest of the Green Giant Property in Madagascar (see note 5). During fiscal 2012, the Company incorporated Madagascar-ERG Joint Venture (Mauritius) Ltd. ("ERGJVM"), a Mauritius subsidiary of ERMAU, and ERG (Madagascar) Sarl. ("ERGMAD"), a Madagascar subsidiary of ERGJVM, which holds the Malagasy Joint Venture Ground (see note 5). During fiscal 2014, the Company incorporated 2391938 Ontario Inc., an Ontario, Canada subsidiary.

As of December 31, 2016, the Company had accumulated losses of \$95,436,697 (June 30, 2016: \$93,960,747) and as such, there is substantial doubt regarding the Company's ability to continue as a going concern.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity or debt financing to continue operations, the Company's ability to attract joint venture partners and off-take contracts and the attainment of profitable operations. These unaudited condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
(Expressed in US Dollars)

2. Significant Accounting Policies

Unaudited Condensed Consolidated Interim Financial Statements

These unaudited condensed consolidated interim financial statements have been prepared on the same basis as the annual consolidated financial statements and should be read in conjunction with those annual financial statements filed on Form 10-K for the year ended June 30, 2016.

In the opinion of management, these unaudited condensed consolidated interim financial statements reflect adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

Principals of Consolidation and Basis of Presentation

These unaudited condensed consolidated interim financial statements are presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). These unaudited condensed consolidated interim financial statements include the accounts of Energizer Resources Inc. and its wholly-owned subsidiaries, Energizer Resources (Mauritius) Ltd., THB Ventures Ltd., Energizer Resources Madagascar Sarl, Energizer Resources Minerals Sarl, Madagascar-ERG Joint Venture (Mauritius) Ltd., ERG (Madagascar) Sarl and 2391938 Ontario Inc.

All inter-company balances and transactions have been eliminated on consolidation.

Use of Estimates

The preparation of these unaudited condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these unaudited condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses past experience and other factors as the basis for its judgments and estimates. Actual results may differ from those estimates. The impacts of estimates are pervasive throughout these unaudited condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects current and future periods. Areas where significant estimates and assumptions are used include: the binomial valuation of the warrant liability, the Black-Scholes valuation of warrants and stock options, the valuation recorded for future income taxes and the assumption that the Company will receive title to the properties after the Madagascar political situation stabilizes.

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
(Expressed in US Dollars)

3. Recent Accounting Pronouncements Potentially Affecting The Company

The following are recent FASB accounting pronouncements, which may have an impact on the Company's future consolidated financial statements.

- "Presentation of Financial Statements Going Concern (ASC Topic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15") was issued during August 2014. FASB issued guidance on how to account for and disclose going concern risks. This guidance is effective for annual periods beginning after December 15, 2016.
- "Leases" (ASU 2016-02) was issued during February 2016. This update will require organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The new guidance will also require additional disclosure about the amount, timing and uncertainty of cash flows arising from leases. This guidance is effective for annual and interim periods beginning after December 15, 2018.
- "Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" (ASU 2016-09) was issued in March 2016. This new standard provided guidance for the simplification of several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This standard is effective for annual periods beginning after December 15, 2016.
- "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15") was issued in August 2016. This update addresses several specific cash flow issues with the objective of reducing the existing diversity in practice.

The Company continues to evaluate the impact of ASU 2014-15, ASU 2016-02, ASU 2016-09, and ASU 2016-15 on its unaudited condensed consolidated interim financial statements.

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
(Expressed in US Dollars)

4. Equipment

For the six month period ended December 31, 2016, the Company incurred depreciation expenses totaling \$21,911 (December 31, 2015: \$34,600) resulting in the full depreciation of the underlying equipment and its derecognition since no future economic benefits are expected from use or disposal. For the three month period ended December 31, 2016, the Company incurred depreciation expenses totaling \$10,910 (December 31, 2015: \$11,001).

During the period, the Company acquired metallurgical testing equipment valued at \$21,748 (December 31, 2015: \$nil).

	Equipment Cost	Less: Accumulated Depreciation	Net Book Value
	\$	\$	\$
Balance June 30, 2015	195,561	117,048	78,513
Depreciation expense	-	34,600	-
Balance December 31, 2015	195,561	151,648	43,913
Depreciation expense	-	22,002	-
Balance June 30, 2016	195,561	173,650	21,911
Depreciation expense	-	21,911	-
Derecognition of equipment	(195,561)	(195,561)	-
Acquisition of metallurgical equipment	21,748	-	-
Balance December 31, 2016	21,748	-	21,748

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
(Expressed in US Dollars)

5. Mineral Properties

Molo Graphite Property, Southern Madagascar Region, Madagascar

On December 14, 2011 the Company entered into a Definitive Joint Venture Agreement ("JVA") with Malagasy Minerals Limited ("Malagasy"), a public company listed on the Australian Stock Exchange, to acquire a 75% interest in a property package for the exploration and development of industrial minerals, including graphite, vanadium and 25 other minerals. The land position consists of 2,119 permits covering 827.7 square kilometers and is mostly adjacent towards the south and east with the Company's 100% owned Green Giant Property. Pursuant to the JVA, the Company paid \$2,261,690 and issued 7,500,000 common shares that were valued at \$1,350,000.

On April 16, 2014, the Company signed a Sale and Purchase Agreement and a Mineral Rights Agreement (together "the Agreements") with Malagasy to acquire the remaining 25% interest. Pursuant to the Agreements, the Company paid \$364,480 (CAD\$400,000), issued 2,500,000 common shares subject to a 12 month voluntary vesting period that were valued at \$325,000 and issued 3,500,000 common share purchase warrants, which were valued at \$320,950 using Black-Scholes, with an exercise price of \$0.14 and an expiry date of April 15, 2019. On May 20, 2015 and upon completion of a bankable feasibility study ("BFS") for the Molo Graphite Property, the Company paid \$546,000 (CAD\$700,000) and issued 1,000,000 common shares, which were valued at \$100,000.

Malagasy retains a 1.5% net smelter return royalty ("NSR") on the property. A further cash payment of approximately \$720,900 (CAD\$1,000,000) will be due within five days of the commencement of commercial production.

The Company also acquired a 100% interest in the industrial mineral rights additional claim blocks covering 10,811 hectares adjoining the east side of the Molo Graphite Property.

Green Giant Property, Southern Madagascar Region, Madagascar

In 2007, the Company entered into a joint venture agreement with Madagascar Minerals and Resources Sarl ("MMR") to acquire a 75% interest in the Green Giant Property. Pursuant to the agreement, the Company paid \$765,000 in cash, issued 2,500,000 common shares and issued 1,000,000 common share purchase warrants, which have now expired.

On July 9, 2009, the Company acquired the remaining 25% interest by paying \$100,000. MMR retains a 2% NSR. The first 1% NSR can be acquired at the Company's option by paying \$500,000 in cash or common shares and the second 1% NSR can be acquired at the Company's option by paying \$1,000,000 in cash or common shares.

On April 16, 2014, the Company signed a Joint Venture Agreement with Malagasy, whereby Malagasy acquired a 75% interest in non-industrial minerals on the Company's 100% owned Green Giant Property. On May 21, 2015, Malagasy terminated the Joint Venture Agreement, which as a result, the Company reverted to its original 100% interest in all minerals on the property.

Sagar Property, Labrador Trough Region, Quebec, Canada

In 2006, the Company purchased from Virginia Mines Inc. ("Virginia") a 100% interest in 369 claims located in northern Quebec, Canada. Virginia retains a 2% net smelter return royalty ("NSR") on certain claims within the property. Other unrelated parties also retain a 1% NSR and a 0.5% NSR on certain claims within the property, of which half of the 1% NSR can be acquired by the Company by paying \$200,000 and half of the 0.5% NSR can be acquired by the Company by paying \$100,000.

On February 28, 2014, the Company signed an agreement to sell a 35% interest in the Sagar property to Honey Badger Exploration Inc. ("Honey Badger"), a public company that is a related party through common management. The terms of the agreement were subsequently amended on July 31, 2014 and again on May 8, 2015. To earn the 35% interest, Honey Badger was required to complete a payment of \$36,045 (CAD\$50,000) by December 31, 2015, incur exploration expenditures of \$360,450 (CAD\$500,000) by December 31, 2016 and issue 20,000,000 common shares to the Company by December 31, 2015. Honey Badger did not complete the earn-in requirements by December 31, 2015 resulting in the termination of the option agreement.

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
(Expressed in US Dollars)

6. Related Party Transactions and Balances

The Company had related party transactions during the period. Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. Related parties include corporate entities, members of the Board of Directors and certain key management as well as companies controlled by these individuals.

A transaction is considered to be a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

The following related party transactions occurred during the six-month period ended December 31, 2016:

- a) The Company incurred \$266,348 in payroll, management and consulting fees incurred directly to directors and officers or companies under their control (December 31, 2015: \$268,519).
- b) The Company incurred \$nil in general and administrative costs (December 31, 2015: \$44,400) from a public company related by common management, Red Pine Exploration Inc. (TSX.V: "RPX").

The following related party transactions balances existed as of December 31, 2016:

- a) The accounts payable balance for payroll, management and consulting fees owed to directors and officers or companies under their control was \$32,800 at the end of the period (June 30, 2016: \$42,000).
- b) The prepaid payroll balance for payroll expenditures paid to officers was \$17,834 at the end of the period (June 30, 2016: \$nil)

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
(Expressed in US Dollars)

7. Common Stock and Additional Paid-in Capital

The authorized share capital of the Company is 650,000,000 shares with a \$0.001 par value. As of December 31, 2016, the Company had 460,995,711 common shares issued and outstanding (June 30, 2016: 364,931,425).

The Company issued the following common shares during the period ended December 31, 2016:

- (a) On August 18, 2016, the Company closed a non-brokered private placement offering of 96,064,286 common shares at a price of \$0.05 (CAD\$0.07) for aggregate gross proceeds of \$5,177,885 (CAD\$6,724,500). The share issue costs totaled \$370,671 for this issuance.

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
(Expressed in US Dollars)

8. Stock Options

The Company's stock option plan is restricted to a maximum of 43,000,000 stock options.

As of December 31, 2016 there were 29,825,000 stock options outstanding with a weighted average exercise price of \$0.16 and an expiration of 2.43 years. All the stock options vested on their grant date.

The following is a schedule of the Company's outstanding common stock purchase options for the six months ending December 31, 2016:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding June 30, 2016	Balance Outstanding December 31, 2016
July 1, 2011	July 1, 2016	\$0.30	3,300,000	-
July 12, 2012	July 13, 2016	\$0.29	1,650,000	-
October 24, 2011	October 24, 2016	\$0.20	1,640,000	-
December 1, 2011	December 1, 2016	\$0.21	1,785,000	-
March 7, 2012	March 4, 2017	\$0.28	4,900,000	3,480,000
May 23, 2012	May 23, 2017	\$0.23	180,000	180,000
February 27, 2013	February 27, 2018	\$0.21	4,900,000	4,100,000
July 9, 2013	July 9, 2018	\$0.11	1,080,000	910,000
September 19, 2013	July 19, 2018	\$0.15	675,000	450,000
October 9, 2013	October 9, 2018	\$0.13	250,000	250,000
January 10, 2014	January 10, 2019	\$0.18	4,400,000	4,400,000
July 3, 2014	July 3, 2019	\$0.15	4,275,000	3,125,000
February 26, 2015	February 26, 2020	\$0.20	4,430,000	4,430,000
December 22, 2015	December 22, 2020	\$0.06	8,500,000	8,500,000
Total Outstanding			41,965,000	29,825,000

The following is a continuity schedule of the Company's outstanding common stock purchase options from prior periods:

	Weighted-Average Exercise Price (\$)	Number of Stock Options
Outstanding as of June 30, 2015	0.22	35,365,000
Granted	0.06	8,500,000
Exercised	-	-
Expired	0.23	(1,900,000)
Outstanding as of June 30, 2016	0.18	41,965,000
Granted	-	-
Exercised	-	-
Expired	0.24	(12,140,000)
Outstanding as of December 31, 2016	0.16	29,825,000

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
For the six month periods ended December 31, 2016 and 2015
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9. Warrants

As of December 31, 2016, there were 60,263,289 common share purchase warrants outstanding with a weighted average exercise price of \$0.12 and an expiration of 0.66 years.

The following is a schedule of the Company's outstanding common stock purchase warrants for the six months ending on December 31, 2016:

Issued Date	Expiration Date	Exercise Price	Balance Outstanding June 30, 2016	Balance Outstanding December 31, 2016
September 26, 2014	September 26, 2016	\$0.14	1,928,571	-
November 15, 2012	November 15, 2016	\$0.18	2,903,571	-
December 30, 2014	December 30, 2016	\$0.12	147,000	-
January 14, 2014	January 14, 2017	\$0.14 (a)	29,152,033	29,152,033
January 31, 2014	January 31, 2017	\$0.14 (a)	590,000	590,000
October 7, 2015	October 6, 2017	\$0.07	7,100,000	7,100,000
July 31, 2015	May 4, 2018	\$0.14	10,275,499	10,275,499
February 4, 2016	February 4, 2018	\$0.11	6,437,900	6,437,900
April 11, 2016	April 11, 2018	\$0.11	3,207,857	3,207,857
June 23, 2014	April 15, 2019	\$0.14	3,500,000	3,500,000
Total Outstanding			65,242,431	60,263,289

(a) These warrants were issued at a \$0.18 CAD exercise price.

The following is the continuity schedule of the Company's common share purchase warrants from prior periods:

	Weighted-Average Exercise Price (\$)	Number of Warrants
Outstanding as of June 30, 2015	0.10 *	63,618,917
Issued	0.11	27,021,256
Exercised	-	(20,550,998)
Expired	0.12 *	(4,846,744)
Outstanding as of June 30, 2016	0.13 *	65,242,431
Issued	-	-
Exercised	-	-
Expired	0.16	(4,979,142)
Outstanding as of December 31, 2016	0.12 *	60,263,289

* Amount represents the converted USD exercise price

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
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10. Warrant Derivative

The warrants expiring in January 2017 were issued in a currency other than the Company's functional currency and therefore, in accordance with ASC 815 *Derivatives and Hedging*, are considered a derivative instrument and recorded on the balance sheet as a warrant liability. The fair value of the warrant liability was estimated on the date of issue and is re-measured at each reporting period using a binomial model until expiration or exercise of the underlying warrants.

For the six month period ended December 31, 2016, the Company recorded a gain in the fair value of the derivative warrant liability of \$111,049 (December 31, 2015: gain of \$513,110). For the three month period ended December 31, 2016, the Company recorded a gain in the fair value of the derivative warrant liability of \$53,883 (December 31, 2015: loss of \$120,396).

The fair value of the warrant liability was estimated using the following model inputs on the following valuation dates:

	Year-Ended June 30, 2016	Period-Ended December 31, 2016
Exercise price	\$0.14	\$0.13
Risk free rate	0.50%	0.73%
Expected volatility	88%	81%
Expected dividend yield	Nil	Nil
Expected life (in years)	0.55	0.08
Opening balance, derivative warrant liability	\$ 844,851	\$ 111,049
Gain on change in fair value of derivative warrant liability	(733,802)	(111,049)
Ending balance, derivative warrant liability	\$ 111,049	\$ -

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
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11. Loss Per Share

Basic and diluted loss per share is computed using the weighted average number of common shares outstanding during the reporting period. Diluted loss per share and the weighted average number of shares of common stock excludes all potentially dilutive shares since their effect is anti-dilutive.

As of December 31, 2016, there was a total of 90,088,289 potentially dilutive warrants and options outstanding (June 30, 2016: 107,207,431).

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
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12. Segmented Reporting

The Company operates one operating segment, which is the acquisition, exploration and development of mineral resources in Madagascar. No revenue has been generated by any mineral resource properties. Limited amounts of cash and equipment are currently held in Madagascar. Substantially all of the remaining assets are held in Canada. The Company's President and Chief Executive Officer and Chief Financial Officer are the operating decision-makers and direct the allocation of resources to its geographic segments.

The following is the segmented information by geographic region:

Mineral Exploration Expense	Madagascar	Canada	Total
	\$	\$	\$
Three month period ended December 31, 2016	493,383	28,912	522,295
Six month period ended December 31, 2016	773,132	62,270	835,402
Three month period ended December 31, 2015	174,525	9,172	183,697
Six month period ended December 31, 2015	311,754	48,902	360,656

Cash and Equivalents	Madagascar	Canada	Total
	\$	\$	\$
As of December 31, 2016	31,095	3,576,546	3,607,641
As of June 30, 2016	29,239	515,574	544,813

Energizer Resources Inc.
Notes to Unaudited Condensed Consolidated Interim Financial Statements
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13. Contingency Provision and Legal Settlement

- (a) During fiscal 2014, the Company issued 17,889,215 flow-through shares to eligible Canadian taxpayer subscribers with contractual commitments for the Company to incur \$3,812,642 in eligible Canadian Exploration Expenditures (“CEEs”) by December 31, 2014 as per the provision of the Income Tax Act of Canada. The CEEs were renounced as a tax credit to the flow-through share subscribers on December 31, 2013. As at December 31, 2014, the Company had unfulfilled CEE obligations. During the year ended June 30, 2015, the Company recorded a contingent provision for the Part XII.6 taxes and related penalties for the indemnification liability to subscribers for taxes and penalties related to the CEE renunciation shortfall. During the period ended December 31, 2016, the Company paid \$129,478 (2015: \$nil) in Part XII.6 taxes related to a revised estimated of the CEE renunciation shortfall and maintained the existing contingent provision amount for the indemnification liability to subscribers for taxes and penalties. During the period ended December 31, 2016, the contingent provision was adjusted due to foreign exchange fluctuations to \$176,606.
- (b) On July 30, 2016, the Company concluded a legal settlement with the Company’s former Chief Financial Officer, whereby a severance of \$34,457 (CAD\$44,750) was awarded and paid in full.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this quarterly report, "we", "us", "our", "Energizer Resources", "Energizer", "Company" or "our company" refers to Energizer Resources Inc. and all of its subsidiaries. The term NSR stands for Net Smelter Royalty.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our financial statements included herein. Further, this quarterly report on Form 10-Q should be read in conjunction with our Financial Statements and Notes to Financial Statements included in our fiscal 2016 Annual Report on Form 10-K for the year ended June 30, 2016, filed with the Securities and Exchange Commission on September 28, 2016. Our actual results could differ materially from those anticipated by the forward-looking statements due to important factors and risks including, but not limited to, those set forth under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K and discussed below under "Cautionary Note". In addition, the foregoing factors may affect generally our business, results of operations and financial position. Forward-looking statements speak only as of the date the statement was made. We do not undertake and specifically decline any obligation to update any forward-looking statements. Our financial statements have been prepared in accordance with United States generally accepted accounting principles (US GAAP). We urge you to read this report in conjunction with the risk factors referenced above.

Management's Discussion and Analysis may contain various "forward looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-Q, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to "anticipates", "estimates", "believes", "plans", "expects", "future" and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company's business and any changes in current accounting rules, all of which may be beyond the control of the Company. The Company has adopted the most conservative recognition of revenue based on the most stringent guidelines of the SEC. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements.

BACKGROUND – COMPANY OVERVIEW

We are incorporated in the State of Minnesota, USA and have a fiscal year end of June 30. Our principal business is the acquisition, exploration and development of mineral resources. We have not generated operating revenues or paid dividends since inception on March 1, 2004 to the period ended December 31, 2016 and we are unlikely to do so in the immediate future. Our business activities have been entirely financed from the proceeds of securities subscriptions.

During fiscal 2008, we incorporated Energizer Resources (Mauritius) Ltd. ("ERMAU"), a Mauritius subsidiary, and Energizer Resources Madagascar Sarl. ("ERMAD"), a Madagascar subsidiary of ERMAU. During fiscal 2009, the Company incorporated THB Ventures Ltd. ("THB"), a Mauritius subsidiary of ERMAU, and Energizer Resources Minerals Sarl. ("ERMIN"), a Madagascar subsidiary of THB, which holds the 100% ownership interest of the Green Giant Property in Madagascar (see note 7). During fiscal 2012, the Company incorporated Madagascar-ERG Joint Venture (Mauritius) Ltd. ("ERGJVM"), a Mauritius subsidiary of ERMAU, and ERG (Madagascar) Sarl. ("ERGMAD"), a Madagascar subsidiary of ERGJVM, which holds the Malagasy Joint Venture Ground. During fiscal 2014, the Company incorporated 2391938 Ontario Inc., an Ontario, Canada subsidiary.

Our authorized capital is six hundred fifty million (650,000,000) shares, with a par value of \$0.001 per share, of which 640,000,000 are deemed common shares and the remaining 10,000,000 are deemed eligible to be divisible into classes, series and types with rights and preferences as designated by our Board of Directors.

We have not had any bankruptcy, receivership or similar proceeding since incorporation. Except as described below, there have been no material reclassifications, mergers, consolidations or purchases or sales of any significant amount of assets not in the ordinary course of business since the date of incorporation.

Cautionary Note

Based on the nature of our business, we anticipate incurring operating losses for the foreseeable future. We base this expectation, in part, on the fact that very few mineral properties in the exploration stage are ultimately developed into producing and profitable mines. Our future financial results are uncertain due to a number of factors, some of which are outside the Company's control. These factors include, but are not limited to: (1) our ability to raise additional funding; (2) the market price for graphite, vanadium, gold and/or uranium; (3) the results of the exploration programs and metallurgical analysis of our mineral properties; (4) the political instability and/or environmental regulations that may adversely impact costs and ability to operate in Madagascar; and (5) our ability to find joint venture and/or off-take partners in order to advance the development of our mineral properties.

Any future equity financing will cause existing shareholders to experience dilution of their ownership interest in the Company. In the event the Company is not successful in raising additional financing, we anticipate the Company will not be able to proceed with its business plan. In such a case, the Company may decide to discontinue or modify its current business plan and seek other business opportunities in the resource sector.

During this period, the Company will need to maintain periodic filings with the appropriate regulatory authorities and will incur legal, accounting, administrative and listing costs. In the event no other such opportunities are available and the Company cannot raise additional capital to sustain operations, the Company may be forced to discontinue the business. The Company does not have any specific alternative business opportunities under consideration and have not planned for any such contingency.

Due to the lack of operating history and present inability to generate revenues, the Company auditors have stated their opinion in the notes to our audited financial statements in the annual report on Form 10-K and the Company has included in Note 1 of this quarterly report that there currently exists doubt as to the Company's ability to continue as a going concern.

Summary of Our Business

We are an exploration stage company primarily engaged in the advancement of the Molo Graphite Project, consisting of a commercially minable graphite deposit situated in the African country of Madagascar. We have additional exploration stage properties situated in Madagascar and in the Province of Québec, Canada.

Our executive offices are situated at 520-141 Adelaide Street West, Toronto, Ontario, Canada, M5H 3L5 and the primary telephone number is (416) 364-4986. Our website is www.energizerresources.com (which website is expressly not incorporated by reference into this filing).

Further details regarding each of our Madagascar properties, although not incorporated by reference, including the comprehensive geological report prepared in accordance Canada's National Instrument 43-101 - *Standards of Disclosure for Mineral Properties* ("NI 43-101") for the Molo Graphite Property and separately the technical report on the Green Giant Property in Madagascar can be found on the Company's website at www.energizerresources.com (which website is expressly not incorporated by reference into this filing) or in the Company's Canadian regulatory filings at www.sedar.com (which website and content is expressly not incorporated by reference into this filing). We report mineral reserve estimates in accordance with the Securities and Exchange Commission's Industry Guide 7 ("Guide 7") under the Securities Act of 1933, as amended (the "U.S. Securities Act"). As a reporting issuer in Canada with our primary trading market in Canada, we are also required to prepare reports on our mineral properties in accordance with NI 43-101. The technical reports referenced in this document uses the terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource". These terms are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under Guide 7 and are normally not permitted to be used in reports filed with the Securities and Exchange Commission. As a result, information in respect of our resources determined in accordance with NI 43-101 are not contained in this document.

Summary of Milestones and Future Plans

We are pursuing negotiations in respect of potential off-take agreements with graphite end-users and intermediaries with the intention of securing project financing alternatives, which may include debt, equity and derivative instruments. Discussions in respect of these matters have been ongoing for the past 24 months and are expected to continue during the coming months with no assurances as to the conclusion or results of these discussions.

In July 2016, we appointed UK-based HCF International Advisers Limited ("HCF") as advisor in negotiating and structuring strategic partnerships, off take agreements and debt financing for its Molo Graphite project.

In August 2016, we initiated a Front End Engineering Design Study (the "FEED Study") and value engineering for our Molo graphite project in Madagascar. The FEED Study was undertaken in order to optimize the mine plan as envisioned in the Molo Feasibility Study and determine the optimal development path based on discussions with prospective strategic partners. 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.

On November 7, 2016, we outlined a multi-phase development plan for the Molo Graphite project based on the FEED Study and value engineering. The results support the construction of a cost-effective demonstration plant to test and verify the flow sheet design from the Molo Graphite Project Feasibility Study. Under an exploration permit, the Company will initially be limited to an ore input of 20,000 cubic meters (or approximately 50,000 tonnes) of front-end feed into the demonstration plant. The Company has already initiated the application process for a mining permit, which upon approval would remove the 20,000 cubic meter test limit. At full capacity, the demonstration plant would be capable of processing up to 240,000 tonnes of feed per annum, which equates to 30 tonnes per hour of ore feed and roughly 1 to 3 tonnes of flake graphite concentrate production per hour.

Phase 1

Energizer has advance discussions with several potential off-takers to the stage where they have requested multi-tonne samples of Molo concentrate for full-scale end-product production runs prior to entering into any definitive off-take contracts.

Phase 1 will consist of the construction of a demonstration processing plant capable of producing flake graphite concentrate on a test basis. 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 a true "run-of-mine" flake concentrate to potential off-takers and customers for final product validation.

Base, essential-only, infrastructure will be constructed during this phase. The plant will utilize dry-stack tailings in order to eliminate the up-front capital costs associated with a tailings dam. Energizer's existing camp adjacent to the nearby town of Fotadrevo will be used to accommodate employees and offices, with additional housing available within the town for additional employees.

It is estimated that once financed, 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 of plant modules, factory assurance testing (FAT), module disassembly and shipping, plant infrastructure construction and onsite module assembly. Total costs are estimated at 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 be initiated, which includes the development of sustaining infrastructure required for long-term processing and the ramp up of the demonstration plant production to its full capacity of 240,000 tonnes per annum (or 30 tonnes per hour) of ore.

This phase will likely include the construction of additional on-site accommodation and offices, upgrading of road infrastructure to access the mine-site and equipment purchases to provide redundancy within the processing circuit. The costs for these expenditures are unknown at this time, but will be assessed in parallel with the development of Phase 1.

Energizer will also assess the addition of back-end value-added processing for lithium-ion battery and graphite foil applications in the classification portion of the demonstration plant. The costs for these expenditures are unknown at this time, but will be assessed in parallel with the development of Phase 1.

Assuming the demonstration plant operates at full capacity, it is estimated it could produce up to 14,750 tonnes of graphite at the estimated operating costs outlined in the table below.

FEED Study Operating Cost Summary	Ore US\$/T	Concentrate US\$/T
Mining	\$5.29	\$86.07
Processing	\$18.47	\$300.46
General & Administrative	\$4.17	\$67.85
Trucking to Port		\$68.60
Shipping (CIF Rotterdam)		\$140.53
Total Costs		\$663.51

Phase 3

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

The results of the FEED Study is part of management's ongoing assessment of project optimization strategies with the intention of reducing the capital and operating costs relating to the Molo Graphite Project, with no assurances as to the conclusion and results of these assessments and efforts. During Phase 1, this will include the assessment of the possibility of utilizing a modular build methodology for the full-scale Molo mine. We anticipate that any modules used in Phase 1 and 2 will be integrated, where possible, into the Phase 3 plant build-out. If these efforts are successful, we expect it will be possible to achieve CAPEX and OPEX cost savings for full-scale production, relative to those envisioned in the Molo Feasibility Study.

From the date of this report, and subject to availability of capital, our plan during the next 12 months is to incur between \$750,000 and \$10,000,000 on further engineering, exploration, testing, Phase 1 construction and permitting to advance the Molo Graphite project, subject to the availability of capital and any other unforeseen delays, by December 31, 2017. No assurances can be provided that we will achieve our objectives by that date.

The following is a summary of the amounts budgeted to be incurred (presuming all \$10,000,000 is required):

FEED Study and Value Engineering	\$ 250,000
Metallurgy	\$ 500,000
Phase 1 processing plant	\$ 7,000,000
Phase 1 related infrastructure	\$ 1,500,000
Permitting fees	\$ 750,000
Total	\$ 10,000,000

The above amounts may be updated based on actual costs and the timing may be delayed based on several factors, including the availability of capital to fund the budget. We anticipate that the source of funds required to complete the budgeted items disclosed above will come from private placements in the capital markets, but there can be no assurance that financing will be available on terms favorable to the Company or at all.

RESULTS OF OPERATIONS

The following are explanations of the material changes for the six and three month periods ended December 31, 2016 compared to the six and three month periods ended December 31, 2015:

	Six months ended		Three months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Revenues		\$ -		\$ -
Expenses				
Mineral exploration expense	835,402	360,656	522,295	183,697
Professional and consulting fees	279,031	395,680	135,314	206,963
Stock based compensation	-	331,491	-	331,491
General and administrative	220,565	219,892	158,381	129,034
Depreciation	21,911	34,600	10,910	11,001
Part XII.6 Taxes	129,478	-	95,848	-
Foreign currency translation loss	100,612	93,180	47,376	(10,138)
Total Expenses	1,586,999	1,435,499	970,124	852,048
Net Loss From Operations	(1,586,999)	(1,435,499)	(970,124)	(852,048)
Other Income (Expenses)				
Investment income	-	561	-	280
Change in value of warrant liability	111,049	513,110	53,883	(120,396)
Net Income (Loss)	\$(1,475,950)	\$(921,828)	\$(916,241)	\$(972,164)
Unrealized loss from marketable securities	-	(3,049)		(4,225)
Comprehensive Income (Loss)	\$(1,475,950)	\$(924,877)	\$(916,241)	\$(976,389)
Income (loss) per share – basic and diluted	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Weighted average shares outstanding	400,421,842	333,137,168	460,995,711	343,189,001

- Mineral exploration costs increased as the company increased metallurgical analysis activities related to the Feed Study and for general Molo graphite project expenditures as compared to the previous period.
- Professional fees and general and administrative (G&A) costs decreased as a result of a reduction in employees and consultants but increased overall due to an increase in travel costs as compared to the previous period.
- Part XII.6 taxes were incurred to settle taxes payable to the Canada Revenue Agency (CRA) related to the issuance of flow-through shares during fiscal 2014.
- Warrants expiring in January 2017 were issued in a currency other than our functional currency. In accordance with ASC 815 *Derivatives and Hedging*, the fair value of the warrants was estimated using a binomial model and was recorded as a derivative liability. The liability must be subsequently remeasured at the end of each financial reporting period until expiration or exercise of the underlying warrants.

Liquidity, Capital Resources and Foreign Currencies

The following are explanations of the material changes to the working capital position as of December 31, 2016 when compared to June 30, 2016:

	December 31, 2016 (Unaudited)	June 30, 2016
Current Assets:		
Cash and cash equivalents	\$ 3,607,641	\$ 544,813
Amounts receivable	83,268	13,955
Prepaid expenses	26,126	11,545
Total current assets	3,717,035	570,313
Current Liabilities:		
Accounts payable	\$ 155,956	\$ 215,391
Accrued liabilities	16,658	24,743
Contingency provision	176,606	182,742
Warrant liability	-	111,049
Total current liabilities	349,220	533,925
Net Working Capital Position	\$ 3,367,815	\$ 36,388

In managing liquidity, management's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet our obligations as they come due. Our operations to date have been funded by issuing equity. Our company expects to raise additional working capital to fund planned project expenditures by securing additional financing. The existing working capital position is expected to be sufficient to fund non-project expenditures for the next 12 months.

We hold a significant portion of our cash reserves in Canadian dollars to satisfy non-exploration expenditures such as professional and consulting fees and general and administrative costs, which are mainly incurred in Canadian dollars. Due to foreign exchange rate fluctuations, the remeasurement of the value of Canadian dollar reserves into US dollars results in foreign currency translation gains or losses. If there was to be a significant decline in the Canadian dollar against the US dollar, the value of that Canadian dollar cash reserves, as presented on the balance sheet, could significantly decline causing significant foreign currency translation losses. In addition, certain of our ongoing expenditures are in South African Rand, Madagascar Ariary and Euros requiring us to occasionally hold reserves of these foreign currencies with a similar risk of foreign exchange currency translation losses.

Capital Financings

We have funded our business to date from sales of our securities. We will require additional funding throughout fiscal 2017 to advance our projects, which will likely be in the form of equity financing from the issuance of additional common shares. However, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common shares.

Net proceeds during the past two years:

- For the year ended June 30, 2014, we raised net proceeds of \$9,559,926 through the issuance of 90,523,283 common shares and 39,312,130 common share purchase warrants.
- For the year ended June 30, 2015, we raised net proceeds of \$6,663,148 through the issuance of 40,757,067 common shares and 22,626,569 common share purchase warrants.
- On October 7, 2015, we closed a non-brokered private placement offering of 14,200,000 units (the "Units") at a price of \$0.04 (CAD\$0.05) per Unit, representing gross proceeds of \$530,673 (CAD\$710,000). Insiders subscribed for a total of \$50,000CAD as part of this Offering. Each Unit is comprised of one (1) common share and one-half (0.5) of one (1) common share purchase warrant (a "Warrant"), each Warrant entitling the holder thereof to acquire one (1) additional common share at a price of \$0.07 per share until October 6, 2017.

- On February 4, 2016, we closed a private placement offering of 6,437,900 units (the “Units”) at a price of \$0.05 (CAD\$0.07) per unit, representing aggregate gross proceeds of \$328,977 (CAD\$450,653). Each Unit consisted of one common share and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one common share at a price of \$0.11 per common share until February 4, 2018.
- On April 11, 2016, we closed a private placement offering of 3,207,857 units (the “Units”) at a price of \$0.05 (CAD\$0.07) per unit, representing aggregate gross proceeds of \$172,638 (CAD\$224,550). Each Unit consisted of one common share and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one common share at a price of \$0.11 per common share until April 11, 2018.
- On May 17, 2016, we closed a private placement offering of 11,150,000 common shares at a price of \$0.07 (CAD\$0.09) per unit, representing aggregate gross proceeds of \$772,500 (CAD\$1,003,500).
- On August 18, 2016, we closed a private placement offering of 96,064,286 common shares at a price of \$0.05 (CAD\$0.07) per unit, representing aggregate gross proceeds of \$5,177,865 (CAD\$6,724,500).

Net proceeds subsequent to the end of the reporting period:

- None.

Each of the issuances above were effected in reliance upon the exemption provided by Regulation S under the Securities Act of 1933, as amended, for a transaction not involving a public offering. We completed the offering of the shares pursuant to Rule 903 of Regulation S of the Securities Act on the basis that the sale of the securities was completed in an “offshore transaction”, as defined in Rule 902(h) of Regulation S. Each investor represented to us that the investor was not a U.S. person, as defined in Regulation S, and was not acquiring the shares for the account or benefit of a U.S. person. The securities contain a legend restricting the sale of such securities in accordance with the Securities Act.

Off-balance sheet arrangements

The Company does not have off-balance sheet arrangements including any arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

ITEM 3. - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. - CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management team, under the supervision and with the participation of our chief executive officer and our chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of the last day of the fiscal period covered by this report, December 31, 2016.

The term disclosure controls and procedures means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our chief executive and chief financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on this evaluation, our chief executive officer and our chief financial officer concluded that, our disclosure controls and procedures were effective as of December 31, 2016.

Changes In Internal Control Over Financial Reporting

There were no changes in the Company's internal controls over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. - LEGAL PROCEEDINGS

The Company was named, jointly and severally with other Corporations that are related parties due to common management, in a Statement of Claim filed in the Province of Ontario on December 15, 2015 by the former Chief Financial Officer for damages for wrongful dismissal. The Company reached a settlement agreement with its former CFO in July 2016, whereby the Company has paid a total of \$34,500 (CAD\$44,750) through a series of payments.

Except for the above, we are not currently involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

ITEM 1A. – RISK FACTORS

The risk factors required pursuant to Regulation S-K, Item 503(c) are not required for smaller reporting companies.

You should carefully review the risk factors in our Annual Report on Form 10-K for the year ended June 30, 2016.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

- On August 18, 2016, the Company closed a private placement offering of 96,064,286 common shares at a price of \$0.05 (CAD\$0.07) per unit, representing aggregate gross proceeds of \$5,177,885 (CAD\$6,724,500).

The issuance above was effected in reliance upon the exemption provided by Regulation S under the Securities Act of 1933, as amended, for a transaction not involving a public offering. We completed the offering of the shares pursuant to Rule 903 of Regulation S of the Securities Act on the basis that the sale of the securities was completed in an “offshore transaction”, as defined in Rule 902(h) of Regulation S. Each investor represented to us that the investor was not a U.S. person, as defined in Regulation S, and was not acquiring the shares for the account or benefit of a U.S. person. The securities contain a legend restricting the sale of such securities in accordance with the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. – EXHIBITS

Exhibit Number & Description

- 3.1 Articles of Incorporation of Uranium Star Corp. (now known as Energizer Resources Inc.) (Incorporated by reference to Exhibit 3.3 to the registrant's registration statement on Form S-1 filed on July 29, 2015)
- 3.3 Amended and Restated By-Laws of Energizer Resources Inc. (Incorporated by reference to Exhibit 3.2 to the registrant's current report on Form 8-K as filed with the SEC on July 16, 2010)
- 3.4 Amendment to the By-Laws of Energizer Resources Inc. (Incorporated by reference to the registrant's current report on Form 8-K as filed with the SEC on October 16, 2013)
- 4.1 Amended and Restated 2006 Stock Option Plan of Energizer Resources, Inc. (as of February 2009) (Incorporated by reference to Exhibit 4.1 to the registrant's Form S-8 registration statement as filed with the SEC on February 19, 2010)
- 4.2 Form of broker Subscription Agreement for Units (Canadian and Offshore Subscribers) (Incorporated by reference to Exhibit 4.1 to the registrant's current report on Form 8-K as filed with the SEC on March 19, 2010)
- 4.3 Form of standard Subscription Agreement for Units (Canadian and Offshore Subscribers) (Incorporated by reference to Exhibit 4.2 to the registrant's current report on Form 8-K as filed with the SEC on March 19, 2010)
- 4.4 Form of Warrant to Purchase common shares (Incorporated by reference to Exhibit 4.3 to the registrant's current report on Form 8-K as filed with the SEC on March 19, 2010)
- 4.5 Form of Class A broker warrant to Purchase common shares (Incorporated by reference to Exhibit 4.4 to the registrant's current report on Form 8-K as filed with the SEC on March 19, 2010)
- 4.6 Form of Class B broker warrant to Purchase common shares (Incorporated by reference to Exhibit 4.5 to the registrant's current report on Form 8-K as filed with the SEC on March 19, 2010)
- 4.7 Agency Agreement, dated March 15, 2010, between Energizer Resources, Clarus Securities Inc. and Byron Securities Limited (Incorporated by reference to Exhibit 4.6 to the registrant's current report on Form 8-K filed with the SEC on March 19, 2010)
- 4.8 Form of Warrant relating to private placement completed during November 2012.
- 4.9 Agency Agreement relating to private placement completed during November 2012.
- 4.10 Amended and Restated Stock Option Plan of Energizer Resources, Inc. (Incorporated by reference to the registrant's current report on Form 8-K as filed with the SEC on October 16, 2013)
- 10.1 Property Agreement effective May 14, 2004 between Thornton J. Donaldson and Thornton J. Donaldson, Trustee for Yukon Resources Corp. (Incorporated by reference to Exhibit 10.1 to the registrant's Form SB-2 registration statement as filed with the SEC on September 14, 2004)
- 10.2 Letter of Intent dated March 10, 2006 with Apofas Ltd. (Incorporated by reference to Exhibit 99.1 to the registrant's current report on Form 8-K as filed with the SEC on March 13, 2006)
- 10.3 Letter agreement effective May 12, 2006 between Yukon Resources Corp. and Virginia Mines Inc. (Incorporated by reference to Exhibit 99.1 to the registrant's current report on Form 8-K filed as with the SEC on May 9, 2006)
- 10.4 Joint Venture Agreement dated August 22, 2007 between Uranium Star Corp. & Madagascar Minerals and Resources Sarl (Incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K as filed with SEC on September 11, 2007)
- 10.5 Share Purchase Agreement between Madagascar Minerals and Resources Sarl and THB Venture Limited (a subsidiary of Energizer Resources Inc.) dated July 9, 2009 (Incorporated by reference to Exhibit 10.5 to the registrant's Form 10-K/A as filed on April 8, 2013)
- 10.6 Joint Venture Agreement between Malagasy Minerals Limited and Energizer Resources Inc. dated December 14, 2011 (Incorporated by reference to Exhibit 10.6 to the registrant's Form 10-K/A as filed on April 8, 2013).
- 10.7 Agreement to Purchase Interest In Claims between Honey Badger Exploration Inc. and Energizer Resources Inc. dated February 28, 2014.(Incorporated by reference to Exhibit 10.7 to the registrant's Form 10-Q as filed on May 14, 2014).
- 10.8 Sale and Purchase Agreement between Malagasy Minerals Limited and Energizer Resources Inc. dated April 16, 2014 (Incorporated by reference to Exhibit 10.8 to the registrant's Form 10-Q as filed on May 14, 2014).
- 10.9 ERG Project Minerals Rights Agreement between Malagasy Minerals Limited and Energizer Resources Inc. dated April 16, 2014 (Incorporated by reference to Exhibit 10.9 to the registrant's Form 10-Q as filed on May 14, 2014).
- 10.10 Green Giant Project Joint Venture Agreement between Malagasy Minerals Limited and Energizer Resources Inc. dated April 16, 2014 (Incorporated by reference to Exhibit 10.9 to the registrant's Form 10-Q as filed on May 14, 2014).
- 21 Subsidiaries of the Registrant (Incorporated by reference to Exhibit 21.1 to the registrant's annual report on Form 10-K filed with the SEC on September 21, 2009)
- 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
- 31.2 Certification of Principal Financial & Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
- 32.1 Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.
- 32.2 Certification of Chief Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC website at <http://www.sec.gov>. The public may also read and copy any document we file with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549, on official business days during the hours of 10:00 am to 3:00 pm. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. We maintain a website at <http://www.energizerresources.com>, (which website is expressly not incorporated by reference into this filing). Information contained on our website is not part of this report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERGIZER RESOURCES INC.

Dated: February 14, 2017

By: /s/ Craig Scherba
Name: Craig Scherba
Title: Chief Executive Officer and Director

Dated: February 14, 2017

By: /s/ Marc Johnson
Name: Marc Johnson
Title: Chief Financial Officer (Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Craig Scherba, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energizer Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2017

By: /s/ Craig Scherba

Craig Scherba

Chief Executive Officer

(principal executive officer)

**CERTIFICATION PURSUANT TO
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Marc Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energizer Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2017

By: /s/ Marc Johnson

Marc Johnson

Chief Financial Officer

(principal accounting officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of Energizer Resources Inc. (the "Company") for the period ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Craig Scherba, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 14, 2017

By: /s/ Craig Scherba
Craig Scherba
Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of Energizer Resources Inc. (the "Company") for the period ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc Johnson, Chief Financial Officer (Principal Accounting Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 14, 2017

By: /s/ Marc Johnson
Marc Johnson
Chief Financial Officer
(principal accounting officer)