
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended June 30, 2015

**[] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 000-51151

ENERGIZER RESOURCES INC.

(Name of small business issuer as specified in its charter)

Minnesota

20-0803515

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

520 – 141 Adelaide Street West, Toronto, Ontario, Canada M5H 3L5

(Address of principal executive offices)

(416) 364-4911

(Issuer's telephone number)

(Former name or former address, if changed since last report)

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes [] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 [X] 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 [X]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive

proxy or information statements incorporated by reference in Part III of this Form 10K or any amendment to this Form 10-K or any amendment to this Form 10-K. [x]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was \$26,128,520. For purposes of the above statement only, all directors, executive officers and 10% shareholders are assumed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares outstanding of the registrant's Common Stock, par value \$0.01 per share (the "Common Stock"), as of September 25, 2015, was 329,935,670.

Documents Incorporated By Reference: None



FORWARD-LOOKING STATEMENTS

This Annual 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. The forward-looking statements and associated risks set forth in this Annual Report include or relate to, among other things, (a) our growth strategies, (b) anticipated trends in the mining industry, (c) our ability to obtain and retain sufficient capital for future operations, and (d) 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,". 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 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 significant uncertainties inherent in the 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.

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", "internal", 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 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 I

FINANCIAL INFORMATION

As used in this 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. All references to “\$” or “dollars” mean the U.S. dollar, and unless otherwise indicated all currency amounts in this prospectus are stated in U.S. dollars. All references to “CAD\$” refer to the Canadian dollar. All financial statements have been prepared in accordance with accounting principles generally accepted in the United States and are reported in U.S. dollars.

ITEM 1. BUSINESS

BACKGROUND – COMPANY OVERVIEW AND CORPORATE STRUCTURE

We were incorporated in the State of Nevada, United States of America on March 1, 2004 and reincorporated in the State of Minnesota, United States of America on May 14, 2008.

We have has direct and indirect wholly-owned subsidiaries located in Mauritius (Energizer Resources (Mauritius) Ltd., THB Venture Ltd. and Madagascar-ERG Joint Venture (Mauritius) Ltd.), Madagascar (Energizer Resources Minerals Sarl, Energizer Resources Madagascar Sarl and ERG (Madagascar) Sarl), and Ontario (2391938 Ontario Inc.).

Our principal business office, which also serves as our administration and financial office, is located at 141 Adelaide Street West, Suite 520, Toronto, Ontario, telephone (416) 364-4911. These offices are leased on a month-to-month basis, and our monthly rental payments are currently CAD\$10,000 per month.

The registrar and transfer agent for our common shares will be Continental Stock Transfer & Trust, 17 Battery Place, New York, NY 10004.

Summary of Our Business

We are a mineral exploration and mine development company that is developing its feasibility-stage Molo Graphite Project in southern Madagascar.

Our principal asset is the Molo Graphite Project. On December 14, 2011, we entered into a Definitive Joint Venture Agreement with Malagasy Minerals Limited (“Malagasy”), a public company on the Australian Stock Exchange, to acquire a 75% interest to explore and develop a group of industrial minerals, including graphite, vanadium and approximately 25 other minerals. On October 24, 2013, the Company signed a Memorandum of Understanding (“MOU”) with Malagasy to acquire the remaining 25% interest in the land position. On April 16, 2014, Energizer signed a Sale and Purchase Agreement and a Mineral Rights Agreement with Malagasy to acquire the remaining 25% interest. Malagasy retains a 1.5% net smelter return royalty.

In addition to the Molo Graphite Project, we also hold interests in the Green Giant Property in Madagascar and the Sagar Property in Québec, Canada. We currently do not consider these properties to be material to us.

Green Giant Property. During 2007 we acquired a 75% interest in the Green Giant Property in Madagascar and entered into a joint venture agreement for the Green Giant Property with Madagascar Minerals and Resources Sarl (“MMR”). In 2009, we acquired the remaining 25% interest for \$100,000. MMR retains a 2% NSR. The NSR can be purchased at our option, for \$500,000 in cash or common shares for the first 1% and at a price of \$1,000,000 in cash or common shares for the second 1%. On April 16, 2014, we signed a Joint Venture Agreement with Malagasy, whereby Malagasy acquired a 75% interest for non industrial minerals on the property. We retain remaining 25% and have a free carried interest through the BFS. No specific consideration was received for this transaction as it was part of the Molo Graphite Project transaction dated April 16, 2014. On May 21, 2015, Malagasy terminated this Joint Venture Agreement. Therefore, we re-obtained its 100% interest in all minerals on this property.

Sagar Property. During 2006, the Company purchased from Virginia Mines Inc. (“Virginia”) a 100% interest in 382 claims located in northern Quebec, Canada. Virginia retains a 2% NSR on certain claims within this property with other unrelated vendors holding a 1% NSR on certain claims, and a 0.5% NSR on other claims. For the other

vendor's NSR, the Company has the right to buy back half of the 1% NSR for \$200,000 and half of the 0.5% NSR for \$100,000. On February 28, 2014, the Company signed an agreement to sell an interest in the Sagar property to TUF, a public company related by common management. On July 31, 2014 and May 8, 2015, the agreement terms were revised. In order for TUF to acquire an initial 35% interest in the property, TUF has to pay \$40,079 (CAD\$50,000) by December 31, 2015 and has to spend \$400,792 (CAD\$500,000) by December 31, 2016 developing the property. TUF can earn further percentage interests up to 75% over a period ending December 31, 2019 by spending an additional \$3,206,336 (CAD\$4,000,000), paying the Company an additional \$480,950 (CAD\$600,000) and issuing to the Company the lesser of 15% of its issued and outstanding shares or 35,000,000 shares. Once these commitments have been met, TUF can acquire the remaining 25% interest for \$1,618,600 (CAD\$2,000,000) and issuing the lesser of 19.5% of TUF outstanding shares or 60,000,000 shares, including all previously issued shares.

We maintain a website at www.energizerresources.com (which website is expressly not incorporated by reference into this filing).

Further details regarding our properties, although not incorporated by reference, including the comprehensive geological report prepared in accordance with Canada's National Instrument 43-101—*Standards of Disclosure for Mineral Projects* ("NI 43-101"), entitled "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 (the "Feasibility Study") as well as our technical report related to the Green Giant Property entitled "Green Giant Project, Fotadrevo, Province of Toliara, Madagascar, Technical Report Update NI 43-101" prepared by AGP Mining Consultants, effective date January 14, 2011 (the "Green Giant Report") can be found on our Company's website: www.energizerresources.com (which website is expressly not incorporated by reference into this filing) or in our Company's Canadian regulatory filings at www.sedar.com (which website and content is expressly not incorporated by reference into this filing). Canadian investors should review the 43-101 reports, including the mineral resource estimates disclosed therein (which are not permitted to be disclosed under Industry Guide 7) for further details regarding our mineral properties.

Competitive Conditions in our Industry

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. We compete with a number of other entities and individuals in the search for, and acquisition of, attractive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than us, we may not in the future be able to acquire attractive properties on terms our management considers acceptable. Furthermore, we compete with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investments and other capital. Factors beyond our control may affect the marketability of minerals mined or discovered by us.

Employees

As of September 22, 2015, we had 8 total employees, 5 full-time and 3 part-time employees. In addition to our full time employees, we engage consultants to serve several important managerial and non-managerial functions for us.

Cautionary Note

Due to 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 ultimately develop into producing profitable mines. Our future financial results are also uncertain due to a number of factors, some of which are outside our control. These factors include, but are not limited to:

- our ability to raise additional capital as required;
- the market price for graphite, vanadium, gold, uranium and for any other minerals which we may find;
- ongoing joint ventures;
- the results of our proposed exploration programs on our mineral properties;
- environmental regulations that may adversely impact cost and operations; and
- our ability to find joint venture partners, as needed, for the development of our property interests.

If we are successful in completing an equity financing, as necessary, existing shareholders will experience dilution of their interest in our Company. In the event we are not successful in raising additional financing, we anticipate that we will not be able to proceed with our business plan. In such a case, we may decide to discontinue our current business plan and seek other business opportunities in the resource sector. During this period, should it ever arise, we will need to maintain our periodic filings with the appropriate regulatory authorities and, as such, will incur legal

and accounting costs. In the event no other such opportunities are available and we cannot raise additional capital to sustain operations, we may be forced to discontinue our business altogether. We do not have any specific alternative business opportunities in mind and have not planned for any such contingency.

Due to our lack of operating history and present inability to generate revenues, our auditors have stated their opinion that there currently exists doubt as to our ability to continue as a going concern.

Mineral Properties

Cautionary Note Regarding Resource and Reserve Calculation – We report mineral reserve estimates in accordance with the SEC’s Industry Guide 7 (“Guide 7”) under the United States 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”. We advise investors that 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 SEC. As a result, information in respect of our resources determined in accordance with NI 43-101 are not contained in this document. We reference these reports in this document for informational purposes only and such reports are not incorporated herein by reference. Investors are cautioned not to assume that any part or all of mineral deposits in the above categories will ever be converted into Guide 7 compliant reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained” minerals in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. Canadian investors should review the Feasibility Study and Green Giant Report (and the other technical reports filed by the Company, with the securities regulators in Canada), including the mineral resource estimates (which are not permitted to be disclosed under Industry Guide 7) for further details regarding our material mineral properties.

As used in this document, the terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”)—CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in Guide 7. Under Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. The reserves disclosed in this document also comply with the requirements of Guide 7.

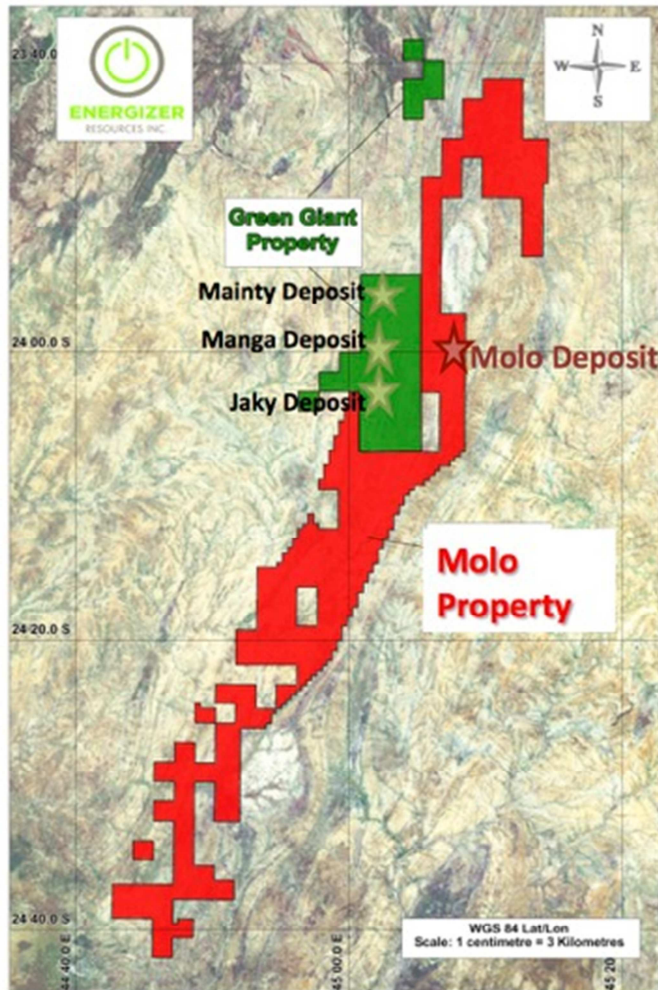
Proven and probable reserves are based on extensive drilling, sampling, mine modeling and metallurgical testing from which we determined economic feasibility. The term “proven reserves” means mineral reserves for which (i) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; (ii) grade and/or quality are computed from the results of detailed sampling; and (iii) the sites for inspection, sampling and measurements are spaced so closely and the geologic character is sufficiently defined that size, shape, depth and mineral content of reserves are well established. The term “probable reserves” means mineral reserves for which quantity and grade are computed from information similar to that used for proven reserves, but the sites for sampling are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation. The price sensitivity of reserves depends upon several factors including grade, metallurgical recovery, operating cost, waste-to-ore ratio and ore type. Metallurgical recovery rates vary depending on the metallurgical properties of each deposit and the production process used.

The proven and probable reserve figures presented herein are estimates based on information available at the time of calculation. No assurance can be given that the indicated levels of recovery of minerals will be realized. Minerals included in the proven and probable reserves are those contained prior to losses during metallurgical treatment. Reserve estimates may require revision based on actual production. Market fluctuations in the price of minerals, as

well as increased production costs or reduced metallurgical recovery rates, could render certain proven and probable reserves containing lower grades of mineralization uneconomic to exploit and might result in a reduction of reserves

Mr. Craig Scherba, President and CEO of the Company, is the “qualified person” who reviewed and approved the technical disclosure contained in this document.

Madagascar Properties



Green Giant Project, Southern Madagascar, Africa

During 2007 we acquired a 75% interest in the property. We paid \$765,000, issued 2,500,000 common shares and 1,000,000 now expired common share purchase warrants to enter into a joint venture agreement for the Green Giant Property with Madagascar Minerals and Resources Sarl ("MMR"). On July 9, 2009, we acquired the remaining 25% interest for \$100,000. MMR retains a 2% NSR. The NSR can be purchased at our option, for \$500,000 in cash or common shares for the first 1% and at a price of \$1,000,000 in cash or common shares for the second 1%.

The Green Giant project comprises claims located in south-central Madagascar located in the UTM zone 38S on the WGS 84 datum at coordinates 510,000 E 7,350,000 N, 145 km southeast of the city of Toliara, in the Tuléar region/Fotadrevo, covering an area of 225 km² situated in two separate blocks. The property is composed of two separate groups of four and two Research Permits respectively.

The discovery of potentially economic vanadium mineralization on the property changed the focus of the 2008 diamond-drilling program. Through a combination of prospecting, ground based scintillometer surveying, and analysis of a published airborne radiometric survey, five extensive vanadium-bearing trends were identified during the 2008 exploration program. These vanadiferous trends are theorized to have formed in a black shale or paleo-roll-front environment before being subjected to regional granulite facies metamorphism.

Energizer selected the Jaky and Manga vanadium-bearing trend as the most prospective targets on the property and focus the late 2009-drill program at delineating mineralized material on these two deposits. Various metallurgical scoping test programs have been completed since Q4 2009, covering physical and chemical preconcentration processes, acid and alkaline leaching (atmospheric and pressure), alkaline salt roasting and high definition mineralogical characterisation. Mineralogical characterisation of several silicate samples has revealed a unique deportment of vanadium at Green Giant. Vanadium bearing minerals include clays, micas, oxides, and sulphides.

The mineral deposits on this property have been divided into three separate zones, which are referred to as the Jaky, Manga, and Mainty deposits. The vanadium deposits on the Green Giant property are split into two separate categories: oxide and primary. The mineralization analysis utilized 18,832 m of diamond drill hole data from the 2008, 2009, and 2010 drill programs and was supplemented by approximately 5,928 m of trench data from the 2008 and 2009 exploration programs.

Since early 2012, the Company has focused its efforts on the Molo Project and as such only minimal work has been completed on the property since that time.

Please refer to the Green Giant Report for further details regarding the Company's Green Giant Property.

Molo Graphite Project, Southern Madagascar, Africa

On December 14, 2011, we entered into a Definitive Joint Venture Agreement ("JVA") with Malagasy Minerals Limited ("Malagasy"), a public company on the Australian Stock Exchange, to acquire a 75% interest to explore and develop a group of industrial minerals, including graphite, vanadium and approximately 25 other minerals. The land position covers 2,119 permits and 827.7 square kilometres and is mostly adjacent to the south and east of the Company's 100% owned Green Giant Property. We paid \$2,261,690 and issued 7,500,000 common shares valued at \$1,350,000.

On April 16, 2014, we signed a Sale and Purchase Agreement and a Mineral Rights Agreement with Malagasy to acquire the remaining 25% interest. We made the following payments at that time: \$364,480 (CAD\$400,000); issued 2,500,000 common shares subject to a 12 month voluntary vesting period and valued at \$325,000; and issued 3,500,000 common share purchase warrants, valued at \$320,950 using the Black Scholes pricing model with an exercise price of \$0.14 and an expiry date of April 15, 2019. On May 20, 2015 we paid \$546,000 (CAD\$700,000), and issued 1,000,000 common shares due to the completion of a bankable feasibility study ("BFS") for the Molo Graphite Property. Further, a cash payment of \$801,584 (CAD\$1,000,000) will be due within five days of the commencement of commercial production. Malagasy retains a 1.5% net smelter return royalty ("NSR") on the property. We also acquired a 100% interest to the industrial mineral rights on approximately 1 1/2 additional claim blocks comprising 10,811 hectares to the east and adjoining the Molo Graphite Property.

The following is the extracted summary section from the Feasibility Study prepared by Dr. John Hancox, PhD. Geology, Pri.Sc.Nat, Mr. Desmond Subramani, B.Sc. Honours Geology, Pri.Sc.Nat, Dave Thompson, B.Tech Mining, Pr.Cert.Eng, Oliver Peters, M.Sc. Mineral Processing, Pr.Eng, Doug Heher, B.Sc. Mechanical Engineering, Pr.Eng, and John Stanbury, B.Sc. Industrial Engineering, Pr.Eng, each of whom is a “qualified person” and “independent”, as such terms are defined in NI 43-101.

The following summary does not purport to be a complete summary of the Molo Graphite Project and is subject to all the assumptions, qualifications and procedures set out in the Feasibility Study and is qualified in its entirety with reference to the full text of the Feasibility Study. Readers should read this summary in conjunction with the Feasibility Study.

Introduction

The Molo deposit is situated 160 kilometres (“**km**”) southeast of the city of Toliara, in the Tulear region of southwestern Madagascar. The deposit occurs in a sparsely populated, dry savannah grassland region, which has easy access via a network of seasonal secondary roads radiating outward from the village of Fotadrevo. Fotadrevo in turn has an all-weather airstrip and access to a road system that leads to the regional capital (and port city) of Toliara and the Port of Ehoala at Fort Dauphin via the RN10, or RN13.

Geologically Molo is situated in the Bekikiy block (Tolagnaro-Ampanihy high grade metamorphic province) of southern Madagascar. The Molo deposit is underlain predominantly by moderately to highly metamorphosed and sheared graphitic (biotite, chlorite and garnet-rich) quartzo-feldspathic schists and gneisses, which are variably mineralised. Near surface rocks are oxidised, and saprolitic to a depth, usually of less than 5m.

Molo is one of several surficial graphite trends discovered by Energizer in late 2011 and announced in early January 2012. The deposit was originally drill tested in 2012, with an initial seven holes being completed. Resource delineation, drilling and trenching on Molo took place between May and November of 2012, and allowed for a maiden Indicated and Inferred Resource to be stated in early December of the same year. This maiden mineral resource estimate formed the basis for a Preliminary Economic Assessment (the “**PEA**”), which was undertaken by DRA Mineral Projects in 2013. The positive outcome of this assessment lead Energizer to undertake another phase of exploratory drilling and sampling in 2014, which was done under the supervision of Caracle Creek International Consulting (Pty) Limited (“**Caracle Creek**” or “**CCIC**”). This phase of exploration was aimed at improving the geological confidence of the deposit and its contained mineral resources, and included an additional 32 diamond drill holes (totalling 2,063 metres) and 9 trenches (totalling 1,876 metres). Caracle Creek were subsequently engaged to update the geological model and resource estimate. The entire database on which this new model and resource estimate is based contains 80 drill holes (totalling 11,660 metres) and 35 trenches (totalling 8,492 metres). This new resource forms the basis for this Molo 2015 FS.

Project Location

The Molo deposit is located some 160 km SE of Madagascar’s administrative capital (and port city) of Toliara, in the Tulear region and about 220 km NW of Fort Dauphin. It is approximately 13 km NE of the local village of Fotadrevo. See Figure 1 below.



Figure 1: Project Location

Project Description

The proposed development of the Molo Graphite Project includes the construction of a green fields open pit mine, a processing plant with a capacity of 862,000 tonnes of ore per annum and all supporting infrastructure including water, fuel, power, tailings, buildings and permanent accommodation.

The mine will utilize four 2 megawatt diesel generators, with three running and one standby and water is supplied from a well field which has been defined by drilling and detailed geo-hydrological modelling. The processing plant will consist of conventional crushing, milling and flotation circuits followed by concentrate filtering, drying and screening. The waste heat generated by the power station will be utilized for the drying of the concentrate.

The tailings storage facility, in the form of a valley dam layout, is located approximately 1.5 kilometers to the west of the process plant and is designed to accommodate the run-of-mine tonnage for the 26 year Life of Mine (“LOM”).

See Figure 2 below for the proposed layout of the site.

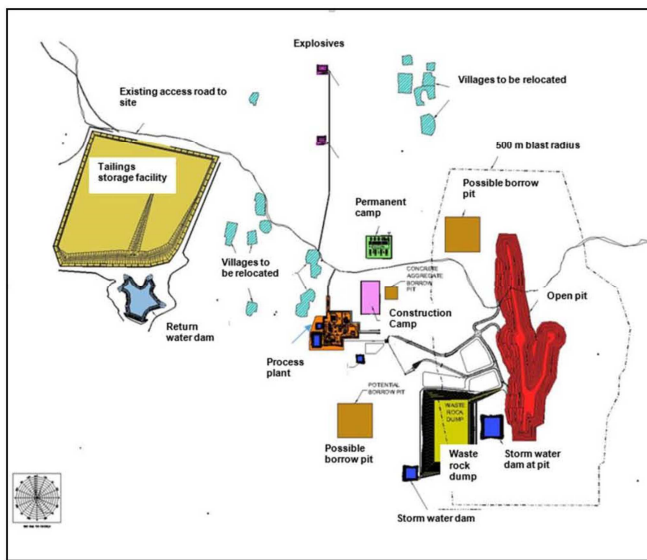


Figure 2: Site layout

Summary of financial results

Table 1 below summarizes the financial results of the Molo 2015 FS. These are based on a discounted flow analysis of the project using nominal cash flows, which include the effect of inflation.

Table 1: Summary of Financial Results

1	Post-tax: NPV (10% Discount Cash Flow)(1)(2)	US\$389,797,113
2	Post-tax: IRR (1)(2)	31.2%
3	Payback (2)	4.84 years
4	Capital cost ("CAPEX")	US\$149.9 million
5	Design Development Allowance (to cover potential quantity and rate changes during detailed design and execution)	US\$13.8 million
6	Owners Contingency	US\$24.6 million
7	On-site Operating Costs ("OPEX") per tonne of concentrate, (year 3 onward)	US\$353
8	Transportation per tonne of concentrate (from mine site to Madagascar Port year 3 onward)	US\$182
9	Transportation per tonne of concentrate (from Madagascar Port to European Customer Port from year 3 onward)	US\$155
10	Average annual production of concentrate	53,017 tonnes
11	Life of Mine	26 years
12	Graphite concentrate sale price (US\$/tonne at Start Up - 2017)	US\$1,689 per tonne
13	Average Head Grade	7.04%
14	Average ore mined per annum over Life of Mine	856,701 tonnes
15	Average stripping ratio	0.81:1
16	Average carbon recovery	87.80%

Notes

- Note 1: Assumes project is financed with a 50% debt and 50% equity.
- Note 2: Values shown are based on nominal cash flows, which include the effect of inflation. Costs are increased on an annual basis by the relevant inflation index.

Table 2 below summarizes key mine and process data.

Table 2: Mine & Process Data

Proven reserves	14,170,000	Tonnes @ 7.0% C grade
Probable reserves	8,367,000	Tonnes @ 7.04% C grade
Grade (graphitic carbon)	7.04%	Average plant head feed over LOM
Waste to ore ratio	0.81:1	
Processing rate	856,701	Tonnes per annum
Mine life	26 years	
Recovery	87.8%	
Average annual product tonnes	53,017	

Property Description and Ownership

Property description

The Molo Graphite Project is contained in a portion of Exploration Permit #3432. The Project is centred on UTM coordinates 413,390 Easting 7,345,713 Northing (UTM 38S, WGS 84 datum). The Molo Graphite Project is located 11.5 km ENE of the town of Fotadrevo and covers an area of 62.5 hectares ("ha"). The Government of Madagascar designates individual claims by a central LaBorde UTM location point, comprising a square with an area of 6.25 km².

Ownership

On December 14, 2011, the Company entered into a Definitive Joint Venture Agreement ("JVA") with Malagasy Minerals Limited ("Malagasy"), a public company on the Australian Stock Exchange, to acquire a 75% interest to explore and develop a group of industrial minerals, including graphite, vanadium and approximately 25 other

minerals. On October 24, 2013, the Company signed a Memorandum of Understanding (“MOU”) with Malagasy to acquire the remaining 25% interest in the land position.

On April 16, 2014, Energizer signed a Sale and Purchase Agreement and a Mineral Rights Agreement with Malagasy to acquire the remaining 25% interest. Malagasy retains a 1.5% net smelter return royalty (“NSR”).

The Molo Graphite Project is located within Exploration Permit #3432 as issued by the Bureau de Cadastre Minier de Madagascar pursuant to the Mining Code 1999 (as amended) and its implementing decrees.

CCIC has reviewed a copy of the Contrat d’amodiation pertaining to this right and are satisfied that the rights to explore this permit have been ceded to Energizer or one of its Madagascar subsidiaries.

Energizer holds the exclusive right to explore for a defined group of industrial minerals within the permits listed above. These industrial minerals include the following: Graphite, Vanadium, Lithium, Aggregates, Alunite, Barite, Bentonite, Vermiculite, Carbonatites, Corundum, Dimensional stone (excluding labradorite), Feldspar (excluding labradorite), Fluorspar, Granite, Gypsum, Kaolin, Kyanite, Limestone / Dolomite, Marble, Mica, Olivine, Perlite, Phosphate, Potash- Potassium minerals, Pumice Quartz, Staurolite, and Zeolites.

Reporting requirements of exploration activities carried out by the titleholder on a Research Permit are minimal. A titleholder must maintain a diary of events and record the names and dates present of persons active on the project. In addition, a site plan with a scale between 1/100 and 1/10,000 showing “a map of the work completed” must be presented. Upon establishment of a mineral resource, Research Permits may be converted into Exploitation Permits by application. CCIC is of the opinion that Energizer is compliant in terms of its commitments under these reporting requirements.

The Molo Graphite Project has not been legally surveyed; however, since all claim boundaries conform to the predetermined rectilinear LaBorde Projection grid, these can be readily located on the ground by use of Global Positioning System (“GPS”) instruments. Most current GPS units and software packages do not however offer LaBorde among their available options, and therefore defined shifts have to be employed to display LaBorde data in the WGS 84 system. For convenience, all Energizer positional data is collected in WGS 84, and if necessary converted back to LaBorde.

Royalties

Malagasy retains a 1.5% net smelter return royalty on the Molo Graphite Project.

Permits

Exploration Permit #3432 is currently held under the name of a subsidiary of Malagasy Minerals called, Mada-Aust Sarl. The transformation or amendment of exploration and research mining permits within the country continues to be suspended from the time that Madagascar was run by a president who was not democratically elected. This current permit expired on August 17, 2011.

Energizer’s Madagascar domiciled subsidiary companies and Mada-Aust Sarl has continued to pay all taxes and administrative fees to the Madagascan government and its mining ministry with respect to all the mining permits held in country. These taxes and administrative fee payments have been acknowledged and accepted by the Madagascan government. In addition, Energizer continues to diligently work with the Madagascan government to obtain the necessary permits in its name as the country clears its backlog of applications and amendments.

The research permit will be converted into an exploitation permit in due course. When the permit is transformed from a research permit to an exploitation permit, the exploitation permit will be issued in the name of Energizer. The exploitation permit is required to advance the Molo Graphite Project to the developmental stage.

Exploration

No further exploration is currently planned.

1.8 Mineral Reserve Estimate

As a result of the Molo 2015 FS, the following maiden proven and probable mineral reserves are declared, see Table 4 below.

Table 4: Mineral Reserves

Category	Tonnage	C Grade (%)
Proven	14,170,000	7.00
Probable	8,367,000	7.04
Proven and Probable	22,437,000	7.02

Proven Reserves are reported as the Measured Resources inside the designed open pit and above the grade cut off of 4.5% C. Similarly, the Probable Reserves are reported as the Indicated Resources inside the designed open pit and above the grade cut-off of 4.5% C.

Metallurgical Test Work

The Molo 2015 FS is based on a full suite of metallurgical test work performed by SGS Canada Metallurgical Services Inc. (“SGS”) which is based in Lakefield, Ontario, Canada. These tests included laboratory scale metallurgical work and a 200 tonne bulk sample / pilot plant program. The laboratory scale work included comminution tests, process development and optimization tests, variability flotation, and concentrate upgrading tests.

Comminution test results place the Molo ore into the very soft to soft category with low abrasivity. A simple reagent regime consists of fuel oil number 2 and methyl isobutyl carbinol at dosages of approximately 120 g/t and 195 g/t, respectively. A total of approximately 150 open circuit and locked cycle flotation tests were completed on almost 70 composites as part of the process development, optimization, and variability flotation program. The metallurgical programs culminated in a process flowsheet that is capable of treating the Molo ore using proven mineral processing techniques and extraction has been successfully demonstrated in the laboratory and pilot plant campaigns.

The tests indicated that variability exists with regards to the metallurgical response of the ore across the deposit, which resulted in a range of concentrate grades between 88.8% total carbon and 97.8% total carbon. Optical mineralogy on representative concentrate samples identified interlayered graphite and non- sulphide gangue minerals as the primary source of impurities. The process risk was mitigated with the design of an upgrading circuit, which improved the grade of a concentrate representing the average mill product of the first five years of operation from 92.1% total carbon to 97.1% total carbon.

The overall graphitic carbon recovery into the final concentrate of the first 5 years of operation is 87.8% based on the metallurgical response of composites using samples from all drill holes within the five year pit design. The average composition of the combined concentrate grade is presented in the table below.

The area composites were generated by splitting the footprint of the five year mine plan into five zones of approximately the same size. All drill holes within one specific zone were then combined to form an area composite. A total of fifteen area composites were generated for metallurgical evaluation, (five zones with three depth intervals per zone). All assays were completed using control quality analysis and cross checks were completed during the mass balancing process to verify that the results were within the estimated measurement uncertainty of up to 1.7% relative for graphite concentrate grades greater than 90% total carbon.

Table 5: Metallurgical Data - Flake Size Distribution and Product Grade

Product Size	Mass Distribution %	Product Grade(%) Carbon
+48 mesh (jumbo flake)	23.6	96.9
+65 mesh (coarse flake)	14.6	97.1
+80 mesh (large flake)	8.2	97.0
+100 mesh (medium flake)	6.9	97.2
+150 mesh (medium flake)	15.5	97.3
+200 mesh (small flake)	10.1	98.1
-200 mesh (fine flake)	21.1	97.5

Table 6: Pricing Matrix - Flake Size Distribution Grouping and Product Grade

Product Size	Mass Distribution %	Product Grade (%) Carbon
>50 mesh	23.6	96.9
-50 to +80 mesh	22.7	97.1
-80 to +100 mesh	6.9	97.2
-100 mesh	46.8	97.6

Vendor testing including solid-liquid separation of tailings and concentrate, screening and dewatering of concentrate, and drying of concentrate was completed successfully.

1.10 Recovery methods

The process design is based on an annual production capacity of 862 kilotonnes of plant feed material at a nominal head grade of 7.04% C(t) producing an estimated average of 53 kilotonnes per annum (“**ktpa**”) of final concentrate. The ore processing circuit consists of three-stage crushing followed by primary milling and classification, a flotation separation and concentrate upgrading circuit, and graphite product and tailings effluent handling facilities.

The crushing circuit is designed to operate 365 days per annum for 24 hours per day at $\pm 68\%$ utilization and comprises a primary jaw crusher, a secondary cone crusher and a tertiary cone crusher in closed-circuit with a double-deck classifying screen. The crushed product (P80 of approximately 13 mm) passes through a surge bin from where it is fed to the milling circuit.

The milling and flotation circuits are designed to operate 365 days per annum for 24 hours per day at 91% utilization. A single stage primary ball milling circuit is employed, incorporating a closed circuit linear classifying screen and a scalping screen ahead of the mill. The scalping screen undersize feeds a single flash flotation cell before combining with the mill discharge material. Scalping and linear screen oversize are the feed to the primary mill. The primary ball mill size is 4.3m diameter (inside new liners) x 4.6m (EGL) with an installed motor power of 1000 kW.

Primary milling is followed by rougher flotation which, along with flash flotation, recovers the graphite to concentrate from the main stream. Rougher flotation employs seven forced-draught trough cells.

The primary, fine-flake and attritioning cleaning circuits upgrade the concentrate to the final product grade of above 94% C(t). Concentrate from the main stream feeds into the primary cleaning circuit consisting essentially of a dewatering screen, a polishing ball mill, a column flotation cell and flotation cleaner/cleaner scavenger trough cells. The primary cleaner column cell concentrate gravitates to a 65 mesh classifying screen, from where the large-flake oversize is directed to a high rate thickener located ahead of a final concentrate attritioning circuit. Primary cleaner classifying screen undersize is pumped to the fine-flake cleaning circuit.

The fine flake cleaning circuit consists primarily of a dewatering screen, a polishing ball mill, a column flotation cell and flotation cleaner/cleaner scavenger trough cells. The attritioning cleaning circuit employs a high rate thickener, an attritioning stirred mill, a column flotation cell and flotation cleaner/cleaner scavenger trough cells. Fine flake column concentrate merges with the +65 mesh primary cleaner classifying screen oversize as it feeds the attritioning circuit thickener. Attritioning circuit column concentrate comprises the final concentrate stream feeding the final concentrate thickener.

Combined rougher and cleaner flotation final tailings are pumped to a guard de- gritting cyclone installation ahead of a high rate final tailings thickener. Cyclone overflow feeds the thickener. Cyclone and thickener underflows combine and are pumped for final disposal to the tailings storage facility (“**TSF**”).

Thickened final concentrate is pumped to a linear vacuum belt filter for further dewatering before the filter cake is fed into a rotary kiln drying circuit.

A three-stage, twin stream sifting plant screens the dry concentrate (dryer product) into the pre-determined size classes. A bagging plant is employed to weigh, sample and bag the different size fractions discretely for loading into sea freight containers for shipment.

Chemical reagents are used throughout the primary recovery and upgrading processes. Diesel fuel collector and liquid frother are added to various points-of-use within the flotation circuits.

Diesel collector is pumped from the main tank farm to a bulk tank at the plant, from where it enters a manifold system which supplies multiple variable speed peristaltic pumps which discretely pump the collector at set rates to the various points-of-use within the flotation circuits.

MIBC (methyl isobutyl carbinol) frother is delivered by road to a plant reagent store in 1m³ IBC's, or 210 litre steel drums. The drums are collected by forklift as required and the contents pumped into a frother storage tank. A manifold system on the storage tank supplies multiple variable speed peristaltic pumps, which discretely pump the frother at set rates to the various points-of-use within the flotation circuits.

Flocculant powder (Magnaflow 919 and Magnaflow 24 for concentrate and tailings thickening facilitation respectively) is delivered by road to the plant reagent store in 25 kg bags. The bags are collected by forklift as required and delivered to a flocculant mixing and dosing area. Here the flocculant is diluted as required using parallel, duplicate vendor-package automated make-up plants, one each being dedicated to supplying the concentrate and tailings thickeners due to the flocculant types required being different for each application. Variable speed peristaltic pumps discretely pump the flocculant at set rates to the thickeners' points-of-use.

Coagulant powder (Magnaflow 1707) for thickening enhancement is handled similarly to the flocculant as described above, the exception being that a single make-up system is provided to supply both the concentrate and tailings thickeners. Again, variable speed peristaltic pumps discretely pump the coagulant at set rates to the thickeners' points-of-use.

Figure 3 below gives a high level overview of the project and Figure 4 below provides a block diagram depicting the basic process flow.

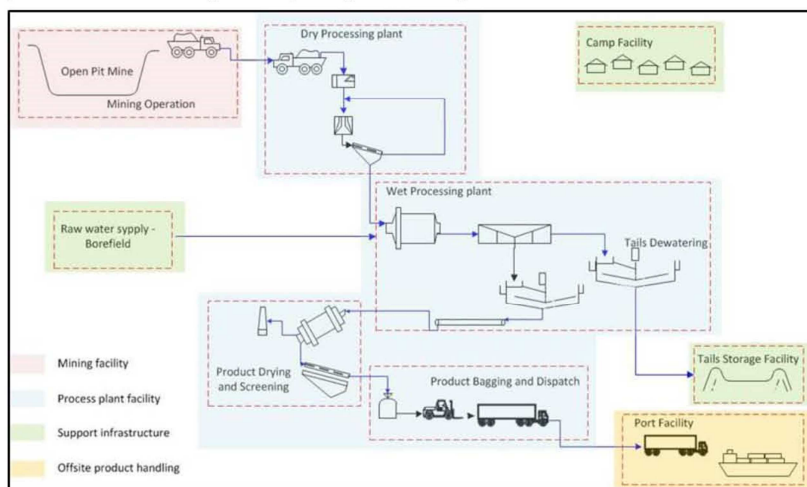


Figure 3: Project summary

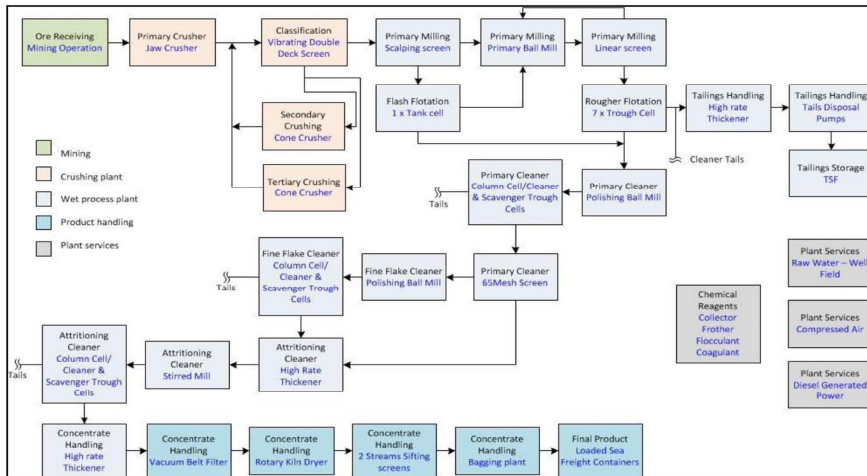


Figure 4: Block Flow Diagram

Infrastructure

The project is located in a relatively remote part of South Western Madagascar, approximately 13 km NE of the local village of Fotadrevo. There is currently no infrastructure on site and everything will have to be constructed.

The following elements are all part of the project scope:

- Raw water supply (from a network of bore holes extracting ground water)
- Power supply (temporary during construction) and then a permanent diesel power station to supply the plant and permanent camp
- Sanitation for the plant, permanent camp, and temporary during construction)
- Storm water control and management
- Temporary accommodation during construction
- Permanent accommodation (340 people)
- All permanent buildings (offices, workshops, stores, laboratory)
- All buried services (potable water, sewage, stormwater, electrical reticulation)
- In plant roads
- Haul road
- Tailings Storage Facility
- Tailings pipe line to the TSF
- Return water pipe line from the TSF back to the plant
- Rock dumps and Run of Mine Ore (“**ROM**”) pads

See Figure 2 in section 1.3 for the site layout.

Raw Water Supply

Water is supplied by a net work of boreholes. A detailed water demand and supply analysis was done as part of the Molo 2015 FS, and this has shown that the water demands of the plant can be accommodated by boreholes within a radius of 5km from the plant. The daily steady state raw water make up requirement is estimated to be 561m³ per day.

Power Supply

Power is supplied by four 2 MW diesel generators. The running load for the plant is estimated to be 2.7 MW with an additional 0.8 MW for the permanent camp and all mine infrastructure. Under normal operation there will only be two units running, with a third allowed to assist with mill starting, and the fourth unit as a spare for maintenance.

1.12 Product Pricing

Graphite prices are based on current quotes and projected estimates provided by UK-based Roskill Consulting Group Ltd (“**Roskill**”), recognized as a leader in providing independent and unbiased market research, pricing trends, and demand and supply analysis for the natural flake graphite market.

The weighted average price per tonne of graphite concentrate in December 2014 was US\$1,375. This is a basket price and reflects the contribution of the different flake sizes and carbon grades to the overall price. The start-up price (in 2017 terms) for a tonne of Molo graphite concentrate is a projection based on Roskill information. The graphite price then escalates in the financial model based on Roskill's forecasts for supply and demand. The reader is cautioned that these are forecasts and may change subject to market dynamics.

1.13 Logistics

The cost to transport one tonne of dry concentrate (0.5% moisture content) from Molo to Rotterdam via Fort Dauphin, Madagascar, in December 2014 terms is 337 US\$ / tonne. This is based on shipping 26 tonnes of concentrate in 1 m³ bags placed inside a 40 ft. container.

The route from Molo to Fort Dauphin runs either via the RN 10 or the RN 13. Both these routes vary from reasonable to poor condition and trucks are expected to take between four and five days to make the round trip. A truck was run over the route by a Madagascan trucking contractor to gauge cycle times and they managed to complete the journey in two long days each way. This was in the dry season and in the wet season there may be periods of time when the roads become impassable. No money has been budgeted for roads repairs or upgrades. The Port of Ehoala at Fort Dauphin is a modern (2009) port developed by Rio Tinto for the QMM project. It has a 15m draft with shipping lines calling on a regular basis. There are however no crane facilities and vessels require their own cranes.

Figure 5 below shows a picture of the Port of Ehoala at Fort Dauphin.



Figure 5: Port of Ehoala at Fort Dauphin

Figure 6, Figure 7, and Figure 8 below give some insight into the varying road conditions between Molo and Fort Dauphin.



Figure 6: Road Conditions (1)



Figure 7: Road Conditions (2)



Figure 8: Road Conditions (3)

1.14 Capital costs

The capital cost for the project is estimated to be 188.2 million US\$, including a contingency of 24.5 million US\$. Competitive bids were obtained for most mechanical equipment, and for the earthworks, civils, structural steel, mechanical erection, piping and electrical, control and instrumentation detailed Bills of Quantities were issued for competitive pricing.

The base date for the capital costs is December 2014 and no provision has been made for escalation. The accuracy of capital costs is considered to be with +/- 10%

Table 7: Construction Capital Costs

Category	Cost (US\$ Million)
Capital Cost	149.9
Design Development Allowance	13.8
Subtotal	163.7
Contingency	24.5
Total	188.2*
*Excludes taxes, tariffs, duties and interest	

Table 8: Initial Capital Cost Summary

Cost Centres	Cost (US\$ Million)
Pre-production	37.3
Tailings Storage Facility	24.3
Mechanicals	20.8
Electrical, Control & Instrumentation	20.8
External services	17.9
Earthworks	11.8
Piping	7.4
Structural	5.6
Transport	5.5
Vendor packages	3.4
Civil works	2.5
Consumables and spares	2.4
Buildings, fittings	2.1
Plate work	1.9
Total Capital Costs	163.7

Future capital expenditure expected to be incurred has been allowed for in the financial model to cover the expansion of the TSF in year 2, the replacement of the mine fleet, the replacement of the power plant, and for rehabilitation at the end of the project. Over the life of mine this accounts for an additional 38.3 million US\$ with 7 million US\$ spent on the TSF expansion in year 2.

1.15 Operating costs

The average cash operating costs from year 3 onwards, after the expatriate staff complement is reduced, are estimated to be 21.7 US\$ per mineralized tonne processed and 353 US\$ per tonne of concentrate produced. The cash operating costs includes mine operations (owner operated), process plant operations and general and administrative charges. They do not include shipping from Molo to the end user, or any downstream processing costs.

Table 9: Operating Costs per Tonne of Feed

Category	Year 3 onwards
Mining	US\$3.90
Processing	US\$11.00
General and Administrative	US\$6.80
Total OPEX per Tonne of Feed	US\$21.70
<i>Costs have been rounded.</i>	

Table 10: Operating Costs per Tonne of Concentrate produced at the Mine Site

Category	Year 3 onwards
Mining	US\$64
Processing	US\$179
General and Administrative	US\$110
Total OPEX cost per Tonne of Concentrate at Mine Site	US\$353
<i>Costs have been rounded</i>	

The operating costs expressed above are considered to be accurate to +/- 10%, and assume a varying US\$ inflation rate of 1.6% in 2015 and escalating to 2.0% from 2017 onward. Currency inflation rates were also considered in the financial model and were applied to the South African Rand and Malagasy Ariary portions of the opex costs.

Please note that these operating costs assume that the plant is able to successfully handle the variability in the ore body, as shown by the SGS test work discussed in detail in Section 13. Should the plant not perform as expected this could have a material impact on operating costs as:

- The flake size distribution could be worse than expected
- The product grade could be lower than expected
- The recoveries could be lower than expected or a combination of all of these

1.16 Economic analysis

Table 11 below summarizes the economic analysis of the project using discounted cash flow methods.

Table 11: Economic Analysis of the Project

Category	Value
Average price / tonne of concentrate (at start up, 2017)	US\$1,689
Internal Rate of Return ("IRR") - Project Equity	31.2%
NPV @ 8% Discounted Cash Flow	US\$521,602,408
NPV @ 10% Discounted Cash Flow	US\$389,797,113
NPV @ 12% Discounted Cash Flow	US\$293,649,899
Project Payback Period	4.84 years
* Assumes that the project is financed through 50% equity finance and 50% corporate debt. The debt assumptions used in the model assumes a rate of 5.75% over LIBOR, with LIBOR forecast to escalate to 3.54% by 2022. An arranging fee is also assumed.	

Notes

All values in the above table do not account for inflation and assume that a satisfactory investment agreement is negotiated under Madagascar's LGIM (Loi Sur les Grands Investissements Miniers) tax laws covering large scale mining investments, for which this project qualifies. Also included in the above table are forecasted prices for 2017, which coincides with the year the Molo mine is expected to be in production.

The exchange rates used in the financial model are as follows:

- 11.31 South African Rand ("ZAR") to US\$1, moving in line with purchasing power parity
- 0.833 Euro to US\$1, fixed for the modelled period
- 2,746 Malagasy Ariary ("MGA") to US\$1, moving in line with purchasing power parity

1.17 Environmental & Permitting

A comprehensive Environmental and Social Impact Assessment ("ESIA") was completed to local Malagasy, Equator Principles, World Bank and International Finance Corporation ("IFC") standards. The process was preceded by an Environmental Legal Review and an Environmental and Social Screening Assessment; both providing crucial information to align the project development and design with international best practice on sustainable project development.

The ESIA submission is subject to approval of the investment amount by Madagascar's Ministry of Mines. The application was submitted on 30th January 2015 and the approval of the investment amount is in progress. Energizer will receive a Global Environmental Permit upon approval of the ESIA, a process which is expected to take six months from date of submission.

A comprehensive permitting register is in place and additional sectorial permit applications will form part of the early execution phase. Approval of the sectorial applications is expected within the same six month period as the ESIA review.

No material issues were identified in relation to Environmental, Social and Permitting processes and through the stakeholder engagement process the local and regional community has expressed a desire for the project to move forward.

1.18 Conclusions

1.18.1 Geology

Energizer's 2011 exploration program delineated a number of new graphitic trends in southern Madagascar. The resource delineation drilling undertaken during 2012-2014 focused on only one of these, the Molo deposit, and this has allowed for an independent, updated resource statement for the Molo deposit, which is stated in accordance with the CIM Guidelines.

1.18.2 Mining

Maiden mineral reserves of 22 437 000 tonnes have been declared for the Molo Graphite Project at an average grade of 7.02% and based on the information contained in the Molo 2015 FS it is possible to economically mine this deposit.

1.18.3 Metallurgical Test Work

Comprehensive metallurgical test programs culminated in a process flowsheet that is capable of treating the Molo ore using conventional and established mineral processing techniques. Process risks associated with the variability with regards to metallurgical performance have been mostly mitigated through the addition of an upgrading circuit.

1.18.4 Recovery Methods

The laboratory, pilot and vendor test work conducted prior to and during the study defined the required process flow sheet. This was duly translated into a full-scale production plant flow sheet as described within this report. The flow sheet unit processes were populated and individual component equipment selected according to either pilot plant precedents or, where these were not available, proven practice within the industry, in conjunction with suitably experienced vendors. All process designs and selections were based on conventional, proven mineral processing practices.

The processing selections and configurations built into the design are adequately suited to the requirements. Based on the mining and metallurgical test work information presented elsewhere within the Molo 2015 FS, and assuming within specification ROM ore is fed to the plant, the required recovery is expected to be attainable at the throughput stated. Note that this recovery is based on lab and pilot scale test work and may reduce slightly on a full scale plant due to operational inefficiencies. This possible reduction has not been taken into account in the financial analysis.

1.18.5 Infrastructure

All infrastructure required for the project has to be installed from scratch and has been allowed for in the project budget.

1.18.6 Water

The detailed hydrogeological analysis has concluded that the plant can be supplied from a well field.

1.18.7 Environmental, Social

A comprehensive Environmental and Social Impact Assessment has been done, and is in the process of being submitted to Madagascan government for approval.

1.18.8 Permitting

Various permits will have to be obtained for the project including an Environmental Permit and a Mining permit. The most urgent permit is for Energizer to renew the exploration permit covering the project.

1.18.9 Tailings

It is possible to construct the required tailings storage facility and a suitable site has been identified. Geochemical and hydrogeological test work has shown that the facility does not need to be lined.

1.18.10 Risks

The qualitative risk assessment identified 56 risks of which 9 were extremely high before controls. After controls were applied the number of extremely high risks was reduced to two. These risks are:

1. The exploration permit covering the Molo pit expired in 2011 and has yet to be officially renewed

(Exploration Permit #3432 is the permit in question).

2. Current delays in issuing new mining permits.

After controls were applied the remaining high risks are as follows, (reduced from 39 to 18):

1. Requirement that all voids / excavations be backfilled without exception.
2. Inaccurate landownership data.
3. The unit costs of moving product are high.
4. Project NPV and IRR lower than the PEA
5. Theft during construction & operation (diesel, cable, etc.)
6. No off take agreements signed yet or formal product specifications received.
7. The current execution strategy calls for contracts to be placed before permits are granted.
8. The project has modelled the diesel price at 0.8 US\$ / litre.
9. ESIA review timeframes could extend past the planned project start date - indications are 6-9 months for ESIA approval from date of submission to the O.N.E (The Madagascar Government department of the Environment)
10. The process design may not achieve the optimal balance between the competing requirements of:
 - a. Maximizing coarse flake recovery
 - b. Maximizing product carbon grade
 - c. Maximizing overall recovery
11. Future Land Claims (Ancestral Rights).
12. The process plant may not achieve a consistent on spec product, especially as the feed grade to the plant varies and this may make process control difficult.
13. Madagascar political situation remains potentially unstable.
14. Difficult logistics getting material on and off the island plus very bad roads.
15. Contractors P&G's high due to locality.
16. The projects returns are reliant on a real term increase in the price of graphite.
17. Implementation of the preferential taxation arrangement may be difficult.
18. The debt funding assumptions may not be achievable.

1.19 Recommendations

1.19.1 Geology

No further recommendations at present.

1.19.2 Mining

The long mine life of the Molo Graphite Project will allow for potential optimisation of drilling and blasting designs during execution that could reduce operating costs slightly.

From a pure mining perspective the Molo Graphite Project is very small and provided reasonable levels of short term planning are applied it should have very few challenges in delivering the required tonnages at the required grade to meet the production targets set out in this Molo 2015 FS.

1.19.3 Metallurgical Test Work

The following recommendations are made for additional metallurgical testwork prior to the detailed engineering stage:

- Evaluate a range of different attrition mill media to determine if flake degradation can be reduced without affecting the concentrate grade;
- Develop a grinding energy versus concentrate grade relationship for the best grinding media. This will allow a more accurate prediction of the required attrition mill grinding energy as a function of the final concentrate grade;
- Conduct attrition mill vendor tests to aid in the sizing of the equipment;
- Carry out vendor testing on graphite tailings using the optimized reagent regime proposed by the reagent supplier; and
- Complete a series of flotation tests on samples covering the mine life past the initial 5 years.

1.19.4 Recovery Methods

Optimization and refinement opportunities exist regarding the process design which could reveal benefits over the equipment selections and unit process detail within the current design. The latter are based essentially on test work outcomes pursued and reported on thus far for study purposes.

Appropriate test work is recommended prior to the initiation or during the course of a detailed design phase preceding construction. This would include the following:

- Bulk material flow test work;
- Additional test work, in conjunction with vendors and in line with ongoing technical developments, aimed at further refinement of the polishing and attrition milling processes;
- Concentrate attritioning circuit static and dynamic thickening tests, including reagent scoping and optimization trials;
- Further investigation into potentially replacing the final tailings disposal positive displacement pumps with more common centrifugal pump trains by reducing the slurry solids concentration for overland pumping. This will include examination into whether the overall water balance and supply system can reasonably accommodate such a change.

1.19.5 Infrastructure

The following are recommended prior to the detailed design stage:

- Additional geotechnical investigations at the proposed new construction and permanent camp site, particularly at the location of the new potable water storage tanks
- A detailed geotechnical investigation will need to be undertaken to identify and confirm suitable sources of concrete aggregate and concrete sand materials at the location of the project site. This testing will need to include for concrete material testing and the production of concrete trial mixes with the material identified
- The geotechnical information will also need to confirm the suitability for construction of all the material to be excavated from the Return Water Dam (“**RWD**”). It is proposed that all the material excavated from the RWD is utilised in the works as processed fill material
- Confirmation as to whether the material from the proposed borrow pit near Fotadrevo (which will be used to supply all fill material for the TSF starter wall construction) can be utilised as fill material, or if this material can be stabilized in some manner and used in the works
- A detailed topographical survey will need to be undertaken of the proposed construction site, borrow pit areas and the access road between Fotadrevo and the mine site. This information is required prior to the final detailed design of the plant layout and associated earthworks

1.19.6 Water

The following is recommended during the detailed design phase:

- Updating the current dynamic water balance including a dynamic TSF water balance. The current water balance only assumed average monthly inflows from the TSF into the RWD. It would be recommended to confirm the water availability on the Molo Graphite Project if drought conditions occur and the TSF model element is included in the dynamic water balance
- Water quality and quantity data is required to provide a baseline for comparison once the Molo Mine is commissioned. To provide the necessary baseline data, regular ground and surface water quality monitoring must be carried out leading up to the date when the Molo Mine will be commissioned. Additionally proposed monitoring and scavenger wells must be installed. This also should include the installation of flow meters on relevant pipelines to verify the dynamic water balance with measured flow rates during operations
- The installation of a weather station on the Molo Graphite Project site should be done as soon as possible.
- The installation and testing of the additional well field boreholes must be undertaken. The groundwater resource model must be updated to include site specific borehole data.
- The environmental geochemical test work of the Molo 2015 FS should be confirmed by selective testing of samples from the latest exploration and metallurgical test programs. The geochemical model should be updated accordingly.

1.19.7 Environmental, Social

- GCS recommends the installation of a suitable weather station at or as near as possible to the proposed project site, even before construction commences. Accurate, local weather data is almost non-existent in Madagascar. This data will prove invaluable for model calibration, improvement in baseline understanding and for future energy supply options which could utilise wind and or solar power generation
- Clean energy supply should be considered as a medium to long term target
- Appointment of a community representative and the establishment of a mandate to sensitise the local communities prior to any project activities
- Monitoring and auditing to commence at project preparation phase
- Compilation of Standard Operating Procedures for Environmental and Social aspects requiring direct management and intervention

- It is recommended that actual activity data, (e.g. kilometres travelled, or litres of diesel consumed) for a financial year is used when a Green House Gas (“GHG”) assessment is being calculated. Given that this project involves an estimation of a future GHG assessment for activities yet to begin, a series of assumptions have been made in order to obtain the activity data required to undertake this calculation
- Community recruitment, skills development and training should begin at project preparation phase

1.19.8 Permitting

- An application for the exploration permit in Energizer’s name is a critical step in the larger permitting and licensing regime and requires early attention and dedicated involvement
- Security of land tenure is a process and is estimated to take 7 months, thus this process should be commissioned as early as possible
- Application for all other necessary permits (water use, construction, mineral processing, transportation, export, labour etc should be undertaken within the ESIA review period (6 months), which is expected to be from March till August 2015
- Compilation of a comprehensive legal register
- Municipal elections are scheduled for July 2015. It is recommended that all above-mentioned permitting processes should commence prior to and in anticipation of these elections.
- The permitting and licensing of the proposed Molo Graphite Project requires dedicated attention to ensure consistent momentum in application for and delivery of permits and licenses. This is extremely relevant within the Malagasy context.

Tailings

Additional work required during detailed design of the TSF and adjacent RWD is as follows:

- The full rheology and beaching characteristics for the tailings are not known which leaves uncertainties regarding the optimum deposition design. This will need to be investigated via large scale tests once suitably sized pilot process plant samples are available. It should be noted that such large scale tests will also provide additional more representative samples which can be used to carry out further testing of other tailings characteristics, such as consolidation, permeability and shear strength, which should be used to validate / revise the assumptions made for the stability assessments, seepage / drainage assessments and water balance
- The geotechnical investigation was carried out for the general TSF area only, and was not focused on the specific design elements as the location of these was not known at the time. Additional focused geotechnical investigations will be required to confirm the geotechnical conditions at specific locations
- The depth to groundwater is not known in the immediate vicinity of the RWD. In the event that ground water is shallow, it may not be possible to excavate the RWD basin to the required depth without employing dewatering measures, or alternatively constructing an additional RWD downstream. The depth to groundwater and any seasonal fluctuations will need to be investigated by installation of a groundwater monitoring borehole, which must be monitored during the wet season
- Water quality data is required over a period of time to provide a baseline for comparison once the TSF is commissioned. To provide the necessary baseline data, regular ground and surface water monitoring must be carried out leading up to the date when the TSF is commissioned
- The overall design will need to be developed to a level required for construction and to optimise the design with regard to technical, environmental and economic considerations, whilst taking due cognisance of additional information made available, including the additional studies detailed”

Graphite Market and Pricing

Market Overview

Energizer engaged Roskill to compile a report on markets for natural graphite up to 2020 which report was completed in January 2015. This market summary is to a large extent based on the Roskill report.

Graphite consumption comprises three different product lines, namely synthetic graphite, natural amorphous graphite and natural flake graphite. Price is often the major deciding factor in choosing between natural flake and synthetic, although each also has specific characteristics which need to be considered for a particular application. For example in the production of lithium-ion anode materials, natural flake graphite may be chosen due to price although synthetic graphite may be more suitable in some formulations.

In those applications where they compete, synthetic graphite prices are higher than natural graphite prices due essentially to higher production costs. This is somewhat offset by the purification cost to raise most natural graphite

to sufficient purity. It is estimated that in 2013, the difference between comparable synthetic and natural grades was US\$1,000 per tonne. Amorphous graphite is used in such applications as the refractories industry, as recarburisers, in brake linings, gaskets and clutch materials and in foundries in mould wash.

Natural Graphite is graded into 3 forms: Flake, Amorphous and Lump. A majority of the world's graphite supply is amorphous (fine or powder) and is used for traditional purposes such as automotive and steel making. Flake graphite is essential for producing batteries, specifically lithium-ion, and for use in consumer electronics. The Molo Graphite Project contains flake graphite. Flake graphite prices are a function of 2 factors - flake size and purity - with large flake (+80 mesh), high Carbon (+94%) varieties commanding premium pricing. Like uranium, there is a posted price for graphite which provides a guideline with respect to longer term trends but transactions are largely based on direct negotiations between the buyer and seller.

World Estimated Consumption of Natural and Synthetic Graphite 2013 (1,000 tonne)

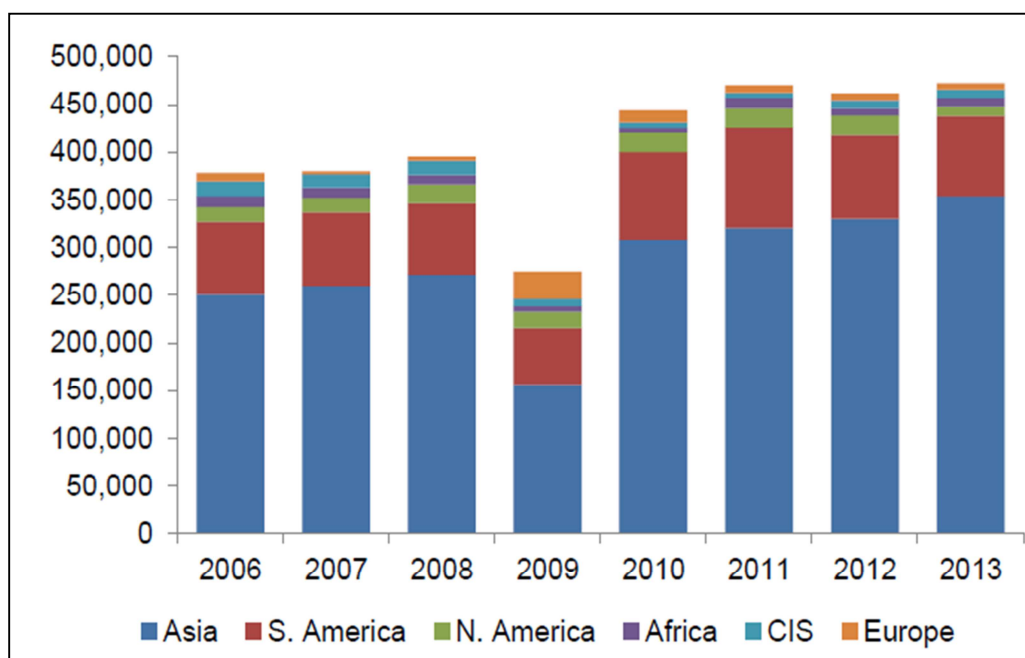
Category	Natural Graphite	(of which Natural Flake Graphite)	Synthetic Graphite	Total
Electrodes	-	-	860	860
Refractories	511	335	-	511
Lubricants	50	12	100	150
Foundries	133	80	-	133
Graphite shapes ¹	12	1-	105	117
Batteries	74	74	27	101
Friction Products	53	22	-	53
Others	135 ²	53	520 ³	655
Total	968	586	1,612	2,580
Source: Roskill estimates				

Notes:

- 1 Including carbon brushes.
- 2 Including 35,000t of amorphous graphite in decarburising.
- 3 Mainly consumption in re-carburisers, but also in foundries, friction materials and refractories.

Natural flake graphite is consumed in refractories, foundry applications, batteries, as battery additives, in fuel cells, friction products, lubricants, shapes and expandable graphite.

In 2013, production of natural flake graphite totaled 427,300 tonnes. Output of flake graphite reached a peak of some 500 000 tonnes in 2012, of which 60% originated in China. Other significant producers of flake graphite are Brazil, India, Canada and Norway. The table below illustrates production of flake graphite worldwide and the dominance of Asian, more specifically Chinese, production.



Chinese flake graphite production is currently fragmented and includes a significant number of small operations with 10 000 tonne per annum capacity or less. A process of consolidation is underway, which began in Inner Mongolia during 2010 and started in Shandong and Heilongjiang during 2014. This will create new industry giants in the country situated in these three centres.

Several foreign companies have invested in China, in order to secure supplies. Many existing Chinese mines are coming to the end of their working lives and a number outside China have become exhausted in recent years.

A number of new flake graphite projects that are under development will increase capacity outside China in the coming years. In a recent development a Canadian graphite project announced a significant off take agreement with a Chinese industrial conglomerate of 40,000 tonne, suggesting that security of supply is becoming increasingly important to manufacturers in China, as well as in the rest of the world.

Apart from China, capacity is concentrated in Brazil and India but is also present in a number of other countries. Of these, the leading producer is Nacional de Grafite of Brazil, which has at least 75,000 tonnes per annum of capacity.

Natural graphite production is forecast to grow by 5.4% per annum in the years to 2020 as growing demand for flake graphite drives expansions and new product development. This estimate includes established projects realizing production on their announced timeline. A total of 188,500t of new capacity could come on stream by 2020, however, more realistically this total will be in the region of 100,000t, which would provide a lower CAGR of 3% per annum. This assumes no increase in production in China, due to on-going consolidation. Production of high-purity natural graphite will continue to be concentrated in China.

There is currently significant overcapacity in the synthetic graphite market as well as increasing competition from new plants in China, India and Russia. Producers will be able to increase supply to meet likely increases in demand.

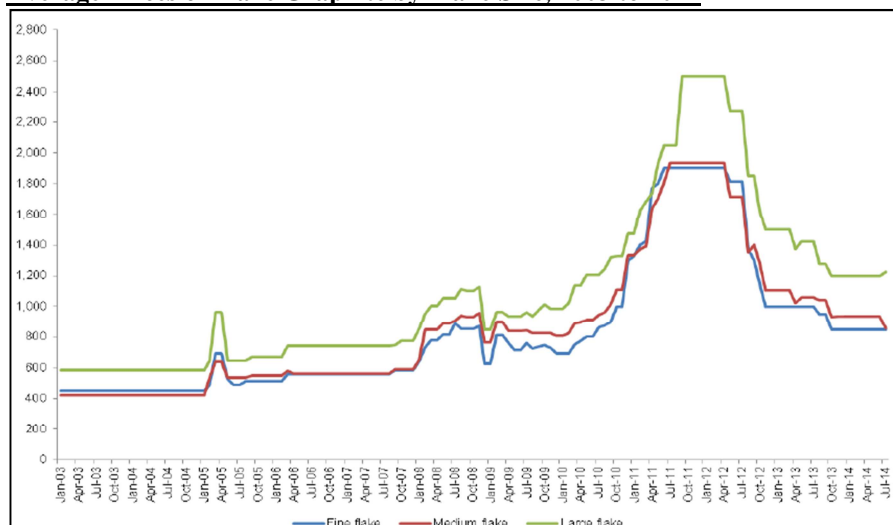
A large amount of graphite exploration has been carried out over the last five years as concerns grew over a potential future tightness/shortage of supply. Development of new capacity is focused on high grade, large flake deposits, driven by growing demand from both the traditional markets of refractories and brake linings, and from the emerging, and rapidly growing, markets of lithium-ion batteries and expandable / expanded graphite.

By 2015, many of the prospective new projects had seen little progress and only a handful have reached pre-feasibility.

Broadly speaking graphite prices increase with flake size and carbon content. In practice other factors come into play and the price will depend on the location of the supplier and purchaser and the logistics involved, the agreed contract type and length, graphite specifications as well as underlying production and processing costs.

Published flake graphite prices for fine, medium and large flake sizes are shown in the graph below (average of all carbon grades), illustrating the price premium by size. After the price hike in 2011, and decline in 2012 to 2014, prices have stabilized in 2015.

Average Prices of Flake Graphite by Flake Size, 2003 to 2014



Source: Industrial Minerals, Asian Metal, Industry sources.

Overall natural flake graphite prices are expected to recover in line with, and above, economic activity. The level of price recovery overall will depend on degree of consolidation in the Chinese flake graphite industry and its impact and the recovery and production levels in the steel industry.

Mining projects are commonly evaluated using two or three year trailing averages. However, the significant price spike in 2011 and 2012 distorts the picture such that historic averages are not representative. The subsequent fall of graphite prices means that the historic averages are higher than current prices. Prices have been relatively stable during 2014 and 2015 and have now started to see some upward pressure. It is therefore assumed that this represents the bottom of the market.

The conclusion that this is the bottom of the market also takes into account the consolidation of the Chinese natural flake graphite sector over the next two to three years, which may constrict supply, the closure of a North American mine in 2013, and the forecast growth in demand. These combined factors should eliminate any further downside in prices from the present levels, and present opportunities for further growth. Capital and operation costs are also rising, which in the medium to longer term will eliminate more marginal producers, and keep the outlook for graphite prices healthy.

For medium and large flake sized material, new supply is not expected on stream in 2015 to step into any shortfalls from Chinese production restrictions, which could put some upward pressure on pricing levels, especially in Europe. This could cause short term fluctuations of \$200-300 per tonne around the average growth rates, or even as much as \$400 per tonne for jumbo flakes. In mid-2016, new scheduled production from Mozambique having a significant proportion of larger flake could replace a portion of Chinese material. From 2017 onwards, the effects of the consolidation process are expected to be largely complete and the Chinese industry reorganised into much larger enterprises.

For fine flake material of 90-96%, graphite prices are expected to rise just above economic activity, especially in refractories, foundries and crucibles markets which represent most of the volume. This material is also not expected to see quite the same upward price pressure in 2016.

Chinese FOB flake graphite prices are expected to increase with production costs and supply restrictions within the country, especially for larger flake sizes in 2015 and potentially in 2016. This will maintain or even raise price levels during a period when there is predicted slowdown in growth in the Chinese industry and household purchasing index.

Permitting in Madagascar

Companies in Madagascar first apply for an exploration mining permit with the Bureau de Cadastre Minier de Madagascar (“BCMM”), a government agency falling under the authority of the Minister of Mines. Permits are granted under usual circumstances are generally issued within a month. The 2014 fees per square within a mining permit range from approximately 92,500 Ariary to 500,000 Ariary (between \$35 and \$194 using a current exchange rate of 2,580 Madagascar Ariary = \$1 USD). The number of squares varies widely by claim number. For the 2014 year, the Company paid approximately \$400,000 to the BCMM to renew all of its claims in Madagascar. This fee covered both the 100% owned Green Giant Property (6 claims) and the Molo Graphite Property (39 claims). Each year the Company is required to pay a similar amount in order to maintain the claims in good standing.

The next step in the permitting process, which our Company has initiated, is to apply for an exploitation permit. Our company has engaged a third party environmental study company in Madagascar to assist us with this process. In order to get an exploitation permit, an investment plan, exploitation work plan budget and specific ground mapping is submitted to the BCMM. This step is completed in conjunction with a submission of an Environmental and Social Impact Assessment (“ESIA”), which was submitted on January 30, 2015. This environmental impact study includes, among other things, completion of a water study and a social impact study.

QA/QC Protocols

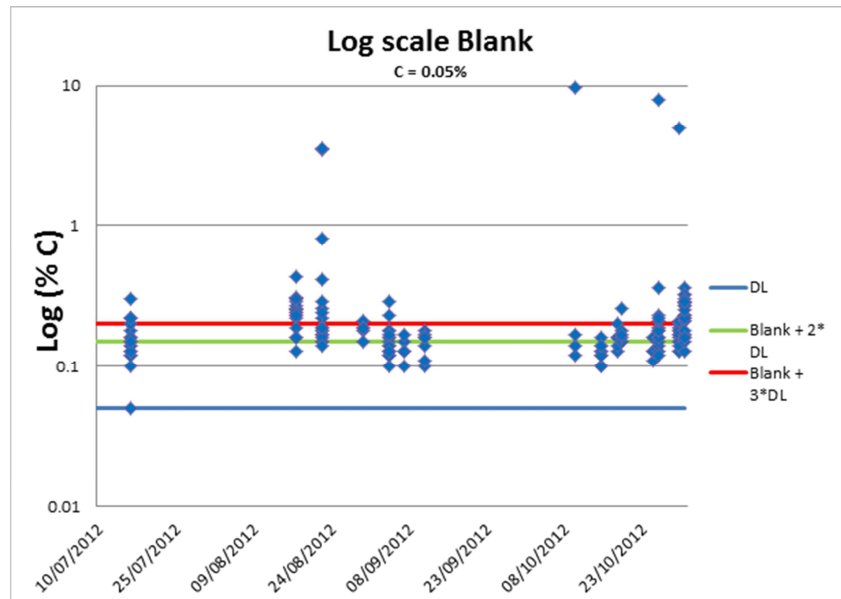
At all times during sample collection, storage, and shipment to the laboratory facility, the samples are in the control of our Company or parties that we have contracted to act as our agents.

When sufficient sample material (grab, trench or core) has been collected, the samples are flown or sent by truck to our storage location in Antananarivo, Madagascar. At all times samples are accompanied by an employee, consultant or agent of our Company. From there, samples are shipped to labs either in South Africa or Canada for ICP-MS analysis.

All analytical results are e-mailed directly by the lab to the Company’s project manager on site in Madagascar and to our company’s geological and executive staff. Results are also posted on a secure website and downloaded by our company’s personnel using a secure username and password. All of the labs that carried out the sampling and analytical work are independent of our company.

In order to carry out QA/QC protocols on the assays, blanks, standards and duplicates were inserted into the sample streams. This was done once in every 30 samples, representing an insertion rate of 3.33% of the total.

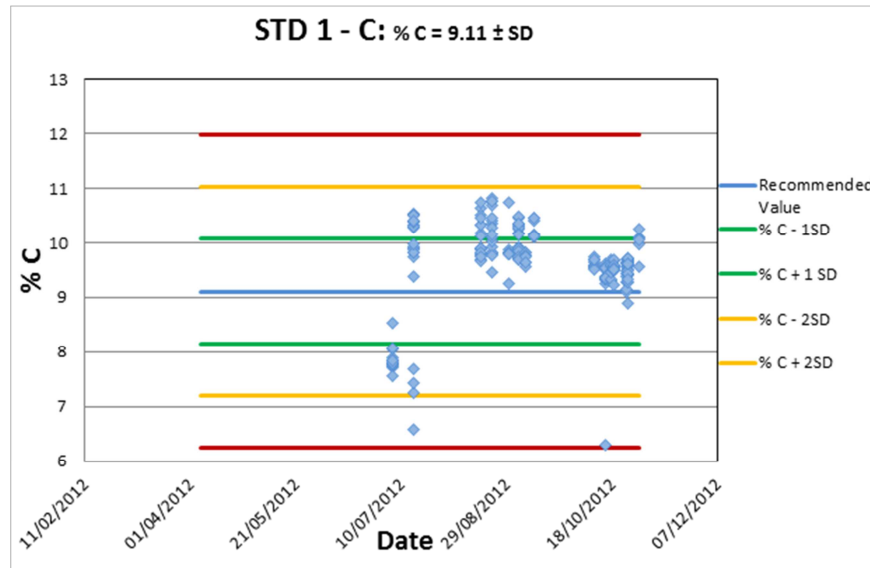
Since the 2009 Madagascar drill program, our company has rigorously implemented a blank protocol. For the Molo Graphite Deposit a fine-grained quartz sand sourced from a hardware store in Antananarivo was used as the blank material for the sampling campaign. A total of 208 blank samples were used in this program. A detection limit of 0.05% Carbon was used for the purpose of this exercise. To verify the reliability of the blank samples, the detection limit and the blank + 2, and 3 times the detection limit were plotted against the date. The plot shows that there are a lot of blank samples that have concentrations that exceed the blank + 3 times detection limit threshold. This, coupled with the large spread of data points, would lead to the assumption that samples may have been contaminated during their preparation for analysis.



Blanks plot – Log %C versus the date of the analysis.

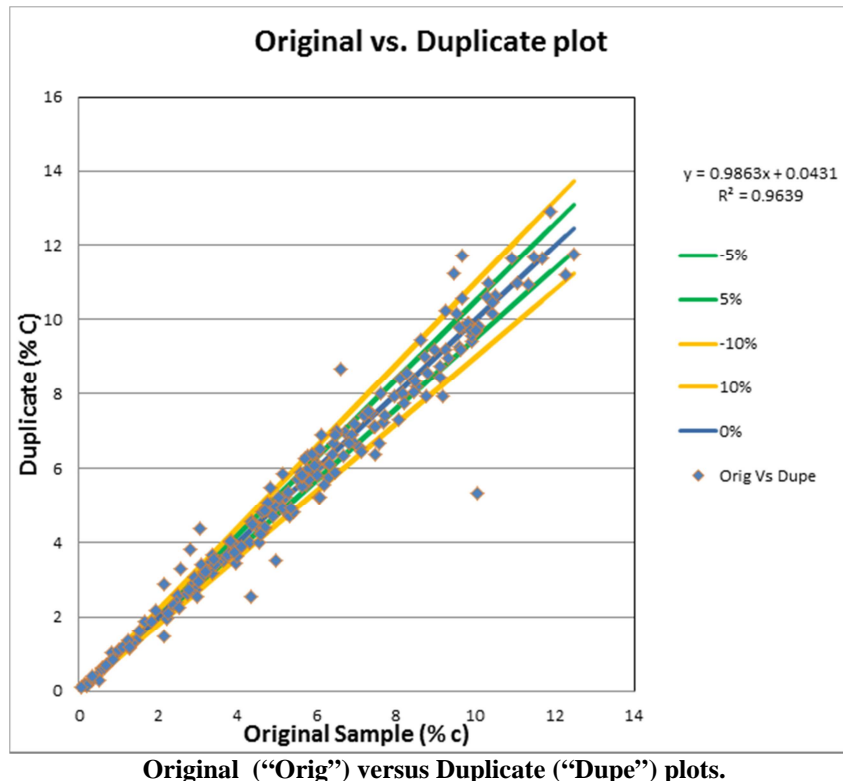
Since certified reference materials (“CRMs”) are essentially non-existent for graphite, our Company commissioned a third party lab in Canada to create a CRM from the remaining Molo Graphite Deposit drill core pulps from the 2011 program. As certified the third party lab standard (STD 1 C) a recommended value of 9.11 % Carbon.

To check the reliability of the standard, a plot of the recommended CRM value versus date was created. The upper and lower limits of one, two and three times the standard deviations of the recommended value are also included in the plot. All the results except for two fall within the acceptable limit of two times the standard deviation. It is however worth noting that there seems to be a negative bias towards lower concentrations in the first batch of samples that were submitted. As the campaign progressed the bias leant towards the positive side. This issue appears to have been sorted out towards the latter parts of the campaign as the data becomes less spread, and is closer to the recommended value.



Graph showing carbon concentration as analyzed in STD 1C.

For the Molo Graphite Deposit, 205 field duplicates were prepared. To check how close these were to the original samples, a plot of the original samples with a zero, five, and ten per cent difference of the original samples was created. The majority of the samples were within the 10% difference limit. The plot also shows a good correlation between the original value and the duplicate, as is evident from the regression line with an R^2 value of 0.96.



Original (“Orig”) versus Duplicate (“Dupe”) plots.

Next Steps

The Company has recently completed the Feasibility Study. With this document, potential financiers and strategic partners have been approached, and the Company is seeking funding for the development of the Molo Deposit into a mine.

Future Programs

After procuring financing for mine construction, the Company will begin placing lead orders for equipment. Parallel to this, the Company will commence a detailed engineering study in order to optimize mine efficiencies.

DRA Agreement Signed for Ability to Develop and Build Mine

During January 2012, we signed a formal agreement with South Africa's DRA Mineral Projects (“DRA”), a world-leading process engineering and mining project development management firm, for the development of our projects in Madagascar. Specific focus will be on the development of vanadium and graphite minerals. Management believes that this partnership provides us with the ability to both build and manage a mining operation. It also provides DRA the option to purchase up to 5% of our Company through private placement at current market conditions.

Other Expenses

Management anticipates spending approximately \$350,000 - \$450,000 in ongoing general office and administration expenses and professional fees per quarter for the next twelve months. Expenses will vary in direct proportion with the level of activity relating to future acquisitions and exploration programs.

ITEM 1A. - RISK FACTORS

Our business is subject to a variety of risks and uncertainties, including, but not limited to, the risks and uncertainties described below. If any of the risks described below, or elsewhere in this report on Form 10-K, or our Company's other filings with the Securities and Exchange Commission (the "SEC"), were to occur, our financial condition and results of operations could suffer and the trading price of our common stock could decline. Additionally, if other risks not presently known to us, or that we do not currently believe to be significant, occur or become significant, our financial condition and results of operations could suffer and the trading price of our common stock could decline. Our risk factors, including but not limited to the risk factors listed below, are as

follows:

SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS OF OUR BUSINESS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED.

The report of our independent registered public accounting firm contains explanatory language that substantial doubt exists about our ability to continue as a going concern.

The independent auditor's report on our financial statements contains explanatory language that substantial doubt exists about our ability to continue as a going concern. Due to our lack of operating history and present inability to generate revenues, we have sustained operating losses since our inception. Since our inception, up to June 30, 2015, we had accumulated net losses of \$92,327,034. If we are unable to obtain sufficient financing in the near term as required or achieve profitability, then we would, in all likelihood, experience severe liquidity problems and may have to curtail our operations. If we curtail our operations, we may be placed into bankruptcy or undergo liquidation, the result of which will adversely affect the value of our common shares.

We may not have access to sufficient capital to pursue our business and therefore would be unable to achieve our planned future growth.

We intend to pursue a strategy that includes development of our Company's business plan. Currently we have limited capital, which is insufficient to pursue our plans for development and growth. Our ability to implement our Company's plans will depend primarily on our ability to obtain additional private or public equity or debt financing. Such financing may not be available, or we may be unable to locate and secure additional capital on terms and conditions that are acceptable to us. Financing exploration plans through equity financing will have a dilutive effect on our common shares. Our failure to obtain additional capital will have a material adverse effect on our business.

Dependence on One Mineral Project

Our only material mineral property is the Molo Graphite Project. As a result, unless we acquire or develop any additional material properties or projects, any adverse developments affecting this project or our rights to develop this property could materially adversely affect our business, financial condition and results of operations.

Our primary exploration efforts are in the African country of Madagascar, where a new government has been in place since early 2014.

Any adverse developments to the political situation in Madagascar could have a material effect on the Company's business, results of operations and financial condition. Democratic elections in Madagascar occurred toward the end of 2013 as planned by the elections calendar jointly established between the UN and the Elections Commission. To date, the Company has not experienced any disruptions or been placed under any constraints in our exploration efforts due to the political situation in Madagascar. Depending on future actions taken by the newly elected government, or any future government, the Company's business operations could be impacted.

The newly elected President was inaugurated on January 25, 2014 and the lower house of Parliament took office in February 2014. A government reshuffle occurred in early 2015, with the naming of a new Prime Minister on January 14, 2015. Ministers composing the new government were named on January 25, 2015. On May 26, 2015, the Parliament voted to impeach the President on the grounds that he had violated the Constitution. The High Constitutional Court invalidated the claim, declaring the accusation unfounded. The President, the Government and the Parliament continue to operate as before.

The Company is actively monitoring the political climate in Madagascar and continues to hold meetings with representatives of the government and the Ministry attached to the Presidency in charge of Mining. The transformation or amendment of exploration and research mining permits within the country continues to be suspended, including the transfer and status of the Molo Graphite Project permit. Additionally, this permit expired in 2011 and has not been renewed despite our efforts to do so. The Company has continued to pay taxes and administrative fees in Madagascar with respect to our mining permits including the permit relating to the Molo Graphite Project (although such permit is not in the Company's name). These payments have been acknowledged and accepted by the Madagascar government. Further, in order to advance the Molo Graphite Project, the current

permit will need to be converted into an exploration permit in the name of the Company or one of its subsidiaries. The Company cannot provide any assurance as to the timing of the receipt of the required permits.

Our common shares have been subject to penny stock regulation in the United States of America.

Our common shares have been subject to the provisions of Section 15(g) and Rule 15g-9 of the (US) Securities Exchange Act of 1934, as amended (the “Exchange Act”), commonly referred to as the “penny stock” rule. Section 15(g) sets forth certain requirements for transactions in penny stocks and Rule 15g-9(d)(1) incorporates the definition of penny stock as that used in Rule 3a51-1 of the Exchange Act. The Commission generally defines penny stock to be any equity security that has a market price less than US\$5.00 per share, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the Commission; issued by a registered investment company; excluded from the definition on the basis of price (at least US\$5.00 per share) or the registrant’s net tangible assets; or exempted from the definition by the Commission. If our common shares are deemed to be “penny stock”, trading in common shares will be subject to additional sales practice requirements on broker/dealers who sell penny stock to persons other than established customers and accredited investors.

Financial Industry Regulatory Authority, Inc. (“FINRA”) sales practice requirements may limit a shareholder’s ability to buy and sell our common shares.

In addition to the “penny stock” rules described above, FINRA has adopted rules that require that in recommending an investment to a client, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that client. Prior to recommending speculative low priced securities to their non-institutional clients, broker-dealers must make reasonable efforts to obtain information about the client’s financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some clients. FINRA requirements make it more difficult for broker-dealers to recommend that their clients buy our common shares, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

As a public company we are subject to complex legal and accounting requirements that will require us to incur significant expenses and will expose us to risk of non-compliance.

As a public company, we are subject to numerous legal and accounting requirements in both Canada and the United States of America that do not apply to private companies. The cost of compliance with many of these requirements is material, not only in absolute terms but, more importantly, in relation to the overall scope of the operations of a small company. Our relative inexperience with these requirements may increase the cost of compliance and may also increase the risk that we will fail to comply. Failure to comply with these requirements can have numerous adverse consequences including, but not limited to, our inability to file required periodic reports on a timely basis, loss of market confidence, delisting of our securities and/or governmental or private actions against us. We cannot assure you that we will be able to comply with all of these requirements or that the cost of such compliance will not prove to be a substantial competitive disadvantage compared to privately held and larger public competitors.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses and pose challenges for our management.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team needs to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

Changes in tax laws or tax rulings could materially affect our financial position and results of operations.

Changes in tax laws or tax rulings could materially affect our financial position and results of operations. For example, the current U.S. administration and key members of Congress have made public statements indicating that tax reform is a priority. Certain changes to U.S. tax laws, including limitations on the ability to defer U.S. taxation

on earnings outside of the United States until those earnings are repatriated to the United States, could affect the tax treatment of our foreign earnings. In addition, many countries in the European Union, as well as a number of other countries and organizations such as the Organization for Economic Cooperation and Development, are actively considering changes to existing tax laws. Certain proposals could include recommendations that would significantly increase our tax obligations in many countries where we do business. Due to the large and expanding scale of our international business activities, any changes in the taxation of such activities may increase our worldwide effective tax rate and harm our financial position and results of operations.

Because we are quoted on the OTCQB instead of a national securities exchange in the United States, our U.S. investors may have more difficulty selling their stock or experience negative volatility on the market price of our stock in the United States.

In the United States, our common shares are quoted on the OTCQB. The OTCQB is marketed as an electronic exchange for high growth and early stage U.S. companies and a prospective “final step toward a NASDAQ or NYSE listing” (although no assurances can be provided that such change of market shall occur). Trades are settled and cleared in the U.S. similar to any NASDAQ or NYSE stock and trade reports are disseminated through Yahoo, Bloomberg, Reuters, and most other financial data providers. The OTCQB may be significantly illiquid, in part because it does not have a national quotation system by which potential investors can follow the market price of shares except through information received and generated by a limited number of broker-dealers that make markets in particular stocks. There is a greater chance of volatility for securities that trade on the OTCQB as compared to a national securities exchange in the United States, such as the New York Stock Exchange, the NASDAQ Stock Market or the NYSE Amex. This volatility may be caused by a variety of factors, including the lack of readily available price quotations, the absence of consistent administrative supervision of bid and ask quotations, lower trading volume, and market conditions. U.S. investors in our common shares may experience high fluctuations in the market price and volume of the trading market for our securities. These fluctuations, when they occur, have a negative effect on the market price for our common shares. Accordingly, our U.S. shareholders may not be able to realize a fair price from their shares when they determine to sell them or may have to hold them for a substantial period of time until the market for our common shares improves.

In addition to being quoted on the OTCQB, our common shares trade on the Toronto Stock Exchange, Canada’s national stock exchange, under the symbol EGZ and on the Frankfurt Exchange under the symbol A1CXW3.

The market price for our common shares is particularly volatile given our status as a relatively unknown company with a small and thinly traded public float, limited operating history and lack of profits which could lead to wide fluctuations in our share price.

The market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer. The volatility in our share price is attributable to a number of factors. First our common shares, at times, are thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our shareholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer which could better absorb those sales without adverse impact on its share price. Second, we are a speculative or “risky” investment due to our limited operating history, lack of profits to date and uncertainty of future market acceptance for our potential products. As a consequence, more risk-adverse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our common shares, regardless of our performance. We cannot make any predictions as to what the prevailing market price for our common shares will be at any time or as to what effect that the sale of shares or the availability of common shares for sale at any time will have on the prevailing market price.

Shareholders should be aware that, according to SEC Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and the wholesale dumping of the same

securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities. The occurrence of these patterns or practices could increase the volatility of our share price.

Volatility in our common share price may subject us to securities litigation, thereby diverting our resources that may have a material effect on our profitability and results of operations.

The market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. This type of litigation could result in substantial costs and could divert management's attention and resources.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") could have a material adverse effect on our business and our operating results.

If we fail to comply with the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting or to remedy any material weaknesses in our internal controls that we may identify, such failure could result in material misstatements in our financial statements, cause investors to lose confidence in our reported financial information and have a negative effect on the trading price of our common shares.

Pursuant to Section 404 of the Sarbanes-Oxley Act and current SEC regulations, we are required to prepare assessments regarding internal controls over financial reporting. In connection with our on-going assessment of the effectiveness of our internal control over financial reporting, we may discover "material weaknesses" in our internal controls as defined in standards established by the Public Company Accounting Oversight Board, or the PCAOB. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The PCAOB defines "significant deficiency" as a deficiency that results in more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected. In the event that a material weakness is identified, we will employ qualified personnel and adopt and implement policies and procedures to address any material weaknesses that we identify. However, the process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. We cannot assure you that the measures we will take will remediate any material weaknesses that we may identify or that we will implement and maintain adequate controls over our financial process and reporting in the future.

Our CEO and Principal Financial and Accounting Officer, concluded that our disclosure controls and procedures were effective as of June 30, 2015.

A failure to remediate any material weaknesses that we may identify or to implement new controls, or difficulties encountered in their implementation, could harm our operating results, cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. Any such failure could adversely affect the results of the management evaluations of our internal controls. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common shares.

Should we lose the services of our key executives, our financial condition and proposed expansion may be negatively impacted.

We depend on the continued contributions of our executive officers to work effectively as a team, to execute our business strategy and to manage our business. The loss of key personnel, or their failure to work effectively, could have a material adverse effect on our business, financial condition, and results of operations. Specifically, we rely on Craig Scherba, our President and Chief Executive Officer and Peter Liabotis, our Chief Financial Officer. We do

not maintain key man life insurance. Should we lose any or all of their services and we are unable to replace their services with equally competent and experienced personnel, our operational goals and strategies may be adversely affected, which will negatively affect our potential revenues.

Minnesota law and our articles of incorporation protect our directors from certain types of lawsuits, which could make it difficult for us to recover damages from them in the event of a lawsuit.

Minnesota law provides that our directors will not be liable to our Company or to our stockholders for monetary damages for all but certain types of conduct as directors. Our articles of incorporation require us to indemnify our directors and officers against all damages incurred in connection with our business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing stockholders from recovering damages against our directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require our Company to use its assets to defend our directors and officers against claims, including claims arising out of their negligence, poor judgment, or other circumstances.

Due to the speculative nature of mineral property exploration, there is substantial risk that our assets will not go into commercial production and our business will fail.

Exploration for minerals is a speculative venture involving substantial risk. We cannot provide investors with any assurance that our claims and properties will ever enter into commercial production. The exploration work that we intend to conduct on our claims or properties may not result in the commercial production of graphite, vanadium, gold, uranium, or other minerals. Problems such as unusual and unexpected rock formations and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. In such a case, we would be unable to complete our business plan.

We are a mineral exploration company with a limited operating history and expect to incur operating losses for the foreseeable future.

We are a mineral exploration company. We have not earned any revenues and we have not been profitable. Prior to completing exploration on our claims, we may incur increased operating expenses without realizing any revenues. There are numerous difficulties normally encountered by mineral exploration companies, and these companies experience a high rate of failure. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we plan to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. We have no history upon which to base any assumption as to the likelihood that our business will prove successful, and we can provide no assurance to investors that we will generate any operating revenues or ever achieve profitable operations.

Because of the inherent dangers involved in mineral exploration, there is a risk that we may incur liability or damages as we conduct our business.

The search for valuable minerals involves numerous hazards. As a result, we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot, or may elect not, to insure against. We currently have no such insurance, but our management intends to periodically review the availability of commercially reasonable insurance coverage. If a hazard were to occur, the costs of rectifying the hazard may exceed our asset value and cause us to liquidate all our assets.

We can provide no assurance that we will be able to successfully bring our claims or interests into commercial production.

We will require significant additional funds in order to place the claims and interests into commercial production. This may occur for a number of reasons, including because of regulatory or permitting difficulties, because we are unable to obtain any adequate funds or because we cannot obtain such funds on terms that we consider economically feasible.

Because access to our properties may be restricted by inclement weather or proper infrastructure, our exploration programs are likely to experience delays.

Access to most of the properties underlying our claims and interests is restricted due to their remote locations and because of weather conditions. Some of our properties are only accessible by air. As a result, any attempts to visit, test, or explore the property are generally limited to those periods when weather permits such activities. These limitations can result in significant delays in exploration efforts, as well as mining and production efforts in the event that commercial amounts of minerals are found. This could cause our business to fail.

As we undertake exploration of our claims and interests, we will be subject to the compliance of government regulation that may increase the anticipated time and cost of our exploration program.

There are several governmental regulations that materially restrict the exploration of minerals. We will be subject to the mining laws and regulations in force in the jurisdictions where our claims are located, and these laws and regulations may change over time. In order to comply with these regulations, we may be required to obtain work permits, post bonds, complete environmental assessments and perform remediation work for any physical disturbance to land. While our planned budget for exploration programs includes a contingency for regulatory compliance, there is a risk that new regulations could increase our costs of doing business and prevent us from carrying out our exploration program, or that our budgeted amounts are inadequate.

Our operations are subject to strict environmental regulations, which result in added costs of operations and operational delays.

Our operations are subject to environmental regulations, which could result in additional costs and operational delays. All phases of our operations are subject to environmental regulation. Environmental legislation is evolving in some countries and jurisdictions in a manner that may require stricter standards, and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that any future changes in environmental regulation will not negatively affect our projects.

Our business is subject to U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws, a breach or violation of which could lead to civil and criminal fines and penalties, loss of licenses or permits and reputational harm.

We operate in certain jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. For example, the U.S. Foreign Corrupt Practices Act and anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantage. Our corporate policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. There can be no assurance that our internal control policies and procedures always will protect it from recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by the Company's affiliates, employees or agents. As such, our corporate policies and processes may not prevent all potential breaches of law or other governance practices. Violations of these laws, or allegations of such violations, could lead to civil and criminal fines and penalties, litigation, and loss of operating licenses or permits, and may damage the Company's reputation, which could have a material adverse effect on our business, financial position and results of operations or cause the market value of our common shares to decline.

Mining companies are increasingly required to consider and provide benefits to the communities and countries in which they operate, and are subject to extensive environmental, health and safety laws and regulations.

As a result of public concern about the real or perceived detrimental effects of economic globalization and global climate impacts, businesses generally and large multinational corporations in natural resources industries, face increasing public scrutiny of their activities. These businesses are under pressure to demonstrate that, as they seek to generate satisfactory returns on investment to shareholders, other stakeholders, including employees, governments, communities surrounding operations and the countries in which they operate, benefit and will continue to benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have a high impact on their social and physical environment. The potential consequences of these pressures include reputational damage, legal suits, increasing social investment obligations and pressure to increase taxes and royalties payable to governments and communities.

In addition, our ability to successfully obtain key permits and approvals to explore for, develop and operate mines and to successfully operate in communities around the world will likely depend on our ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Our ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with our activities or those of other mining companies affecting the environment, human health and safety of communities in which we operate. Delays in obtaining or failure to obtain government permits and approvals may adversely affect our operations, including our ability to explore or develop properties, commence production or continue operations. Key permits and approvals may be revoked or suspended or may be varied in a manner that adversely affects our operations, including our ability to explore or develop properties, commence production or continue operations.

Our exploration, development, mining and processing operations are subject to extensive laws and regulations governing worker health and safety and land use and the protection of the environment, which generally apply to air and water quality, protection of endangered, protected or other specified species, hazardous waste management and reclamation. Some of the countries in which we operate have implemented, and are developing, laws and regulations related to climate change and greenhouse gas emissions. We have made, and expect to make in the future, significant expenditures to comply with such laws and regulations. Compliance with these laws and regulations imposes substantial costs and burdens, and can cause delays in obtaining, or failure to obtain, government permits and approvals which may adversely impact our closure processes and operations.

We have no insurance for environmental problems.

Insurance against environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production, has not been available generally in the mining industry. We have no insurance coverage for most environmental risks. In the event of a problem, the payment of environmental liabilities and costs would reduce the funds available to us for future operations. If we are unable to full pay for the cost of remedying an environmental problem, we might be required to enter into an interim compliance measure pending completion of the required remedy.

We do not intend to pay dividends.

We do not anticipate paying cash dividends on our common shares in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide, in our sole discretion, not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

Due to external market factors in the mining business, we may not be able to market any minerals that may be found.

The mining industry, in general, is intensely competitive. Even if commercial quantities of minerals are discovered, we can provide no assurance to investors that a ready market will exist for the sale of these minerals. Numerous factors beyond our control may affect the marketability of any substances discovered. These factors include market fluctuations, the sale price of the minerals, the proximity and capacity of markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, mineral importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but any combination of these factors may result in our not receiving an adequate return on invested capital.

Our performance may be subject to fluctuations in market prices of any minerals that we find.

The profitability of a mineral exploration project could be significantly affected by changes in the market price of the relevant minerals. A number of factors affect the market prices of minerals. The aggregate effect of the factors affecting the prices of various minerals is impossible to predict with accuracy. Fluctuations in mineral prices may adversely affect the value of any mineral discoveries made on the properties with which we are involved, which may in turn affect the market price and liquidity of our common shares and our ability to pursue and implement our

business plan. In addition, the price of both graphite and vanadium can fluctuate significantly on a month-to-month and year-to-year basis.

Because from time to time we hold a significant portion of our cash reserves in Canadian dollars, we may experience losses due to foreign exchange translations.

From time to time we hold a significant portion of our cash reserves in Canadian dollars. Due to foreign exchange rate fluctuations, the value of these Canadian dollar reserves can result in translation gains or losses in U.S. dollar terms. If there was a significant decline in the Canadian dollar versus the U.S. dollar, our converted Canadian dollar cash balances presented in U.S. dollars on our balance sheet would significantly decline. If the US dollar significantly declines relative to the Canadian dollar our quoted US dollar cash position would significantly decline as it would be more expensive in US dollar terms to pay Canadian dollar expenses. We have not entered into derivative instruments to offset the impact of foreign exchange fluctuations.

We are exposed to general economic conditions, which could have a material adverse impact on our business, operating results and financial condition.

Recently there have been adverse conditions and uncertainty in the global economy as the result of unstable global financial and credit markets, inflation, and recession. These unfavorable economic conditions and the weakness of the credit market may continue to have, an impact on our Company's business and our Company's financial condition. The current global macroeconomic environment may affect our Company's ability to access the capital markets may be severely restricted at a time when our Company wishes or needs to access such markets, which could have a materially adverse impact on our Company's flexibility to react to changing economic and business conditions or carry on our operations.

Climate change and related regulatory responses may impact our business.

Climate change as a result of emissions of greenhouse gases is a current topic of discussion and may generate government regulatory responses in the near future. It is impracticable to predict with any certainty the impact of climate change on our business or the regulatory responses to it, although we recognize that they could be significant. However, it is too soon for us to predict with any certainty the ultimate impact, either directionally or quantitatively, of climate change and related regulatory responses.

To the extent that climate change increases the risk of natural disasters or other disruptive events in the areas in which we operate, we could be harmed. While we maintain rudimentary business recovery plans that are intended to allow us to recover from natural disasters or other events that can be disruptive to our business, our plans may not fully protect us from all such disasters or events.

The current financial environment may impact our business and financial condition that we cannot predict.

The continued instability in the global financial system and related limitation on availability of credit may continue to have an impact on our business and our financial condition, and we may continue to face challenges if conditions in the financial markets do not improve. Our ability to access the capital markets has been restricted as a result of the economic downturn and related financial market conditions and may be restricted in the future when we would like, or need, to raise capital. The difficult financial environment may also limit the number of prospects for potential joint venture, asset monetization or other capital raising transactions that we may pursue in the future or reduce the values we are able to realize in those transactions, making these transactions uneconomic or difficult to consummate.

Public disclosure requirements and compliance with changing regulation of corporate governance pose challenges for our management team and result in additional expenses and costs which may reduce the focus of management and the profitability of our company.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team

will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

We will require additional capital in the future and no assurance can be given that such capital will be available on terms acceptable to us or at all.

We will require additional capital in the future and no assurance can be given that such capital will be available on terms acceptable to us or at all. Our currently available funds will not be sufficient to finance the development capital costs of the Molo Graphite Project as disclosed in the Feasibility Study. Accordingly, we will need to raise further equity and/or debt financing to fund development of the Molo Graphite Project. The success and the pricing of any such equity and/or debt financing will be dependent upon the prevailing market conditions at that time, the outcomes of the permitting and development activities or any relevant studies and exploration programs at the Molo Graphite Project. If additional capital is raised by an issue of securities, this may have the effect of diluting stockholders' interests. Any debt financing, if available, may involve financial covenants which limit the our operations. If we cannot obtain such additional capital, we may not be able to complete the development of the Molo Graphite Project which would have a materially adverse effect on our business, operating results and financial condition.

Market Price of Common Shares

Securities of small-cap and mid-cap companies have experienced substantial volatility in the recent past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of our common shares is also likely to be significantly affected by short-term changes in graphite prices and demand, the U.S. dollar, the Malagasy ariary, the Canadian dollar, and our financial condition or results of operations as reflected in its financial statements. Other factors unrelated to the performance of our Company that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow our Company's securities; lessening in trading volume and general market interest in our Company's securities may affect an investor's ability to trade significant numbers of our common shares; the size of our public float may limit the ability of some institutions to invest in our securities; and a substantial decline in the price of our common shares that persists for a significant period of time could cause our Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of our common shares at any given point in time may not accurately reflect the long-term value of the Company. Class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Negative Operating Cash Flow

We reported negative cash flow from operations for the year ended June 30, 2015. It is anticipated that we will continue to report negative operating cash flow in future periods, likely until one or more of its mineral properties are placed into production.

Inability to Enforce Legal Rights

Substantially all of our assets are located outside of the United States, in Madagascar. It may not be possible for investors to enforce judgments in the United States against our assets. In addition, many of our directors and officers, and some of the experts named in this document, are residents of Canada or otherwise reside outside the United States, and all or a substantial portion of their assets, are located outside the United States. It may also be difficult for holders of our common shares who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon our civil liability and the civil liability of our directors, officers and experts under the U.S. federal securities laws.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. –PROPERTY

The Company's executive offices are currently located at 520–141 Adelaide Street West, Toronto, Ontario, Canada M5H 3L5. These offices are leased on a month-to-month basis, and the Company's current monthly rental payments are approximately CAD\$10,000.

See Item 1 – Business, for description of our material exploration properties.

ITEM 3. - LEGAL PROCEEDINGS

We are currently not 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 4. – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. - MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

As of September 22, 2015, there were 329,935,670 common shares issued and outstanding and 82,311,673 common shares underlying outstanding options and warrants to purchase, or securities convertible into, our common shares. Our common shares are quoted on the OTCQB under the symbol "ENZR", the TSX under the symbol "EGZ" and the Frankfurt Stock Exchange under the symbol "A1CXW3". On September 22, 2015 the last reported sale price for our common shares on the OTCQB and TSX was US\$0.0438 and CAD\$0.055 per share, respectively. The table below sets forth the high and low closing sale prices of our common shares for the fiscal quarters indicated as reported on the OTCQB and TSX. Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and may not necessarily represent actual transactions.

	OTCBB / OTCQX / OTCQB (US\$)		TSX / TSX-V (CDN\$)	
Period	High	Low	High	Low
Fiscal year ended June 30, 2015				
First quarter ended September 30, 2014	\$0.25	\$0.11	\$0.28	\$0.12
Second quarter ended December 31, 2014	\$0.19	\$0.09	\$0.20	\$0.11
Third quarter ended March 31, 2015	\$0.11	\$0.09	\$0.14	\$0.12
Fourth quarter ended June 30, 2015	\$0.11	\$0.09	\$0.14	\$0.10
Fiscal year ended June 30, 2014				
First quarter ended September 30, 2013	\$0.28	\$0.10	\$0.28	\$0.11
Second quarter ended December 31, 2013	\$0.16	\$0.11	\$0.18	\$0.12
Third quarter ended March 31, 2014	\$0.17	\$0.12	\$0.18	\$0.13
Fourth quarter ended June 30, 2014	\$0.14	\$0.11	\$0.15	\$0.12
Fiscal year ended June 30, 2013				
First quarter ended September 30, 2012	\$0.41	\$0.27	\$0.39	\$0.27
Second quarter ended December 31, 2012	\$0.37	\$0.29	\$0.37	\$0.29
Third quarter ended March 31, 2013	\$0.34	\$0.17	\$0.34	\$0.18
Fourth quarter ended June 30, 2013	\$0.22	\$0.12	\$0.23	\$0.11
Fiscal year ended June 30, 2012				
First quarter ended September 30, 2011	\$0.36	\$0.18	\$0.34	\$0.17
Second quarter ended December 31, 2011	\$0.26	\$0.15	\$0.23	\$0.15
Third quarter ended March 31, 2012	\$0.44	\$0.17	\$0.43	\$0.16
Fourth quarter ended June 30, 2012	\$0.48	\$0.22	\$0.48	\$0.22

Our common shares commenced trading on the TSX-V on May 5, 2010. Our common shares ceased trading on the TSX-V and commenced trading on the TSX on June 16, 2011. Our common shares traded on the OTCQX from August 28, 2013 to September 4, 2015. Since September 8, 2015 our shares trade on the OTCQB. Prior to August 28, 2014, our common shares traded on the OTCBB.

Holders

As of September 22, 2015, there were approximately 2,500 holders of record of common shares.

Dividends

We have never declared any cash dividends with respect to our common shares. Future payment of dividends is within the discretion of our board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. Although there are no material restrictions limiting, or that are likely to limit, our ability to pay dividends on our common shares, we presently intend to retain future earnings, if any, for use in our business and have no present intention to pay cash dividends on our common shares.

Equity Compensation Plan Information

The following table sets forth information as of June 30, 2015 for (i) all compensation plans previously approved by the Company's security holders and (ii) all compensation plans not previously approved by the Company's security holders. Options reported below were issued under the Company's Amended 2006 Stock Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, and warrants	Weighted-average exercise price of outstanding options and warrants	Number of securities remaining available for future under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	--	--	--
Equity compensation plans not approved by security holders	7,630,000	\$0.15	5,080,000

Recent Issuances of Unregistered Securities

From July 1, 2014 through June 30, 2015, the Company issued the following unregistered securities:

- On July 3, 2014, we issued 4,800,000 stock options to directors and officers at \$0.15 per share.
- On September 18, 2014, we issued 571,353 common shares at \$0.11 per share upon the exercise of broker common share purchase warrants for proceeds of \$72,051.
- On September 26, 2014 we closed a private placement raising a total of \$4,800,000. We issued 34,285,714 common shares at a price of \$0.14. We also issued 1,928,571 compensation warrants at \$0.14 per share expiring on September 26, 2016.
- On December 30, 2014 we closed a private placement raising a total of \$588,000. We issued 4,900,000 common shares at a price of \$0.12. We also issued 147,000 compensation at \$0.12 per share expiring on December 30, 2016.
- On February 26, 2015, we issued 4,480,000 stock options to directors and officers at \$0.20 per share.
- On May 4, 2015 we closed a private placement of 20,550,998 for special warrants at a price of CAD\$0.12 per special warrant, representing aggregate gross proceeds of \$2,019,947 (CAD\$2,466,120). Each special warrant entitled the holder, for no additional consideration, to acquire one unit ("Unit"), with each Unit comprised of one common share of the Company and one half of one common share purchase warrant ("Warrant"). Each full Warrant entitles the holder to purchase one common share at a price of US\$0.14 per common share until May 4, 2018. On July 31, 2015, each of these special warrants were converted into one common share and one half one Warrant.
- On May 20, 2015, we issued 1,000,000 shares of common stock at \$0.10 per share as consideration for the Sale and Purchase Agreement and a Mineral Rights Agreements with Malagasy.

Except as noted above, 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.

Issuer Repurchases of Equity Securities

None

ITEM 6. – SELECTED FINANCIAL DATA

As a "smaller reporting company", we are not required to provide the information required by this Item. Refer to the financial statements included within this report.

ITEM 7. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Management's Discussion and Analysis of Results of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the financial statements included herein. Further, this MD&A should be read in conjunction with the Company's Financial Statements and Notes to Financial Statements included in this Annual Report on Form 10-K for the years ended June 30, 2015 and 2014, as well as the "Business" and "Risk Factors"

sections within this Annual Report on Form 10-K. The Company's financial statements have been prepared in accordance with United States generally accepted accounting principles.

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-K, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to "anticipates", "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 astringent guidelines of the SEC. Management will elect additional changes to revenue recognition to comply with the most conservative SEC recognition on a forward going accrual basis as the model is replicated with other similar markets (i.e. SBDC). 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.

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

Any future equity financing will cause existing shareholders to experience dilution of their interest in our Company. In the event we are not successful in raising additional financing, we anticipate that we will not be able to proceed with our business plan. In such a case, we may decide to discontinue our current business plan and seek other business opportunities in the resource sector. Any business opportunity would require our management to perform diligence on possible acquisition of additional resource properties. Such due diligence would likely include purchase investigation costs such as professional fees by consulting geologists, preparation of geological reports on the properties, conducting title searches and travel costs for site visits. It is anticipated that such costs will not be sufficient to acquire any resource property and additional funds will be required to close any possible acquisition.

During this period, we will need to maintain our periodic filings with the appropriate regulatory authorities and will incur legal and accounting costs. In the event no other such opportunities are available and we cannot raise additional capital to sustain operations, we may be forced to discontinue business. We do not have any specific alternative business opportunities in mind and have not planned for any such contingency.

Due to our lack of operating history and present inability to generate revenues, our auditors have stated their opinion that there currently exists substantial doubt about our ability to continue as a going concern.

Estimated Geological Budget

From the date of this report, and subject to availability of capital, our plan is to incur between \$6,250,000 and \$13,250,000 on further studies, testing and permitting to advance the Molo Graphite Property and on further exploration and the creation of a pilot plant anticipated, but not guaranteed to be commenced on or before our Company's fiscal year end of June 30, 2016, and on our Madagascar properties and projected to be completed, subject to the availability of capital and any other unforeseen delays, by June 30, 2016. The following is a summary of the amounts budgeted to be incurred (presuming all \$13,250,000 is required):

Detailed engineering study	\$ 5,500,000
Bulk sampling program to secure off-take agreement	\$ 4,000,000
Value engineering study	\$ 2,500,000
Metallurgy	\$ 500,000
Permitting fees	\$ 750,000
Total	\$ 13,250,000

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.

Although no assurances can be provided, the metallurgical work is now projected to commence in early 2016. The value engineering study is currently ongoing and is anticipated to continue through to the end of February, 2016. The detailed engineering study will commence after the value engineering study is completed.

RESULTS OF OPERATIONS

We have had no operating revenues from inception on March 1, 2004 to the year ended June 30, 2015. Our activities have been financed from the proceeds of securities subscriptions. The following are explanations for the material fluctuations/disparities during the year ended June 30, 2015 when compared to the year ended June 30, 2014:

- Amounts spent on mineral properties totalled \$4,551,286 (June 30, 2014: \$7,343,541), which represents a decrease of \$2,792,255. \$2.9 million was spent on the Madagascar Molo Graphite Project primarily on work required to complete our company's feasibility study, authored by DRA Minerals - our EPCM. \$1.7 million was spent on the Sagar Property on a drill program to satisfy our Canadian tax agency flow-through share commitment. Going forward, we do not anticipate spending significant amounts of money on the Sagar property.
- Professional fees totalled \$629,817, down \$1,135,952 from the year ended June 30, 2014 total of \$1,765,769. This represents a 64% decrease in costs between periods. Significant decreases in amounts between periods are as follows:
 - A decrease of approximately \$350,000 resulted from the expensing of the entire amount due to our former CEO in the prior period.
 - An approximate \$255,000 decrease in legal fees as a result of less corporate activity requiring legal counsel as compared to the prior period.
 - A \$480,000 decrease in employee's compensation during the period.
- General and administrative costs relate to costs associated with running the Toronto office and the Madagascar operations, cost for travel, investor relations and promotion fees and TSX fees. These costs decreased by \$494,558 between periods (June 30, 2015: \$863,124 and June 30, 2014: \$1,357,682). This represents a 36% decrease between periods. Significant decreases in amounts between periods are as follows:
 - Travel costs were approximately \$170,000 lower. In the prior period, significant travel occurred to the Far East and Europe to meet with potential off-take partners. While management travelled to these locals again during the current period, the frequency was less when compare to the prior period.
 - Promotion expenses were \$135,000 lower as fewer initiatives were pursued due to limited cash resources and the focus on competing the feasibility study.
 - General office costs, rental charges and filings fees were \$100,000 lower
 - We wrote off approximately \$50,000 in loans due from related parties.
- Stock-based compensation decreased by \$54,155 (June 30, 2015: 627,264 and June 30, 2014: \$681,419). This expense is the Black-Scholes theoretical cost to issue stock options.
- Depreciation increased from by \$3,426 (June 30, 2015: \$47,872, June 30, 2014: \$44,446). This small increase is due to the increase in fixed assets during the year.
- Foreign currency translation was in a loss position for the year ended June 30, 2015 totalling \$208,194 and in a loss position during the year ending June 30, 2014 of \$60,076. This item arises due to the fluctuations in foreign currency exchange rates at the time that transactions occur in a currency other than our functional currency of US dollars and due to the revaluation of balance sheet items from foreign currencies into US dollars as of the date of the balance sheet, namely June 30, 2015. During the current period ended, the U.S. dollar continued materially to strengthened relative to the Canadian dollar (a 16% increase) and other currencies that the Company transacts in resulting in a foreign currency loss.
- Investment income decreased by \$85,981 from \$96,092 for the year ended June 30, 2014 to \$10,111 for the year ended June 30, 2015. Returns on our passive investments were the reason for this decrease. These amount relate to returns on our passive investments and interest income on cash balances.
- The warrant liability reduced for the year ended June 30, 2015 by \$985,300 from \$1,830,151 for the year ended June 30, 2014 to \$844,851 for the year ended June 30, 2015. Certain warrants that are currently issued by our company are considered derivative instruments as they were issued in Canadian Dollars, a currency other than our company's functional currency of the US dollar. The estimated fair value of warrants accounted for as liabilities was determined on as of June 30, 2015 and are marked to market at each financial reporting

period. The change in fair value of the warrant liability is recorded in the consolidated statements of operations and comprehensive loss as a gain or loss and estimated using the Binomial model.

- For the year ended June 30, 2015, we sold marketable securities and recognized a gain on sale of \$12,278 (June 30, 2014: \$Nil) which has been recorded in the statement of operations and comprehensive loss and removed from accumulated other comprehensive income.
- For the year ended June 30, 2015, management determined that \$63,849 of unrealized losses were other than temporary and as such were recognized as an "other expense" in net loss and removed from accumulated other comprehensive income. No entry for the year ended June 30, 2015.
- For the year ended June 30, 2015, the Company recorded an estimated provision for Part XII.6 tax and related penalties and interest and tax indemnity of \$42,242 and \$147,845 respectively as a result of unfulfilled flow through commitments as at December 31, 2014.

Liquidity, Capital Resources and Foreign Currencies

As at June 30, 2015, we had cash on hand of \$779,118. Our working capital was \$359,080 which excludes the warrant liability and deferred premium on flow-through shares which are non-cash items reflected as liabilities. We hold a significant portion of cash reserves in Canadian dollars. Due to foreign exchange rate fluctuations, the value of these Canadian dollar reserves can result in translation gains or losses in US dollar terms. If there was to be a significant decline in the Canadian dollar against the US dollar, the US dollar value of that Canadian dollar cash position presented on our balance sheet would also significantly decline. If the US dollar significantly declines relative to the Canadian dollar, our quoted US dollar cash position would also significantly decline. Such foreign exchange declines could cause us to experience losses. In addition to paying expenses in Canadian dollars, we also pay expenses in South African Rand, Madagascar Ariary, Euros, Great Britain Pounds and Australian Dollars. Therefore, we are subject to risks relating to movements in those currencies.

There are no assurances that we will be able to achieve further sales of common shares or any other form of additional financing on terms favorable to the Company or at all. If we are unable to achieve the financing necessary to continue the plan of operations, then we will not be able to continue our exploration and our venture will fail.

Capital Financing

- From inception through June 30, 2004, we raised \$59,750 through the issuance of 9,585,000 common shares.
- For the year ended June 30, 2005, we did not raise any capital from new financings.
- For the year ended June 30, 2006, we raised \$795,250 through the issuance of 2,750,000 common shares and 2,265,000 common share purchase warrants.
- For the year ended June 30, 2007, we raised \$17,300,000 through the issuance of 34,600,000 common shares and 29,000,250 common share purchase warrants.
- For the year ended June 30, 2008, we did not raise any capital from new financings.
- For the year ended June 30, 2009, we raised \$680,000 through the issuance of 6,800,000 common shares and 3,400,000 common share purchase warrants.
- For the year ended June 30, 2010, we raised \$6,500,000 through the issuance of 21,666,667 common shares and 21,666,667 common share purchase warrants.
- For the year ended June 30, 2011, we raised net proceeds of \$13,178,708 through the issuance of 30,936,654 common shares and 15,468,328 common share purchase warrants and \$886,501 (by issuing 4,549,500 common shares) through the exercise of common share purchase warrants.
- For the year ended June 30, 2012, we raised proceeds of \$635,000 (by issuing 2,540,000 common shares) through the issuance of common shares and \$84,000 (by issuing 510,000 common shares) through the exercise of common stock purchase options.
- For the year ended June 30, 2013, we raised net proceeds of \$4,076,133 through the issuance of 18,157,142 common shares and 3,513,599 common share purchase warrants and \$105,000, by issuing 700,000 common shares, through the exercise of common stock purchase options.
- 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.

We will require additional funding during fiscal 2016, which will likely be in the form of equity financing from the sale of our common shares. However, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of common shares for additional phases of exploration.

Issuances of Securities

We have funded our business to date from sales of our securities. From July 1, 2013 through June 30, 2015, the Company issued the following unregistered securities:

- On July 9, 2013, we issued 1,255,000 stock options to directors, officers and consultants at \$0.11 per share.
- Between July 26, 2013 and August 1, 2013, we closed a private placement raising \$813,212 (CAD\$837,500) and \$1,230,000. We issued 16,950,001 common stock at prices of CAD\$0.125 and \$0.12 per share. We issued 402,000 compensation warrants at an exercise price of CAD\$0.125 and 150,000 compensation warrants at an exercise price of \$0.12.
- On September 19, 2013, we issued 750,000 stock options to directors, officers and consultants at \$0.15 per share.
- On October 9, 2013, we issued 250,000 stock options to a director at \$0.13 per share.
- On December 18, 2013 we closed a non-brokered financing and raised \$1,479,023 (CAD\$1,566,490). We issued 11,189,215 common shares at CAD\$0.14 per share. We also issued 671,353 compensation warrants at CAD\$0.14 per share.
- On January 10, 2014, we issued 4,625,000 stock options to directors and officers at \$0.18 per share.
- On January 15, 2014 and January 31, 2014, we closed a private placement raising a total of \$6,906,008 (CAD\$7,486,088). The Company issued 62,384,067 common shares at CAD\$0.12 and 31,192,033 common share purchase warrants. We also issued 3,396,744 compensation warrants as an exercise price of \$0.11 per share.
- On February 6, 2014, we issued 250,000 stock options to a consultant at \$0.18 per share.
- On June 23, 2014, we issued 2,500,000 shares of our common stock to Malagasy at \$0.13 per share for the Molo Graphite Project.
- On July 3, 2014, we issued 4,800,000 stock options to directors and officers at \$0.15 per share.
- On September 18, 2014, we issued 571,353 common shares at \$0.11 per share upon the exercise of broker common share purchase warrants for proceeds of \$72,051.
- On September 26, 2014 we closed a private placement raising a total of \$4,800,000. We issued 34,285,714 common shares at a price of \$0.14. We also issued 1,928,571 compensation warrants at \$0.14 per share expiring on September 26, 2016.
- On December 16, 2014, our authorized capital was increased from an aggregate 450,000,000 shares to (650,000,000) shares, par value of \$0.001 per share, of which 640,000,000 will be deemed common shares and the remaining 10,000,000 will be deemed eligible to be divisible into classes, series and types as designated by the board of directors.
- On December 30, 2014 we closed a private placement raising a total of \$588,000. We issued 4,900,000 common shares at a price of \$0.12. We also issued 147,000 compensation at \$0.12 per share expiring on December 30, 2016.
- On February 26, 2015, we issued 4,480,000 stock options to directors and officers at \$0.20 per share.
- On May 4, 2015 we closed a private placement of 20,550,998 for special warrants at a price of CAD\$0.12 per special warrant, representing aggregate gross proceeds of \$2,019,947 (CAD\$2,466,120). Each special warrant entitled the holder, for no additional consideration, to acquire one unit ("Unit"), with each Unit comprised of one common share of the Company and one half of one common share purchase warrant ("Warrant"). Each full Warrant entitles the holder to purchase one common share at a price of \$0.14 per common share until May 4, 2018. On July 31, 2015, each of these special warrants were converted into one common share and one half one Warrant.
- On May 20, 2015, we issued 1,000,000 shares of common stock at \$0.10 per share as consideration for the Sale and Purchase Agreement and a Mineral Rights Agreements with Malagasy.

Off-balance sheet arrangements

We have no off-balance sheet arrangements including arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

SIGNIFICANT ACCOUNTING POLICIES

Principals of Consolidation and Basis of Presentation

Our Company's consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), and are expressed in United States dollars. The consolidated 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

Our consolidated financial statements require 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 consolidated 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 consolidated 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 issued, 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.

Mineral Property Costs

Mineral property acquisition and exploration costs are expensed as incurred. We have not yet realized any revenues from its mineral operations. When it has been determined that a mineral property can be economically developed as a result of establishing probable and proven reserves, the costs then incurred to develop such property will be capitalized. Such costs will be amortized using the units of production method over the estimated life of the probable reserve. If properties are abandoned or the carrying value is determined to be in excess of possible future recoverable amounts the Company will write off the appropriate amount.

Financial Instruments

The fair value of cash and cash equivalents, amounts receivable, marketable securities, loan to related parties and accounts payable and accrued liabilities were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Our exploration operations are in Madagascar and Canada, which result in exposure to market risks from changes in foreign currency rates. Financial risk is the risk to the Company's operations that arise from movements in foreign exchange rates and the degree of volatility of these rates.

Foreign Currency Translation

Our functional and reporting currency is United States Dollars. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with ASC Topic - 830, "Foreign Currency Translation", using the exchange rate prevailing at the balance sheet date. Gains and losses arising on settlement of foreign currency denominated transactions or balances are included in the consolidated statements of operations and comprehensive loss.

Foreign Currency Translation

Our functional and reporting currency is United States Dollars. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Gains and losses arising on settlement of foreign currency denominated transactions or balances are included in the consolidated statements of operations and comprehensive loss.

Flow through shares

The Company has financed a portion of its exploration activities through the issuance of flow through shares. Flow through shares are a Canadian income tax incentive. Under the terms of the flow through share agreements, the tax attributes of the related exploration expenditures are renounced by the Company to the benefit of flow through share subscribers. Proceeds from the issuance of flow through shares are allocated between the offering of shares and the sale of tax benefits. An allocation is made based on the difference between the quoted price of the existing shares and the amount that the investor paid for the shares. A liability is recognized for this difference. The liability is reduced and a reduction of the premium liability is recorded as other income as eligible expenditures are incurred and when the Company files the appropriate renunciation forms with Canadian tax authorities.

Stock-Based Compensation

We have a stock option plan. All stock-based awards granted, including those granted to directors not acting in their capacity as directors, are accounted for using the fair value based method, using more reliable measure of value of services and Black-Scholes pricing model. The fair value of stock options granted is recognized as an expense within the consolidated statements of operations and comprehensive loss and a corresponding increase in additional paid-in capital. Any consideration paid by eligible participants on the exercise of stock options is credited to common stock. The additional paid-in capital amount associated with stock options is transferred to common stock upon exercise.

RECENT ACCOUNTING PRONOUNCEMENTS

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

- "Income Taxes (ASC Topic 740): Presentation of an Unrecognized Tax Benefit when a Net Operating Loss Carry forward, a Similar Tax Loss, or a Tax Credit Carry forward Exists" ("ASU 2013 11") was issued during July 2013. FASB issued guidance on how to present an unrecognized tax benefit. The guidance is effective for annual periods beginning after December 15, 2013 for public companies. The Company has adopted this pronouncement.
- "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.

The adoption of ASC Topic 740 did not have a significant impact on our results of operations, financial performance or cash flows. We are currently evaluating the impact of ASU 2014 15 on our consolidated financial statements.

ITEM 7.A. - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not hold any derivative instruments and do not engage in any hedging activities. Most of our activity is the development and mining of our mineral properties in Madagascar and Canada.

ITEM 8. - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this Item, the accompanying notes thereto and the reports of independent accountants are included, as part of this Form 10-K immediately following the signature page.

ITEM 9. - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None noted.

ITEM 9A. - CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Our management team, under the supervision and with the participation of our principal executive officer and our principal 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, June 30, 2015. 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 principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and our principal financial officer concluded that, our disclosure controls and procedures were effective as of June 30, 2015.

Management's report on internal control over financial reporting

Our principal executive officer and our principal financial officer, are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Management is required to base its assessment of the effectiveness of our internal control over financial reporting on a suitable, recognized control framework, such as the framework developed by the Committee of Sponsoring Organizations (COSO). The COSO framework, published in *Internal Control-Integrated Framework*, is known as the COSO Report. Our principal executive officer and our principal financial officer, have chosen the COSO framework on which to base its assessment. Based on this evaluation, we have concluded that, as of June 30, 2015, there is not a risk of material deficiencies in our company's internal controls resulting in material misstatement in our Company's financial statements. Our internal controls and procedures were effective to prevent a material weakness caused by a significant deficiency in internal controls.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even systems like ours which have been determined to be effective can only provide reasonable and not absolute assurance of achieving their control objectives. Furthermore, smaller reporting companies, like ours, face additional limitations. Smaller reporting companies employ fewer individuals and find it difficult to properly segregate duties. Often, only a few individuals control every aspect of the Company's operation and are in a position to override any system of internal control. Additionally, smaller reporting companies tend to utilize general accounting software packages that lack a rigorous set of software controls.

This annual report does not include an attestation report of our independent registered public accounting firm over management's assessment regarding internal control over financial controls. However, the auditors have reported that they have found no material weaknesses in internal controls during the period of their audit. Management's report was not subject to attestation by our registered public accounting firm pursuant to an exemption for smaller reporting companies under Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable and not absolute assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of certain events. However, as noted, when the size of our Company and its finance department is materially increased, the deficiencies can be addressed. Once increased, we intend to create a new finance and accounting position that will allow for proper segregation of duties consistent with control objectives, and will increase our personnel resources and technical accounting expertise within the accounting function; and we will prepare and implement appropriate written policies and checklists which set forth procedures for accounting and financial reporting with respect to the requirements and application of US generally accepted accounting principles and SEC disclosure requirements. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote or when the size of our Company and our finance department will materially increase to address these issues.

(b) Changes in Internal Control over Financial Reporting

During the fourth quarter ended June 30, 2015, our company updated its documentation in respect of its internal controls to comply with Section 404 of the Sarbanes-Oxley Act. As a result of this process and making the necessary modifications to prior weaknesses in our company internal controls, and identifying and strengthening compensating controls, we have now determined that there is not a risk of material deficiencies in our company's internal controls resulting in material misstatement in the company's financial statements. Therefore, our company now concludes that the following internal control deficiencies items noted in Form 10-K for the year ended June 30, 2014 are no longer applicable: (1) inadequate segregation of duties consistent with control objectives; (2) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements; and (3) ineffective controls over period end financial disclosure and reporting processes.

In addition, during the year ended June 30, 2015, our company appointed two independent directors to make the majority of the board independent. This resulted in effective oversight at a board level in the establishment and monitoring of required internal controls and procedures. Subsequent to June 30, 2015 our CEO resigned from the board of directors making it more independent (five independent, three non-independent).

PART III

ITEM 10. - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the name, age, and position of each executive officer and director the Company as at September 22, 2015.

Name	Age	Position
V. Peter Harder	63	Chairman of the Board of Directors and Director
John Sanderson	80	Vice Chairman and Director
Craig Scherba	43	President, Chief Executive Officer and Director
Robin Borley	47	Senior Vice President of Mine Development and Director
Peter Liabotis	45	Chief Financial Officer
Quentin Yarie	50	Director
Albert A. Thiess, Jr.	68	Director
Dean Comand	49	Director
Dalton Larson	75	Director

Directors of the Company hold their offices until the next annual meeting of the Company's shareholders and until their successors have been duly elected and qualified or until their earlier resignation, removal of office or death. Executive officers of the Company are elected by the board of directors to serve until their successors are elected and qualified. There are no family relationships between any director or executive officer of the Company.

V. Peter Harder, LL.D., M.A., B.A. (Hons) (Manotick, Canada): Mr. Harder was appointed Chairman of the Board of Directors during September 2013 and has served as a director of our Company since July 2009. He is a Senior Policy Advisor to Denton Canada ("Dentons"), a Canadian national law firm and international affiliation. Prior to joining Dentons, Mr. Harder was a long-serving Deputy Minister in the Government of Canada. First appointed a Deputy Minister in 1991, he served as the most senior public servant in a number of federal departments including Treasury Board, Solicitor General, Citizenship and Immigration, Industry and Foreign Affairs and International Trade. At Foreign Affairs, Mr. Harder assumed the responsibilities of the Personal Representative of the Prime Minister to three G8 Summits (Sea Island, Gleneagles and St. Petersburg). Mr. Harder is also a director of Power Financial Corporation (TSX: PWF), IGM Financial Corporation (TSX: IGM), Telesat Canada, Northland Power Inc. (TSX: NPI), Timberwest Forest Company and Magna International Inc. (TSX: MG, NYSE: MGA). In 2008, Mr. Harder was elected the President of the Canada China Business Council (CCBC).

John Sanderson, Q.C. (Vancouver, Canada): Mr. Sanderson has been the Company's Vice Chairman of the Board since October 2009 and a director of our Company since January 2009. Mr. Sanderson was Chairman of the Board of the Company from January 2009 to September 2009. Mr. Sanderson is a chartered mediator, chartered arbitrator, consultant and lawyer called to the bar in the Canadian provinces of Ontario and British Columbia. Mr. Sanderson's qualifications to serve as a director include his many years of legal and mediation experience in various industries. Mr. Sanderson is a Queen's Counsel (Q.C.). He has acted as mediator, facilitator and arbitrator across Canada, and internationally, in numerous commercial transactions, including insurance claims, corporate contractual disputes, construction matters and disputes, environmental disputes, inter-governmental disputes, employment matters, and in relation to aboriginal claims. He has authored and co-authored books on the use and value of dispute resolution systems as an alternative to the courts in managing business and legal issues.

Craig Scherba, P.Geol. (Oakville, Canada): Mr. Scherba was appointed as our Chief Executive Officer and President in August 2015 has served as a director since January 2010. Mr. Scherba served as President and Chief Operating Officer from September 2012 to August 2015 and Vice President, Exploration of the Company from January 2010 to September 2012. Mr. Scherba has been a professional geologist (P. Geol.) since 2000, and his expertise includes supervising large Canadian and international exploration. Mr. Scherba also serves as Vice President, Exploration of MacDonald Mines Exploration Ltd, Red Pine Exploration Inc. and Honey Badger Exploration Inc which are resource exploration company trading on the TSX - Venture Exchange. In addition, Mr. Scherba was professional geologist with Taiga Consultants Ltd. ("Taiga"), a mining exploration consulting company from March 2003 to December 2009. He was a managing partner of Taiga between January 2006 and December 2009. Mr. Scherba was an integral member of the exploration team that developed Nevsun Resources' high grade gold, copper and zinc Bisha project in Eritrea. While at Taiga, Mr. Scherba served as the Company's Country and Exploration Manager in Madagascar during its initial exploration stage.

Robin Borley (Johannesburg, South Africa): Mr. Borley was appointed our Senior Vice President (“SVP”) of Mine Development during December 2013. Mr. Borley is a Graduate mining engineering professional and a certified mine manager with more than 25 years of international mining experience building and operating mining ventures. He has held senior management positions both internationally and within the South African mining industry. Until October 2014, Mr. Borley served as Mining Director for DRA Mineral Projects. In addition, Mr. Borley was instrumental as the COO of Red Island Minerals in a developing a Madagascar coal venture. His diverse career has spanned resource project management, evaluation, exploration and mine development. Robin has completed several mine evaluations including operational and financial evaluations of new and existing operations across a diverse range of resource sectors. He has experience in the management of underground and surface mining operations from both the contractor and owner miner environments. From 2006 through to 2012, Robin participated in the BEE management buy-out transaction of the Optimum Colliery mining property from BHP, through its independent listing and its ultimate sale to Glencore in December 2012.

Peter Liabotis, CPA, CA (Oakville, Canada): Mr. Liabotis was appointed as our Chief Financial Officer (“CFO”) & SVP during September 2012 and prior to that was our Vice President – Finance from October 2009 to August 2012. Mr. Liabotis is currently the CFO & SVP of Red Pine Exploration Inc. and Honey Badger Exploration Inc., all of which are resource exploration companies trading on the TSX - Venture Exchange. From August 2008 to September 2009 Mr. Liabotis worked as controller for EFG Wealth Management (Canada). From July 1998 through July 2008, Mr. Liabotis was the CFO & SVP of Olympia Capital, a Bermuda corporation leading the sale of this business to a French Bank. Prior to July 1998, Mr. Liabotis worked for two years at PriceWaterhouseCoopers in Bermuda and two years with KPMG in Canada. Mr. Liabotis is a member of the Board of Directors of Honey Badger Exploration, Inc. Mr. Liabotis is a Chartered Professional Accountant (through the Chartered Professional Accountants of Ontario), received his Bachelor of Commerce, Honors from the University of Windsor and received his Bachelor of Arts from the Western University (in Ontario, Canada).

Quentin Yarie, P.Geo. (Toronto, Canada): Mr. Yarie has served as a director of our Company since 2008. Mr. Yarie is an experienced geophysicist and a successful entrepreneur with over 25 years’ experience in mining and environmental/engineering. Mr. Yarie has project management and business development experience as he has held positions of increasing responsibility with a number of Canadian-based geophysical service providers. He is currently CEO and President of Red Pine Exploration Inc, and Honey Badger Exploration Inc. and President of MacDonald Mines Exploration Inc. From January 2010, Mr. Yarie was Senior Vice President Exploration for MacDonald Mines Exploration Ltd, Red Pine Exploration Inc. and Honey Badger Exploration Inc. all listed on the TSX-Venture Exchange headquartered in Toronto, Canada. From October 2007 to December 2009, Mr. Yarie was a business development officer with Geotech Ltd, a geophysical airborne survey company. From September 2004 to October 2007, Mr. Yarie was a senior representative of sales and business development for Aeroquest Limited. From 1992-2001, he was a partner of a specialized environmental and engineering consulting group where he managed a number of large projects including the ESA of the Sydney Tar Ponds, the closure of the Canadian Forces Bases in Germany and the Maritime and Northeast Pipeline project.

Albert A. Thiess, Jr. (Bluffton, United States of America): Mr. Thiess was appointed a Director during May 2012. Mr. Thiess brings over 35 years of accounting, finance and management experience to the Company. Mr. Thiess served as an audit partner in Coopers & Lybrand, LLP and with PricewaterhouseCoopers LLP following the merger of those firms in 1998. He served clients in the automotive, banking, retail and manufacturing industries, as well as serving as the Managing Partner of the Detroit, Michigan and Los Angeles, California offices. He also was elected to the Governing Council of Coopers & Lybrand. Following the merger with PricewaterhouseCoopers, Mr. Thiess managed various global functions for the newly merged firm.

Dean Comand P. Eng, CET MMP CDir. (Ancaster, Canada): Mr. Comand is a Mechanical Engineer and holds his P. Eng designation in the province of Ontario as well as designation as a Certified Engineering Technologist. He earned his Maintenance Manager Professional Designation (MMP) license in 2006 and his Charter Director designation (CDir) in 2012. Mr. Comand is currently the President and Chief Executive Officer of Hamilton Utilities Corporation and continues to provide strategic advice to numerous clients around the world in the mining and energy sectors. From 2009 – 2014, Mr. Comand worked for Sherritt International as Vice President of Operations of Ambatovy, a large scale nickel project Madagascar. He successfully led the construction and commissioning of Ambatovy, and led the operations to commercial production. He has extensive business and financial acumen in large-scale energy, power, and mining industries. He has consistently held senior positions in operations, business, project development, environmental management, maintenance, and project construction. He has managed a variety of complex operations, including one of the world’s largest mining facilities, industrial

facilities, numerous power plants, renewable energy facilities and privately held municipal water treatment facilities across Canada and the United States.

Dalton Larson (Surrey, Canada): Mr. Larson is a Canadian attorney with more than 35 years as a member of the Law Society of British Columbia. He commenced practice as a member of the Faculty of Law, University of British Columbia, subsequently becoming a partner of a major Vancouver Law firm, now McMillan LLP. Currently, he maintains a private practice along with a vigorous investment business. He is a recognized expert in alternate dispute resolution and has extensive experience as a professional arbitrator and mediator. He has three degrees, including a Masters Degree in law from the University of London, England. His business activities include more than 25 years as a director of several investment funds managed by the CW Funds group of companies, affiliated with Ventures West Management Inc., which is one of the largest venture capital firms in Canada. The CW Funds raised and invested in a wide variety of businesses totaling more than \$130 million, primarily from overseas investors. In that period he served as Chairman of the Board of Directors of a Philippine ethanol company. He was the founding shareholder of the First Coal Corporation, which started operations in 2014, and raised in excess of \$65 million in equity to finance its development activities. This company was sold to Xstrata in excess of \$150 million.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, during the past ten years, none of the following occurred with respect to a director or executive officer of the Company: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of any competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; (4) being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the commodities futures trading commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated; (5) being subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any federal or state securities or commodities law or regulation or any law or regulation respecting financial institutions or insurance companies or prohibiting mail or wire fraud or fraud in connection with any business entity; or (6) being subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization, any registered entity of the Commodity Exchange Act, or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Audit Committee and Audit Committee Financial Expert

The Company has an audit committee comprised of Albert A. Thiess, Jr. (Chairperson), John Sanderson and Dean Comand. All of whom are financially literate. Each are independent directors as they do not have involvement in the day-to-day operations of the Company and fulfill the independence requirements for audit committee members as established by the NYSE MKT. The audit committee is a key component of the Company's commitment to maintaining a higher standard of corporate responsibility.

The audit committee assists our board of directors in its oversight of the company's accounting and financial reporting processes and the audits of the company's financial statements, including (i) the quality and integrity of the company's financial statements, (ii) the company's compliance with legal and regulatory requirements, (iii) the independent auditors' qualifications and independence and (iv) the performance of the company's internal audit functions and independent auditors, as well as other matters which may come before it as directed by the board of directors. Further, the audit committee, to the extent it deems necessary or appropriate, among its several other responsibilities, shall:

- be responsible for the appointment, compensation, retention, termination and oversight of the work of any independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- discuss the annual audited financial statements and the quarterly unaudited financial statements with management and, if necessary the independent auditor prior to their filing with the SEC in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q;
- review with the company's financial management on a periodic basis (a) issues regarding accounting principles and financial statement presentations, including any significant changes in the company's selection or

application of accounting principles, and (b) the effect of any regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the company;

- monitor the Company's policies for compliance with federal, state, local and foreign laws and regulations and the Company's policies on corporate conduct;
- maintain open, continuing and direct communication between the board of directors, the committee and both the company's independent auditors and its internal auditors; and
- monitor our compliance with legal and regulatory requirements, with the authority to initiate any special investigations of conflicts of interest, and compliance with federal, state and local laws and regulations, including the Foreign Corrupt Practices Act.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of beneficial ownership and changes in beneficial ownership of the Company's securities with the SEC on Form 3 (Initial Statement of Beneficial Ownership), Form 4 (Statement of Changes of Beneficial Ownership of Securities) and Form 5 (Annual Statement of Beneficial Ownership of Securities). Directors, executive officers and beneficial owners of more than 10% of the Company's Common Stock are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms that they filed.

Except as otherwise set forth herein, based solely on review of the copies of such forms furnished to the Company, or written representations that no reports were required, the Company believes that for the fiscal year ended June 30, 2015, beneficial owners and executives complied with Section 16(a) filing requirements applicable to them.

Involvement in Certain Legal Proceedings

None of the following events have occurred during the past ten years and are material to an evaluation of the ability or integrity of any director or officer of the Company:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:
 - a. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;
 - b. Engaging in any type of business practice; or
 - c. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;
4. Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity;
5. Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

- a. Any Federal or State securities or commodities law or regulation; or
 - b. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
 - c. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Code of Ethics

The Company has adopted a code of business conduct and ethics that applies to its directors, officers, and employees, including its principal executive officers, principal financial officer, principal accounting officer, controller or persons performing similar functions. The Financial Code of Business Conduct was filed as Exhibit 14.1 to our Annual Report on Form 10-QSB for June 30, 2004 as filed on May 19, 2004. If we make substantive amendments to the Code of Ethics for Senior Financial Officers or the Code of Business Conduct and Ethics or grant any waiver, including any implicit waiver, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K within four days of such amendment or waiver.

ITEM 11. - EXECUTIVE COMPENSATION

Summary Compensation

The table below sets forth certain summary information concerning the compensation paid or accrued during each of our last three completed fiscal years to our principal executive officer and four other most highly compensated executive officers who received compensation over \$100,000 for the fiscal year ended June 30, 2015 (collectively, the “Named Executive Officers” or “NEO”):

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Award (\$) Note 5	Option Award (\$)	Non Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$) Note 1	Total (\$) Note 1
Richard Schler, Former CEO and Former Director *	2015	149,123 ⁽²⁾	0	0	0	0	0	120,866 ⁽¹⁾	269,989 ⁽¹⁾
	2014	218,955 ⁽³⁾	0	0	0	0	0	84,174 ⁽¹⁾	303,129 ⁽¹⁾
	2013	197,008 ⁽⁴⁾	0	0	0	0	0	280,428 ⁽¹⁾	477,438 ⁽¹⁾
Craig Scherba CEO, President & Director **	2015	57,300 ⁽²⁾	0	0	0	0	0	45,613 ⁽¹⁾	102,913 ⁽¹⁾
	2014	167,305 ⁽³⁾	0	0	0	0	0	61,566 ⁽¹⁾	228,871 ⁽¹⁾
	2013	130,000 ⁽⁴⁾	0	0	0	0	0	134,700 ⁽¹⁾	264,700 ⁽¹⁾
Robin Borley, SVP and Director ***	2015	187,200 ⁽²⁾	0	0	0	0	0	17,430 ⁽¹⁾	204,630 ⁽¹⁾
	2014	116,900 ⁽³⁾	0	0	0	0	0	26,820 ⁽¹⁾	143,720 ⁽¹⁾
	2013	0	0	0	0	0	0	0	0
Peter Liabotis, Chief Financial Officer & SVP	2015	103,327 ⁽²⁾	0	0	0	0	0	44,617 ⁽¹⁾	147,944 ⁽¹⁾
	2014	210,055 ⁽³⁾	0	0	0	0	0	58,755 ⁽¹⁾	268,810 ⁽¹⁾
	2013	171,500 ⁽⁴⁾	0	0	0	0	0	98,780 ⁽¹⁾	270,280 ⁽¹⁾
Brent Nykoliati, SVP	2015	115,726 ⁽²⁾	0	0	0	0	0	57,941 ⁽¹⁾	173,667 ⁽¹⁾
	2014	210,259 ⁽³⁾	0	0	0	0	0	61,825 ⁽¹⁾	272,084 ⁽¹⁾
	2013	190,009 ⁽⁴⁾	0	0	0	0	0	125,720 ⁽¹⁾	315,729 ⁽¹⁾

* Mr. Schler was appointed Chief Executive Officer on September 19, 2013.

** After year end, on July 30, 2015, Mr. Scherba became the Chief Executive Officer, replacing Mr. Schler who resigned from the Company.

*** Mr. Borley was appointed Senior Vice President of Mine Development and a Director on December 1, 2013.

- (1) The values in the “All Other Compensation” above do not represent a cash payment of any kind. Rather these values represent the calculated Black-Scholes theoretical value of granted options. It is important to note that these granted options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted options become “in-the-money”. If these granted options are unexercised and expire, the cash value or benefit to the above noted individuals is \$nil.
- (2) Salary and/or consulting fees paid and accrued for the fiscal year ended June 30, 2015.
- (3) Salary and/or consulting fees paid and accrued for the fiscal year ended June 30, 2014.

- (4) Salary and/or consulting fees paid and accrued for the fiscal year ended June 30, 2013.
- (5) The amounts, if any, in the “Stock Awards” column of the “Summary Compensation” table have been calculated based upon the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 and there are no awards subject to performance conditions.

Employment Agreements

The Company does not have an employment agreement or consulting agreement with Messrs. Scherba, Liabotis, Borley or Nykoliati. Each receives consulting fees and/or monthly salaries. Mr. Borley received approximately USD\$17,000 per month. Mr. Schler received approximately CAD\$15,000 per month. Messrs. Scherba, Liabotis and Nykoliati receive approximately CAD\$11,000 per month. Compensation for these individuals varies from month to month depending on various factors.

Outstanding Stock Options and Stock Appreciation Rights Grants

Outstanding stock options granted to Named Executive Officers (“NEO’s”) and Directors as at June 30, 2015 are as follows:

Name	Option Awards				
	No. of Securities Underlying Unexercised Options Exercisable (#)	No. of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date
Richard Schler, NEO	600,000	0	0	0.30	July 1, 2016
	675,000			0.29	July 13, 2016
	225,000			0.20	Oct 24, 2016
	200,000			0.21	Dec 1, 2016
	1,340,000			0.28	March 7, 2017
	650,000			0.21	Feb 27, 2018
	170,000			0.11	July 9, 2018
	200,000			0.15	Sept 19, 2018
	475,000			0.18	Jan 10, 2019
	1,100,000			0.15	July 3, 2019
	465,000			0.20	Feb 26, 2020
Craig Scherba, NEO	350,000	0	0	0.30	July 1, 2016
	200,000			0.20	Oct 24, 2016
	200,000			0.21	Dec 1, 2016
	400,000			0.28	March 7, 2017
	750,000			0.21	Feb 27, 2018
	180,000			0.11	July 9, 2018
	500,000			0.18	Jan 10, 2019
	250,000			0.15	July 3, 2019
	470,000			0.20	Feb 26, 2020
Peter Liabotis, NEO	350,000	0	0	0.30	July 1, 2016
	200,000			0.20	Oct 24, 2016
	200,000			0.21	Dec 1, 2016
	350,000			0.28	March 7, 2017
	550,000			0.21	Feb 27, 2018
	150,000			0.11	July 9, 2018
	500,000			0.18	Jan 10, 2019
	250,000			0.15	July 3, 2019
	450,000			0.20	Feb 26, 2020
Robin Borley, NEO	125,000	0	0	0.28	March 7, 2017
	75,000			0.21	Feb 27, 2018
	300,000			0.18	Jan 10, 2019
	350,000			0.20	Feb 26, 2020
Brent Nykoliati, NEO	450,000	0	0	0.30	July 1, 2016
	200,000			0.20	Oct 24, 2016
	200,000			0.21	Dec 1, 2016
	350,000			0.28	March 7, 2017
	700,000			0.21	Feb 27, 2018
	175,000			0.11	July 9, 2018
	75,000			0.15	Sept 19, 2018
	400,000			0.18	Jan 10, 2019
	400,000			0.15	July 3, 2019
	450,000			0.20	Feb 26, 2020

The Company has no stock appreciation rights.

Outstanding Stock Awards at Year End

The outstanding equity awards as at June 30, 2015 are as follows:

Name	Stock awards			
	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (#)	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested (\$)
Richard Schler, NEO	0	0	0	0
Craig Scherba, NEO	0	0	0	0
Peter Liabotis, NEO	0	0	0	0
Robin Borley, NEO	0	0	0	0
Brent Nykoliatiion, NEO	0	0	0	0

Options Exercises and Stocks Vested

Options exercised and stocks vested as at June 30, 2015 are as follows:

Name	Option awards		Stock awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Investing (\$)
Richard Schler, NEO	0	0	0	0
Craig Scherba, NEO	0	0	0	0
Peter Liabotis, NEO	0	0	0	0
Robin Borley, NEO	0	0	0	0
Brent Nykoliatiion, NEO	0	0	0	0

Grants of Plan-Based Awards

As at June 30, 2014, grants of plan-based awards are as follows:

Name	Grant date	Estimated future payouts under non-equity incentive plan awards			Estimated future payouts under equity incentive plan awards			All other stock awards:	All other option awards:	Exercise or base price of option awards (\$/Sh)	Grant date fair value of stock and option awards
		Thresh old (\$)	Target (\$)	Maximum (\$)	Thresh hold (#)	Target (#)	Maximum (#)	Number of shares of stock or units (#)	Number of securities underlying options (#)		
Richard Schler, NEO	n/a	0	0	0	0	0	0	0	0	0	0
Craig Scherba, NEO	n/a	0	0	0	0	0	0	0	0	0	0
Peter Liabotis, NEO	n/a	0	0	0	0	0	0	0	0	0	0
Robin Borley, NEO	n/a	0	0	0	0	0	0	0	0	0	0
Brent Nykoliatiion, NEO	n/a	0	0	0	0	0	0	0	0	0	0

Reference – Grant Date - n/a = not applicable.

Non Qualified Deferred Compensation

As at June 30, 2015, the Company had no formalized deferred compensation plan.

Name	Executive contributions in last FY (\$)	Registrant contributions in last FY (\$)	Aggregate earnings in last FY (\$)	Aggregate withdrawals/distributions (\$)	Aggregate balance at last FYE (\$)
Richard Schler, NEO	0	0	0	0	0
Craig Scherba, NEO	0	0	0	0	0
Peter Liabotis, NEO	0	0	0	0	0
Robin Borley, NEO	0	0	0	0	0
Brent Nykoliatiion, NEO	0	0	0	0	0

Golden Parachute Compensation

As at June 30, 2015, the Company had no arrangements in place relating to the termination of employees.

Name	Cash (\$)	Equity (\$)	Pension/NQDC (\$)	Perquisites/benefits (\$)	Tax reimbursement (\$)	Other (\$)	Total (\$)
Richard Schler, NEO	0	0	0	0	0	0	0
Craig Scherba, NEO	0	0	0	0	0	0	0
Peter Liabotis, NEO	0	0	0	0	0	0	0
Robin Borley, NEO	0	0	0	0	0	0	0
Brent Nykoliation, NEO	0	0	0	0	0	0	0

Long-Term Incentive Plan Awards Table

There are no Long-Term Incentive Plans in place at this time.

Aggregated Option Exercises and Fiscal Year-End Option Values

On March 9, 2006, the Company filed a Form S-8 registration statement in connection with its newly adopted 2006 Stock Option Plan (the "2006 Plan") allowing for the direct award of shares or granting of stock options to acquire up to a total of 2,000,000 common shares. On December 18, 2006, February 16, 2007, July 11, 2007, September 29, 2009, May 3, 2011, March 1, 2012, February 27, 2013, and December 23, 2013 and January 30, 2015, the 2006 Plan was amended to increase the stock option pool by a total of 41,000,000 additional common shares. The following table summarizes the continuity of the Company's stock options:

	Number of Shares	Weighted average exercise price (\$)
Outstanding June 30, 2013	27,140,000	0.28
Granted	7,130,000	0.16
Expired	(5,600,000)	0.39
Cancelled	(200,000)	0.26
Outstanding, June 30, 2014	28,470,000	0.23
Granted	9,280,000	0.17
Cancelled	(2,385,000)	0.21
Outstanding, June 30, 2015	35,365,000	0.22

Additional information regarding options outstanding as at June 30, 2015 is as follows:

Exercise Price	Outstanding			Exercisable	
	Number of shares	Weighted average life in years	Weighted average exercise price	Number of shares	Weighted average exercise price
0.30	3,600,000	1.01	0.30	3,600,000	0.30
0.29	1,650,000	1.04	0.29	1,650,000	0.29
0.20	1,640,000	1.32	0.20	1,640,000	0.20
0.21	1,910,000	1.42	0.21	1,910,000	0.21
0.28	5,400,000	1.69	0.28	5,400,000	0.28
0.23	180,000	1.90	0.23	180,000	0.23
0.21	5,250,000	2.67	0.21	5,250,000	0.21
0.11	1,080,000	2.67	0.11	1,080,000	0.11
0.15	675,000	3.22	0.15	675,000	0.15
0.13	250,000	3.28	0.13	250,000	0.13
0.18	4,450,000	3.53	0.18	4,450,000	0.18
0.18	250,000	3.61	0.18	250,000	0.18
0.15	4,550,000	4.01	0.15	4,550,000	0.15
0.20	4,480,000	4.66	0.20	4,480,000	0.20

The following are changes in the number of stock options outstanding subsequent to the Company's June 30, 2015 year end, and as of the date of this report:

- On August 12, 2015, 100,000 stock options were cancelled.
- On September 9, 2015, 1,450,000 stock options were cancelled.

As a result of these transactions, 33,815,000 stock options were outstanding as of the date of this report.

Compensation of Directors

Directors who provide services to the Company in other capacities has been previously reported under “Summary Compensation”. The following table summarizes compensation paid to or earned by our directors who are not Named Executive Officers for their service as directors of our company during the fiscal year ended June 30, 2015.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$) NOTE 1	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All other Compensation (\$)	Total (\$) NOTE 1
V. Peter Harder, Director	0	0	37,147 ⁽¹⁾	0	0	0	37,147 ⁽¹⁾
John Sanderson, Director	0	0	35,196 ⁽¹⁾	0	0	0	35,196 ⁽¹⁾
Quentin Yarie, Director	16,529	0	39,637 ⁽¹⁾	0	0	0	56,166 ⁽¹⁾
Albert A. Thiess, Jr, Director	0	0	9,711 ⁽¹⁾	0	0	0	9,711 ⁽¹⁾
Dean Comand, Director	0	0	19,920 ⁽¹⁾	0	0	0	19,920 ⁽¹⁾
Dalton Larson, Director	0	0	9,960 ⁽¹⁾	0	0	0	9,960 ⁽¹⁾

⁽¹⁾ The values in the “Option Awards” and included within the “Total” columns above do not represent a cash payment of any kind. Rather these values represent the calculated Black-Scholes theoretical value of granted options. It is important to note that these granted options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted options become “in-the-money”. If these granted options are unexercised and expire, the cash value or benefit to the above noted individuals is \$nil.

Pension Benefits

As of June 30, 2015, the Company had no pension or retirement plans.

Name	Plan name	Number of years credited service (#)	Present value of accumulated benefit (\$)	Payments during last fiscal year (\$)
Richard Schler, NEO	not applicable	0	0	0
Craig Scherba, NEO	not applicable	0	0	0
Peter Liabotis, NEO	not applicable	0	0	0
Robin Borley, NEO	not applicable	0	0	0
Brent Nykoliotion, NEO	not applicable	0	0	0

Equity Compensation Plan Information

The following table sets forth information as of June 30, 2015 for all compensation plans not directly approved by the Company's security holders but issued pursuant to the shareholder approved Amended and Restated Stock Option Plan. Options reported below were issued under the Company's Plan.

Option Awards as of June 30, 2015						
Name	No. of Shares of Common Stock Underlying Unexercised Common Stock Purchase Options Exercisable (#)	Date of Grant	Additional Consideration to be Received Upon Exercise or Material Conditions required to Exercise	Option Exercise Price (\$)	Value Realized if Exercised (\$) *	Option Expiration Date
Richard Schler, NEO	600,000	July 1, 2011	None.	0.30	0	July 1, 2016
	225,000	Oct 24, 2011	None.	0.20	0	Oct 24, 2016
	200,000	Dec 1, 2011	None.	0.21	0	Dec 1, 2016
	1,340,000	March 7, 2012	None.	0.28	0	March 7, 2017
	675,000	July 13, 2012	None.	0.29	0	July 13, 2017
	650,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	170,000	July 9, 2013	None.	0.11	0	July 9, 2018
	200,000	Sept 19, 2013	None.	0.15	0	Sept 19, 2018
	475,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019
	1,100,000	July 3, 2014	None.	0.15	0	July 3, 2019
	465,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
Craig Scherba, NEO	350,000	July 1, 2011	None.	0.30	0	July 1, 2016
	200,000	Oct 24, 2011	None.	0.20	0	Oct 24, 2016
	200,000	Dec 1, 2011	None.	0.21	0	Dec 1, 2016
	400,000	March 7, 2012	None.	0.28	0	March 7, 2017
	750,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	180,000	July 9, 2013	None.	0.11	0	July 9, 2018
	500,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019

	250,000	July 3, 2014	None.	0.15	0	July 3, 2019
	470,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
Peter Liabotis, NEO	350,000	July 1, 2011	None.	0.30	0	July 1, 2016
	200,000	Oct 24, 2011	None.	0.20	0	Oct 24, 2016
	200,000	Dec 1, 2011	None.	0.21	0	Dec 1, 2016
	350,000	March 7, 2012	None.	0.28	0	March 7, 2017
	550,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	150,000	July 9, 2013	None.	0.11	0	July 9, 2018
	500,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019
	250,000	July 3, 2014	None.	0.15	0	July 3, 2019
	450,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
Robin Borley, NEO	125,000	March 7, 2012	None.	0.28	0	March 7, 2017
	75,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	300,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019
	350,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
Brent Nykoliation, NEO	450,000	July 1, 2011	None.	0.30	0	July 1, 2016
	200,000	Oct 24, 2011	None.	0.20	0	Oct 24, 2016
	200,000	Dec 1, 2011	None.	0.21	0	Dec 1, 2016
	350,000	March 7, 2012	None.	0.28	0	March 7, 2017
	700,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	175,000	July 9, 2013	None.	0.11	0	July 9, 2018
	75,000	Sept 19, 2013	None.	0.15	0	Sept 19, 2018
	400,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019
	400,000	July 3, 2014	None.	0.15	0	July 3, 2019
	450,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
Quentin Yarie, Director	300,000	July 1, 2011	None.	0.30	0	July 1, 2016
	50,000	Oct 24, 2011	None.	0.20	0	Oct 24, 2016
	150,000	Dec 1, 2011	None.	0.21	0	Dec 1, 2016
	300,000	March 7, 2012	None.	0.28	0	March 7, 2017
	300,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	100,000	July 9, 2013	None.	0.11	0	July 9, 2018
	50,000	Sept 19, 2013	None.	0.15	0	Sept 19, 2018
	425,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019
	250,000	July 3, 2014	None.	0.15	0	July 3, 2019
	350,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
V. Peter Harder, Director	225,000	July 1, 2011	None.	0.30	0	July 1, 2016
	25,000	Oct 24, 2011	None..	0.20	0	Oct 24, 2016
	75,000	Dec 1, 2011	None.	0.21	0	Dec 1, 2016
	100,000	March 7, 2012	None.	0.28	0	March 7, 2017
	275,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	25,000	July 9, 2013	None.	0.11	0	July 9, 2018
	250,000	Oct 9, 2013	None.	0.13	0	Oct 9, 2018
	250,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019
	250,000	July 3, 2014	None.	0.15	0	July 3, 2019
	300,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
John Sanderson, Director	125,000	July 1, 2011	None.	0.30	0	July 1, 2016
	50,000	Oct 24, 2011	None.	0.20	0	Oct 24, 2016
	50,000	Dec 1, 2011	None.	0.21	0	Dec 1, 2016
	100,000	March 7, 2012	None.	0.28	0	March 7, 2017
	100,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	25,000	July 9, 2013	None.	0.11	0	July 9, 2018
	50,000	Sept 19, 2013	None.	0.15	0	Sept 19, 2018
	400,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019
	200,000	July 3, 2014	None.	0.15	0	July 3, 2019
	350,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
Albert A. Thiess, Jr., Director	180,000	May 23, 2012	None.	0.23	0	May 23, 2017
	100,000	Feb 27, 2013	None.	0.21	0	Feb 27, 2018
	25,000	July 9, 2013	None.	0.11	0	July 9, 2018
	125,000	Jan 10, 2014	None.	0.18	0	Jan 10, 2019
	195,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
Dean Comand, Director	400,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020
Dalton Larson, Director	200,000	Feb 26, 2015	None.	0.20	0	Feb 26, 2020

*Based on a closing price of \$0.09 on June 30, 2015 and presuming all options are exercised.

Option Awards as of June 30, 2015					
Name	No. of Shares of Common Stock Underlying Unexercised Common Stock Purchase Options Exercisable (#)	Date of Grant	Additional Consideration to be Received Upon Exercise or Material Conditions required to Exercise	Option Exercise Price (\$)	Option Expiration Date
Current Named Executive Officers, as a group on June 30, 2015 (5 persons): Craig Scherba*, Richard Schler**, Peter Liabotis, Robin Borley*** & Brent Nykoliotion.	1,750,000	July 1, 2011	None.	0.30	July 1, 2016
	675,000	July 13, 2012	None.	0.29	July 13, 2016
	825,000	Oct 24, 2011	None.	0.20	Oct 24, 2016
	800,000	Dec 1, 2011	None.	0.21	Dec 1, 2016
	2,565,000	March 7, 2012	None.	0.28	March 7, 2017
	2,725,000	Feb 27, 2013	None.	0.21	Feb 27, 2018
	675,000	July 9, 2013	None.	0.11	July 9, 2018
	275,000	Sept 19, 2013	None.	0.15	Sept 19, 2018
	2,175,000	Jan 10, 2014	None.	0.18	Jan 10, 2019
	2,000,000	July 3, 2014	None.	0.15	July 3, 2019
	2,185,000	Feb 26, 2015	None.	0.20	Feb 26, 2020
Total NEO's on June 30, 2015, as a group (5 persons)			16,650,000		
All current Directors who are not NEO's or executive officers as a group on June 30, 2015 (6 persons) - V. Peter Harder, John Sanderson, Quentin Yarie, Albert A. Thiess, Jr., Dean Comand & Dalton Larson	650,000	July 1, 2011	None.	0.30	July 1, 2016
	125,000	Oct 24, 2011	None.	0.20	Oct 24, 2016
	275,000	Dec 1, 2011	None.	0.21	Dec 1, 2016
	500,000	March 7, 2012	None.	0.28	March 7, 2017
	180,000	May 23, 2012	None.	0.23	May 23, 2017
	775,000	Feb 27, 2013	None.	0.21	Feb 27, 2018
	175,000	July 9, 2013	None.	0.11	July 9, 2018
	100,000	Sept 19, 2013	None.	0.15	Sept 19, 2018
	250,000	Oct 9, 2013	None.	0.13	Oct 9, 2018
	1,200,000	Jan 10, 2014	None.	0.18	Jan 10, 2019
	700,000	July 3, 2014	None.	0.15	July 3, 2019
	1,795,000	Feb 26, 2015	None.	0.20	Feb 26, 2020
Total all current Directors who are not NEO's or executive officers as a group on June 30, 2015 (6 persons)			6,725,000		
All Directors (9 persons) - V. Peter Harder, John Sanderson, Richard Schler, Craig Scherba, Robin Borley, Quentin Yarie, Albert A. Thiess, Jr., Dean Comand & Dalton Larson	1,600,000	July 1, 2011	None.	0.30	July 1, 2016
	675,000	July 13, 2012	None.	0.29	July 13, 2016
	550,000	Oct 24, 2011	None.	0.20	Oct 24, 2016
	675,000	Dec 1, 2011	None.	0.21	Dec 1, 2016
	2,365,000	March 7, 2012	None.	0.28	March 7, 2017
	180,000	May 23, 2012	None.	0.23	May 23, 2017
	2,250,000	Feb 27, 2013	None.	0.21	Feb 27, 2018
	525,000	July 9, 2013	None.	0.11	July 9, 2018
	300,000	Sept 19, 2013	None.	0.15	Sept 19, 2018
	250,000	Oct 9, 2013	None.	0.13	Oct 9, 2018
	2,475,000	Jan 10, 2014	None.	0.18	Jan 10, 2019
	2,050,000	July 3, 2014	None.	0.15	July 3, 2019
	3,080,000	Feb 26, 2015	None.	0.20	Feb 26, 2020
Total all current Directors on June 30, 2015 (9 persons)			16,975,000		
All employees (excluding all Named Executive Officers as they also serve as executive officers and/or directors) as a group.	900,000	July 1, 2011	None.	0.30	July 1, 2016
	975,000	July 13, 2012	None.	0.29	July 13, 2016
	640,000	Oct 24, 2011	None.	0.20	Oct 24, 2016
	685,000	Dec 1, 2011	None.	0.21	Dec 1, 2016
	1,810,000	March 7, 2012	None.	0.28	March 7, 2017
	1,275,000	Feb 27, 2013	None.	0.21	Feb 27, 2018
	230,000	July 9, 2013	None.	0.11	July 9, 2018
	300,000	Sept 19, 2013	None.	0.15	Sept 19, 2018
	550,000	Jan 10, 2014	None.	0.18	Jan 10, 2019
	1,575,000	July 3, 2014	None.	0.15	July 3, 2019
	250,000	Feb 26, 2015	None.	0.20	Feb 26, 2020
Total employees (excluding all NEO's as they serve as executive officers) as a group on June 30, 2015			9,190,000		
Outstanding Options - all parties	3,600,000	July 1, 2011	None.	0.30	July 1, 2016
	1,650,000	July 13, 2012	None.	0.29	July 13, 2016
	1,640,000	Oct 24, 2011	None.	0.20	Oct 24, 2016
	1,910,000	Dec 1, 2011	None.	0.21	Dec 1, 2016
	5,400,000	March 7, 2012	None.	0.28	March 7, 2017
	180,000	May 23, 2012	None.	0.23	May 23, 2017
	5,250,000	Feb 27, 2013	None.	0.21	Feb 27, 2018
	1,080,000	July 9, 2013	None.	0.11	July 9, 2018
	675,000	Sept 19, 2013	None.	0.15	Sept 19, 2018

	250,000	Oct 9, 2013	None.	0.13	Oct 9, 2018
	4,450,000	Jan 10, 2014	None.	0.18	Jan 10, 2019
	250,000	Feb 6, 2014	None.	0.18	Feb 6, 2019
	4,550,000	July 3, 2014	None.	0.15	July 3, 2019
	4,480,000	Feb 26, 2015	None.	0.20	Feb 26, 2020
Total Options as of June 30, 2015 (all of the above noted parties)			35,365,000		

* Mr. Schler was appointed Chief Executive Officer on September 19, 2013.

** After year end, on July 30, 2015, Mr. Scherba became the Chief Executive Officer, replacing Mr. Schler who has resigned from the Company.

*** Mr. Borley was appointed Senior Vice President of Mine Development and a Director on December 1, 2013.

In addition, please note the following:

- There are no associates of any such directors, executive officers, or nominees to that have or are to receive options or any other person who received or is to receive 5 percent of such options, warrants or rights
- All of the stock options in the above noted table are convertible into common stock.
- The exercise price of all of the stock options noted above were based on the closing price the date before the granting of the stock option.
- There are no cashless or other provisions aside from the right for the holder of the stock option to exercise.
- All NEO's provide the Company services on an ongoing basis.
- Messrs Harder, Sanderson, Thiess, Comand and Larson provide director services on an ongoing basis.

ITEM 12. – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information regarding beneficial ownership of our common shares as of September 18, 2015, by: (i) each person who is known by the Company to own beneficially more than 5% of our common shares; (ii) each director of the Company; (iii) each of the Named Executive Officers; and (iv) all directors and executive officers of the Company as a group. The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 under the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. The Company believes that each individual or entity named has sole investment and voting power with respect to the securities indicated as beneficially owned by them, subject to community property laws, where applicable, except where otherwise noted. The "Number of Common Shares Beneficially Owned" is calculated based on total shares held plus warrants held (plus stock options entitled to exercise). The aggregate of these items, which totals 412,247,343, will be used as the denominator for the percentage calculation below.

Name and Address of Beneficial Owner	Number of Common Shares Beneficially Owned	Percentage of Outstanding Common Shares Beneficially Owned⁽¹⁾
V. Peter Harder, Chairman of the Board, Director 5538 Pattapiece Crescent, Manotick, Ontario, Canada ⁽²⁾ ⁽¹⁵⁾	2,150,000	0.5%
John Sanderson, Vice-Chairman of the Board & Director 1721 – 27 th Street, West Vancouver, BC, Canada ⁽³⁾ ⁽¹⁴⁾ ⁽¹⁵⁾	1,700,000	0.4%
Craig Scherba,** President, Chief Executive Officer & Director 1480 Willowdown Road, Oakville, Ontario, Canada ⁽⁴⁾ ⁽¹³⁾ ⁽¹⁵⁾	3,900,000	0.9%
Robin Borley,*** SVP Mine Development & Director Waterfall Country Estate, Gauteng, South Africa ⁽⁵⁾ ⁽¹³⁾ ⁽¹⁵⁾	850,000	0.2%
Peter Liabotis, Chief Financial Officer & SVP 2261 Rockingham Drive, Oakville, Ontario, Canada ⁽⁶⁾ ⁽¹³⁾ ⁽¹⁵⁾	3,731,000	0.9%
Quentin Yarie, Director 196 McAllister Road, North York, Ontario ⁽⁷⁾ ⁽¹⁵⁾	3,100,000	0.8%
Albert A. Thiess, Jr., Director 8 Lawson's Pond Court, Bluffton, SC, USA ⁽⁸⁾ ⁽¹⁴⁾ ⁽¹⁵⁾	725,000	0.2%
Brent Nykoliati, SVP Corporate Development 161 Fallingbrook Road, Toronto, Ontario, Canada ⁽⁹⁾ ⁽¹³⁾ ⁽¹⁵⁾	4,675,000	1.1%
Dean Comand, Director 131 Garden Avenue, Ancaster, Ontario, Canada ⁽¹⁰⁾ ⁽¹⁴⁾ ⁽¹⁵⁾	\$400,000	0.1%
Dalton Larson, Director 3629 Canterbury Drive, Surrey, BC, Canada ⁽¹¹⁾ ⁽¹⁵⁾	1,300,000	0.3%
Richard Schler* and **, Former CEO & Former Director 80 Greybeaver Trail, Toronto, Ontario, Canada ⁽¹²⁾ ⁽¹⁵⁾	10,560,000	2.6%
All directors and executive officers as a group (11 persons)	33,091,000	8.0%

Sources – www.sedi.ca, U.S. regulatory filings, internal schedules and the Company's registered shareholder list.

* Mr. Schler was appointed Chief Executive Officer on September 19, 2013.

** After year end, on July 30, 2015, Mr. Scherba became the Chief Executive Officer, replacing Mr. Schler who has resigned as an officer and director of the Company.

*** Mr. Borley was appointed Senior Vice President of Mine Development and a Director on December 1, 2013.

Notes:

(1) Denominator used for calculation is 412,247,343 as of September 18, 2015. Based on total issued and outstanding common shares of 329,935,670 plus common share purchase warrants outstanding of 48,496,673 plus common stock purchase options outstanding of 33,815,000.

(2) Total includes 350,000 common shares and 1,775,000 common stock purchase options exercisable between \$0.11 and \$0.30 per share with expiry dates between July 1, 2016 and February 26, 2020.

(3) Total includes 250,000 common shares and 1,450,000 common stock purchase options exercisable between \$0.11 and \$0.30 per share with expiry dates between July 1, 2016 and February 26, 2020.

(4) Total includes 600,000 common shares and 3,300,000 common stock purchase options exercisable between \$0.11 and \$0.30 per share with expiry dates between July 1, 2016 and February 26, 2020.

(5) Total includes 850,000 common stock purchase options exercisable between \$0.21 and \$0.28 per share with expiry dates between March 7, 2017 and February 26, 2020.

(6) Total includes 731,000 common shares and 3,000,000 common stock purchase options exercisable between \$0.11 and \$0.30 per share with expiry dates between July 1, 2016 and February 26, 2020.

(7) Total includes 825,000 common shares, and 2,275,000 common stock purchase options exercisable between \$0.11 and \$0.30 per share with expiry dates between July 1, 2016 and February 26, 2020.

(8) Total includes 100,000 common shares and 625,000 common stock purchase options exercisable between \$0.11 and \$0.23 per share with expiry dates between May 23, 2017 and February 26, 2020.

(9) Total includes 1,275,000 common shares and 3,400,000 common stock purchase options exercisable between \$0.11 and \$0.395 per share with expiry dates between July 1, 2016 and February 26, 2020.

(10) Total includes 400,000 common stock purchase options exercisable at \$0.20 with an expiry date of February 26, 2020.

(11) Total includes 1,000,000 common shares, 100,000 common share purchase warrants exercisable at \$0.15 per share with an expiry date of January 31, 2017 and 200,000 common stock purchase options exercisable at \$0.20 with an expiry date of February 26, 2020.

(12) Total include items held by "Sarmat Resources Inc.", a related company, plus certain family members holdings. Includes 4,460,000 common shares and 6,100,000 common stock purchase options exercisable between \$0.11 and \$0.30 per share with expiry dates between July 1, 2016 and February 26, 2020.

(13) Members of the management team as of September 18, 2015.

(14) Members of the Audit Committee.

(15) Parties whose shareholdings are a part of the total of "All directors and executive officers as a group (11 persons)".

Changes in Control

We are not aware of any arrangements that may result in a change in control of the Company.

ITEM 13. - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Except as noted under the section entitled "Executive Compensation" and below, none of the following parties, has any material interest, direct or indirect, in any transaction with us or in any presently proposed transaction with us that has or will materially affect us: (1) any of our directors or officers; (2) any person proposed as a nominee for election as a director; (3) any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to our outstanding shares of common stock; (4) any of our promoters; and (5) any relative or spouse of any of the foregoing persons who has the same house as such person.

Parties are related if one party has the ability, directly or indirectly, to control the other party 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 may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount. The following directors were independent under the independence standards of both the Toronto Stock Exchange and the NYSE Amex during the past fiscal year: Albert A. Thiess, Jr. (Chair), John Sanderson and Dean Comand.

The following are the related party transactions of our Company for the year ended June 30, 2015:

- a) The Company incurred a total of \$98,595 (June 30, 2014: \$112,200) in office administration and rent expense from a public company related by common management, Red Pine Exploration Inc (TSX.V: "RPX").. (Source: www.sedi.ca as of September 18, 2015).

Name	Title at Energizer	Title at Red Pine	Shares Held in RPX	% Ownership of RPX
Richard Schler	Former CEO and Former Director	Former CEO and Former Director	1,458,200	2.1%
Craig Scherba	Director, CEO & President	SVP - Chief Geologist	318,000	0.7%
Peter Liabotis	CFO	CFO	454,000	0.5%
Brent Nykoliati	Senior VP	Director	374,190	0.7%
Total			2,604,390	3.8%

- b) 6,680,000 (June 30, 2014: 5,370,000) stock options were issued to related parties during the period with exercise prices between \$0.15 and \$0.20 (June 30, 2014: between \$0.11 and \$0.18). These stock options were valued at \$438,035 (June 30, 2014: \$513,364) using the Black-Scholes pricing model and were issued to directors and officers of the Company and included in stock-based compensation.

Date of Grant	03-Jul-14	26-Feb-15	
Expiry Date	03-Jul-19	26-Feb-20	
Exercise Price	\$0.150	\$0.200	TOTAL
Richard Schler	1,100,000	465,000	1,565,000
Brent Nykoliotion	400,000	450,000	850,000
Craig Scherba	250,000	470,000	720,000
Peter Liabotis	250,000	450,000	700,000
Quentin Yarie	250,000	350,000	600,000
Peter Harder	250,000	300,000	550,000
John Sanderson	200,000	350,000	550,000
Robin Borley	-	350,000	350,000
Albert Thiess	-	195,000	195,000
Dean Comand	-	400,000	400,000
Dalton Larson	-	200,000	200,000
Totals	2,700,000	3,980,000	6,680,000

- c) The Company incurred \$629,204 (June 30, 2014: \$1,190,585) in mineral exploration, administrative, management and consulting fees to directors and officers and paid or accrued directly to directors and officers or companies under their control.
- d) The Company incurred \$1,927,797 (June 30, 2014: \$1,533,953) in charges from a mining and engineering firm for which one of the Company's directors serves as a senior officer and a director which was included in mineral exploration expense.
- e) During the year ended June 30, 2014, and subsequently revised during the year ended June 30, 2015, the Company entered into an agreement to option a 75% interest in the Sagar Property to Honey Badger Exploration Inc. (TSX-V: "TUF"), a public company related by common management. For a further explanation of the transaction refer to Note 7 of our Consolidated Financial Statements.

The following are the related party balances for the year ended June 30, 2015:

- a) Related party balances of \$Nil (June 30, 2014: \$54,764) were included in amounts receivable and prepaid expenses and \$24,048 (June 30, 2014: \$33,019) related to rent, was included in accounts payable and accrued liabilities.
- b) The Company advanced a short-term loan to MacDonald Mines Exploration Ltd. (TSX-V: "BMK"), a company related by way of common management, totaling \$120,238 (June 30, 2014: \$46,366). This loan is interest bearing at a rate of 5%. No amounts have been paid back up to June 30, 2015. Accrued interest due totaled \$3,863 (June 30, 2014: \$142) as at June 30, 2015, and is included in the balance. A \$53,603 (June 30, 2014: \$Nil) impairment charge was recorded against this loan as of June 30, 2015. The Company's short-term loan amounts with RPX of \$24,964 and TUF of \$23,182 which existed as of June 30, 2014 were repaid during the year.
- c) Of the \$Nil (June 30, 2014: \$1,533,007) in charges from a mining and engineering firm for which one of the Company's former directors serves as a senior officer and director. \$Nil (June 30, 2014: \$633,418) is included in accounts payable and accrued liabilities.
- d) \$46,292 (June 30, 2014: \$264,922) was included within accounts payable and accrued liabilities as a committed amount due to the former Chief Executive Officer of the Company.

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 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 SEC 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-K.

ITEM 14. - PRINCIPAL ACCOUNTING FEES AND SERVICES

Year ended June 30, 2015 and June 30, 2014

Audit Fees: The aggregate fees, including expenses, billed by the Company's principal accountant in connection with the audit of our financial statements for the most recent fiscal year and for the review of our financial information included in our Annual Report on Form 10-K; and our quarterly reports on Form 10-Q during the fiscal year ending June 30, 2015 was CAD\$40,000 (June 30, 2014: CAD\$69,960).

Audit Related Fees: The aggregate fees, including expenses, billed by the Company's principal accountant for services reasonably related to the audit for the year ended June 30, 2015 were CAD\$8,230 (June 30, 2014: CAD\$7,500).

All Other Fees: The aggregate fees, including expenses, billed for all other services rendered to the Company by its principal accountant during year ended June 30, 2015 was \$Nil (June 30, 2014: \$Nil).

Auditor Independence and Auditor's Time on Task

Our Board of Directors considers that the work done for us in the year ended June 30, 2015 by our Company's auditors, MNP LLP is compatible with maintaining MNP LLP. All of the work expended by MNP LLP on our June 30, 2015 audit was attributed to work performed MNP LLP's full-time, permanent employees.

ITEM 15. – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit Number & Description

- 3.1 Articles of Incorporation of Uranium Star Corp. (now known as Energizer Resources Inc.) (Incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K as filed with the SEC on May 20, 2008)
- 3.2 Articles of Amendment to Articles of Incorporation of Uranium Star Corp. changing its name to Energizer Resources Inc. (Incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the SEC on July 16, 2010)
- 3.3 Articles of Amendment to Articles of Incorporation of Energizer Resources Inc. (Incorporated by reference to Exhibit 3.3 to the registrant's registration statement on Form S-1/A filed with the SEC on July 29, 2015)
- 3.4 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)
- 3.5 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)
- 23.1 Consent of Independent Registered Public Accounting Firm (filed herein)
- 23.2 Consent of DLA Projects (pty) Limited
- 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act. (filed herein)
- 31.2 Certification of Principal Financial & Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act. (filed herein)
- 32.1 Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act. (filed herein)
- 32.2 Certification of Chief Financial and Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act. (filed herein)
- 99.1 Canadian National Instrument 43-101 Technical Report Update for Green Giant Property, Fotadrevo, Province of Toliara, Madagascar (Incorporated by reference to Exhibit 99.1 to the registrant's report on Form 8-K filed with SEC on July 9, 2010)

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: September 28, 2015

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

Dated: September 28, 2015

By: /s/ Peter Liabotis
Name: Peter Liabotis
Title: Chief Financial Officer (Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities and on the dates indicated.

Signatures	Title	Date
<u>/s/ Craig Scherba</u> Craig Scherba	President & Chief Executive Officer, Director	September 28, 2015
<u>/s/ V. Peter Harder</u> V. Peter Harder	Chairman of the Board, Director	September 28, 2015
<u>/s/ John Sanderson</u> John Sanderson	Vice-Chairman, Director	September 28, 2015
<u>/s/ Robin Borley</u> Robin Borley	SVP, Mine Development, Director	September 28, 2015
<u>/s/ Peter Liabotis</u> Peter Liabotis	Chief Financial Officer (Principal Financial and Accounting Officer)	September 28, 2015
<u>/s/ Quentin Yarie</u> Quentin Yarie.	Director	September 28, 2015
<u>/s/ Albert A. Thiess, Jr.</u> Albert A. Thiess, Jr.	Director	September 28, 2015
<u>/s/ Dean Comand</u> Dean Comand	Director	September 28, 2015
<u>/s/ Dalton Larson</u> Dalton Larson	Director	September 28, 2015

ENERGIZER RESOURCES INC.

(An Exploration Stage Company)

Consolidated Financial Statements

For the years ended June 30, 2015 and 2014

(Expressed in US Dollars)

Report of Independent Registered Public Accounting Firm

To the Board or Directors and Shareholders of Energizer Resources Inc.

We have audited the accompanying consolidated balance sheets of Energizer Resources Inc. as of June 30, 2015 and 2014, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for the years then ended. Energizer Resources Inc.'s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Energizer Resources Inc. is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Energizer Resources Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Energizer Resources Inc. as of June 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1, the Company has experienced negative cash flows from operations since inception and has accumulated a significant deficit which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Mississauga, Canada
September 28, 2015

MNP
LLP

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

	June 30, 2015	June 30, 2014
Assets		
Current Assets:		
Cash and cash equivalents	\$ 779,118	\$ 1,250,383
Amounts receivable and prepaid expenses (note 5)	65,516	430,596
Loan to related parties (note 5)	76,450	94,512
Marketable securities (note 4)	7,615	70,277
Total current assets	928,699	1,845,768
Equipment (note 6)	78,513	126,385
Total assets	\$ 1,007,212	\$ 1,972,153
Liabilities and Stockholders' Equity		
Liabilities		
Accounts payable and accrued liabilities (notes 5 and 16)	\$ 569,619	\$ 1,816,623
Deferred premium on flow-through shares (note 8)	-	37,145
Warrant liability (note 11)	844,851	1,830,151
Total liabilities	1,414,470	3,683,919
Stockholders' Deficiency		
Common stock, 650,000,000 shares authorized, \$0.001 par value, 309,384,670 issued and outstanding (June 30, 2014 - 268,627,603) (note 9)	309,385	268,627
Additional paid-in capital (note 9)	91,614,714	84,265,060
Accumulated comprehensive (loss) / income	(4,323)	8,771
Accumulated deficit	(92,327,034)	(86,254,224)
Total stockholders' deficiency	(407,258)	(1,711,766)
Total liabilities and stockholders' deficiency	\$ 1,007,212	\$ 1,972,153

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

Going concern (note 1)
Mineral Properties (note 7)
Contingency (note 15)

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

	Year Ended June 30, 2015	Year Ended June 30, 2014
Revenues	\$ -	\$ -
Expenses		
Mineral exploration expense (notes 5, 7 and 14)	4,551,286	7,343,541
Stock-based compensation (notes 5, 9 and 10)	627,264	681,419
General and administrative (note 5)	863,124	1,357,682
Professional and consulting fees (note 5)	629,817	1,765,769
Depreciation (note 6)	47,872	44,446
Foreign currency translation loss	208,194	60,076
Total expenses	6,927,557	11,252,933
Net loss from operations	(6,927,557)	(11,252,933)
Other Income / (Expenses)		
Investment income	10,111	96,092
Sale of flow-through tax benefits (note 8)	37,145	63,393
Impairment of marketable securities (note 4)	-	(63,849)
Gain on sale of marketable securities (note 4)	12,278	-
Tax indemnity (note 16)	(147,845)	-
Part XII.6 tax and penalties on flow-through shares (note 16)	(42,242)	-
Change in fair value of warrant liability (note 11)	985,300	(23,286)
Net Loss	(6,072,810)	(11,180,583)
Unrealized (loss) / gain in marketable securities	(816)	7,771
Recognition of other than temporary loss (note 4)	-	63,849
Realized gains included in net loss (note 4)	(12,278)	-
Comprehensive loss	\$(6,085,904)	\$ (11,108,963)
Loss per share - basic and diluted (note 13)	\$ (0.02)	\$ (0.05)
Weighted average shares outstanding - basic and diluted (note 13)	294,044,398	225,907,700

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

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

	Year Ended June 30, 2015	Year Ended June 30, 2014
Operating Activities		
Net loss	\$ (6,072,810)	\$ (11,180,583)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	47,872	44,446
Gain on sale of marketable securities	(12,278)	(4,545)
Change in fair value of warrant liability	(985,300)	23,286
Impairment of related party loan	53,603	-
Non-cash amounts within mineral properties expense	100,000	1,110,101
Stock-based compensation	627,264	681,419
Impairment of marketable securities	-	63,849
Sale of flow-through tax benefits	(37,145)	(63,393)
Change in operating assets and liabilities:		
Amounts receivable and prepaid expenses	365,080	(221,076)
Accounts payable and accrued liabilities	(1,247,005)	1,013,493
Net cash used in operating activities	(7,160,719)	(8,533,003)
Financing Activities		
Proceeds from issuance of common stock, net of costs	6,591,097	9,559,926
Exercise of warrants	72,051	-
Net cash provided by financing activities	6,663,148	9,559,926
Investing Activities		
Mineral property acquisition costs	-	(463,774)
Purchase of equipment	-	(132,014)
Loan to related party	(35,541)	42,487
Purchases of marketable securities, net of sales	-	(103,763)
Proceeds on sale of marketable securities	61,847	55,424
Net cash provided by (used in) investing activities	26,306	(601,640)
(Decrease) / increase in cash and cash equivalents	(471,265)	425,283
Cash and cash equivalents - beginning of year	1,250,383	825,100
Cash and cash equivalents - end of year	\$ 779,118	\$ 1,250,383
Non-cash investing and financing activities:		
Issuance of common stock for mineral properties	\$ 100,000	\$ 645,950
Supplemental Disclosures:		
Interest received	\$ 1,000	\$ 8,327

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

Energizer Resources Inc.
Consolidated Statement of Stockholders' Equity
(Expressed in US Dollars)

	Shares #	Amount \$	Additional Paid-In Capital \$	Accumulated Comprehensive Income (loss) \$	Accumulated Deficit \$	Total \$
Balance - June 30, 2013	175,604,320	175,604	75,378,192	(62,849)	(75,073,641)	417,306
Private placement of common shares subscribed	90,523,283	90,523	10,337,961	-	-	10,428,484
Cost of issue	-	-	(868,558)	-	-	(868,558)
Fair value of warrant liability	-	-	(1,806,866)	-	-	(1,806,866)
Issuance of common stock and warrants for mineral property	2,500,000	2,500	643,450	-	-	645,950
Stock-based compensation	-	-	681,419	-	-	681,419
Deferred flow-through premium	-	-	(100,538)	-	-	(100,538)
Other than temporary loss on marketable securities	-	-	-	63,849	-	63,849
Accumulated comprehensive loss	-	-	-	7,771	-	7,771
Net loss for the year	-	-	-	-	(11,180,583)	(11,180,583)
Balance - June 30, 2014	268,627,603	268,627	84,265,060	8,771	(86,254,224)	(1,711,766)
Private placement of common shares subscribed	39,185,714	39,186	5,348,814	-	-	5,388,000
Cost of issue of private placement of common shares subscribed	-	-	(440,923)	-	-	(440,923)
Private placement of special warrants subscribed	-	-	2,019,947	-	-	2,019,947
Cost of issue of private placement of special warrants subscribed	-	-	(375,927)	-	-	(375,927)
Issuance of common stock for mineral property	1,000,000	1,000	99,000	-	-	100,000
Stock-based compensation	-	-	627,264	-	-	627,264
Issuance of shares to exercise warrants	571,353	572	71,479	-	-	72,051
Realized gain on marketable securities	-	-	-	(12,278)	-	(12,278)
Accumulated comprehensive loss	-	-	-	(816)	-	(816)
Net loss for the year	-	-	-	-	(6,072,810)	(6,072,810)
Balance - June 30, 2015	309,384,670	309,385	91,614,714	(4,323)	(92,327,034)	(407,258)

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

Energizer Resources Inc.
Notes to Consolidated Financial Statements
June 30, 2015 and 2014
Expressed in US Dollars

1. Nature of Operations and Going Concern

Energizer Resources Inc. (the "Company") is a State of Minnesota, United States of America incorporated entity. The Company's fiscal year end is June 30. The Company's principal business is the acquisition and exploration of mineral resources. During fiscal 2008, the Company incorporated Energizer Resources (Mauritius) Ltd., a Mauritius subsidiary and Energizer Resources Madagascar Sarl, a Madagascar subsidiary. During fiscal 2009, the Company incorporated THB Venture Ltd., a Mauritius subsidiary to hold the interest in Energizer Resources Minerals Sarl, a Madagascar subsidiary, which holds the Green Giant Property in Madagascar (see note 7). During fiscal 2012, the Company incorporated Madagascar-ERG Joint Venture (Mauritius) Ltd., a Mauritius subsidiary and ERG (Madagascar) Sarl, a Madagascar subsidiary. ERG (Madagascar) Sarl is 100% owned by Madagascar-ERG Joint Venture (Mauritius) Ltd. which is now 100% owned by Energizer Resources (Mauritius) Ltd. ERG (Madagascar) Sarl holds the Malagasy Joint Venture Ground (see note 7). During fiscal 2014, the Company incorporated 2391938 Ontario Inc., an Ontario, Canada subsidiary.

These consolidated financial statements ("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 Company has yet to generate revenue from mining operations or pay dividends and is unlikely to do so in the immediate or foreseeable future. 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. As of June 30, 2015, the Company has accumulated losses of \$92,327,034. As such, there is substantial doubt regarding the Company's ability to continue as a going concern. These consolidated 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.

2. Significant Accounting Policies

Principals of Consolidation and Basis of Presentation

These financial statements are presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). These consolidated 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 consolidated 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 consolidated 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 consolidated 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 issued, 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.

Cash and Cash Equivalents

Cash and cash equivalents include money market investments that are readily convertible to known amounts of cash and have an original maturity of less than or equal to 90 days.

2. Significant Accounting Policies - continued

Marketable Securities

The Company classifies and accounts for debt and equity securities in accordance with ASC Topic - 320, "Accounting for Certain Investments in Debt and Equity Securities". The Company has classified all of its marketable securities as available-for-sale, thus securities are recorded at fair market value and any associated unrealized gain or loss, net of tax, are included as a separate component of stockholders' equity, titled accumulated comprehensive loss. When an unrealized loss is classified as being other than temporary, it is expensed within the statement of operations and comprehensive loss.

Equipment

Equipment is recorded at cost, less accumulated depreciation, and consists of exploration equipment. Depreciation is computed on a straight-line basis over 3 years, which coincides with its estimated useful life.

Mineral Property Costs

Mineral property acquisition and exploration costs are expensed as incurred. The Company has not yet realized any revenues from its mineral operations. When it has been determined that a mineral property can be economically developed as a result of establishing probable and proven reserves, the costs then incurred to develop such property will be capitalized. Such costs will be amortized using the units of production method over the estimated life of the probable reserve. If properties are abandoned or the carrying value is determined to be in excess of possible future recoverable amounts the Company will write off the appropriate amount.

Warrant Liability

The Company accounts for its derivative instruments not indexed to its stock as either assets or liabilities and carries them at fair value. Derivatives that are not defined as hedges must be adjusted to fair value through earnings. The Company has issued stock purchase warrants with exercise prices denominated in a currency other than its functional currency of U.S. dollars. As a result, these warrants are no longer considered to be solely indexed to the Company's common stock. Therefore, these warrants are classified as liabilities under the caption "warrant liability" and recorded at estimated fair value at each reporting date, computed using the Binomial valuation method. Changes in the liability from period to period are recorded in the statements of operations under the caption "changes in fair value of warrant liability". The Company records the change in fair value of the warrant liability as a component of other income and expense on the statement of operations as it is believed the amounts recorded relate to financing activities and not as a result of our operations.

Comprehensive Income / (Loss)

ASC Topic - 220, "Reporting Comprehensive Income", establishes standards for the reporting and display of comprehensive income, its components and accumulated balances. As at June 30, 2015, the Company's only component of other comprehensive income is unrealized losses on marketable securities.

Foreign Currency Translation

The Company's functional and reporting currency is United States Dollars. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with ASC Topic - 830, "Foreign Currency Translation", using the exchange rate prevailing at the balance sheet date. Gains and losses arising on settlement of foreign currency denominated transactions or balances are included in the consolidated statements of operations and comprehensive loss.

Long Lived Assets

In accordance with ASC Topic - 360, "Accounting for Impairment or Disposal of Long Lived Assets", the carrying value of intangible assets and other long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

2. Significant Accounting Policies - continued

Basic and Diluted Net Income / (Loss) Per Share

The Company computes net earnings / (loss) per share in accordance with ASC Topic - 260, "Earnings per Share". ASC Topic - 260 requires presentation of basic and diluted earnings per share ("EPS") on the consolidated statement of operations and comprehensive loss. Basic EPS is computed by dividing net income / (loss) (numerator) by the weighted average number of shares outstanding (denominator) during the year. Diluted EPS gives effect to all dilutive potential common shares outstanding during the year using the treasury stock method and the "if converted" method for convertible instruments. In computing diluted EPS, the average stock price for the year is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. Diluted EPS and the weighted average number of common shares exclude all dilutive potential shares since their effect is anti-dilutive.

Stock-Based Compensation

The Company has a stock option plan as described in note 10. All stock-based awards granted, including those granted to directors not acting in their capacity as directors, are accounted for using the fair value based method, using more reliable measure of value of services and Black-Scholes pricing model. The fair value of stock options granted is recognized as an expense within the consolidated statements of operations and comprehensive loss and a corresponding increase in additional paid-in capital. Any consideration paid by eligible participants on the exercise of stock options is credited to common stock. The additional paid-in capital amount associated with stock options is transferred to common stock upon exercise.

Income Taxes

The Company has adopted Topic - 740 "Accounting for Income Taxes" which is required to compute tax asset benefits for net operating losses carried forward. Deferred income taxes are recorded for temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities. Deferred tax assets and liabilities reflect the tax rates expected to be in effect for the years in which the differences are expected to reverse. A valuation allowance is provided if it is more likely than not that some of all of the deferred tax asset will not be realized. Potential benefits of net operating losses have not been recognized in these consolidated financial statements as the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years. Management does not believe unrecognized tax benefits will significantly change within one year of the balance sheet date. Interest and penalties related to income tax matters are recognized in income tax expense. As of June 30, 2015, there was no interest or penalties related to uncertain tax positions.

Asset Retirement Obligations

The operations of the Company are subject to regulations governing the environment, including future site restoration for mineral properties. The Company will recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement is incurred, the liability is recognized when a reasonable estimate of fair value can be made. The Company has determined that there are no asset retirement obligations or any other environmental obligations currently existing with respect to its mineral properties and therefore no liability has been recognized.

Financial Instruments

The fair value of cash and cash equivalents, amounts receivable, marketable securities, loan to related parties and accounts payable and accrued liabilities were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments. The Company's exploration operations are in Madagascar and Canada, which result in exposure to market risks from changes in foreign currency rates. Financial risk is the risk to the Company's operations that arise from movements in foreign exchange rates and the degree of volatility of these rates.

Energizer Resources Inc.
Notes to Consolidated Financial Statements
June 30, 2015 and 2014
Expressed in US Dollars)

Fair Value of Financial Instruments Hierarchy

ASC Topic - 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Cash and cash equivalents and marketable securities were in Level 1 within the fair value hierarchy. The three levels are as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 includes marketable securities such as listed equities and U.S. government treasury securities.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using industry-standard models or other valuation methodologies. These models consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, current market and contractual prices for the underlying instruments as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category include the warrant liability.
- Level 3 - Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value from the perspective of a market participant. Level 3 instruments include those that may be more structured or otherwise tailored to customers' needs. At each balance sheet date, the Company performs an analysis of all instruments subject to ASC Topic - 820 and includes in Level 3 all of those whose fair value is based on significant unobservable inputs.

3. Newly Adopted & 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.

- "Income Taxes (ASC Topic 740): Presentation of an Unrecognized Tax Benefit when a Net Operating Loss Carry-forward, a Similar Tax Loss, or a Tax Credit Carry-forward Exists" ("ASU 2013-11") was issued during July 2013. FASB issued guidance on how to present an unrecognized tax benefit. The guidance is effective for annual periods beginning after December 15, 2013 for public companies. The Company has adopted this pronouncement.
- "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.

The adoption of ASC Topic 740 did not have a significant impact on the Company's results of operations, financial performance or cash flows. The Company is currently evaluating the impact of ASU 2014-15 on its consolidated financial statements.

4. Marketable Securities

Marketable securities consist of available-for-sale securities over which the Company does not have significant influence or control. As at June 30, 2015, \$7,615 (June 30, 2014: \$70,277) was invested in public companies. During the year ended June 30, 2014, the Company determined that \$63,849 of unrealized losses were other than temporary and as such were recognized as an "other expense" in net loss and removed from accumulated other comprehensive income. During the year ended June 30, 2015, the Company sold marketable securities and recognized a gain on sale of \$12,278 which has been recorded in the statement of operations and comprehensive loss and removed from accumulated other comprehensive income.

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5. Related Party Transactions and Balances

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 may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount, which is fair value. The following are the related party transactions for the year ended June 30, 2015:

- a) The Company incurred \$98,595 (June 30, 2014: \$112,200), in rent, included in general and administrative expenses, from a public company related by common management, Red Pine Exploration Inc. (TSX.V: "RPX").
- b) 6,680,000 (June 30, 2014: 5,370,000) stock options were issued to related parties during the period with an exercise price between \$0.15 and \$0.20 (June 30, 2014: between \$0.11 and \$0.18). These stock options were valued at \$438,035 (June 30, 2014: \$513,364) using the Black-Scholes pricing model and were issued to directors and officers of the Company and included in stock-based compensation (Note 10).
- c) The Company incurred \$629,204 (June 30, 2014: \$1,190,585) in expenses to directors, officers or entities in their control.
- d) The Company incurred \$1,927,797 (June 30, 2014: \$1,533,953) in charges from a mining and engineering firm, DRA Minerals, for which one of the Company's former directors serves as a senior officer and a director which was included in mineral exploration expense.
- e) During the year ended June 30, 2014, and subsequently revised during the year ended June 30, 2015, the Company entered into an agreement to option a 75% interest in the Sagar Property to Honey Badger Exploration Inc. (TSX-V: "TUF"), a public company related by common management (see Note 7).

The following are the related party balances as of June 30, 2015:

- a) Related party balances of \$Nil (June 30, 2014: \$54,764) were included in amounts receivable and prepaid expenses and \$24,048 (June 30, 2014: \$33,019) related to rent, was included in accounts payable and accrued liabilities.
- b) The Company advanced a short-term loan to MacDonald Mines Exploration Ltd. (TSX-V: "BMK"), a company related by way of common management, totaling \$120,238 (June 30, 2014: \$46,366). This loan is interest bearing at a rate of 5%. No amounts have been paid back up to June 30, 2015. Accrued interest due totalled \$3,863 (June 30, 2014: \$142) as at June 30, 2015, and is included in the balance. A \$53,603 (June 30, 2014: \$Nil) impairment charge was recorded against this loan as of June 30, 2015. The Company's short-term loan amounts with RPX of \$24,964 and TUF of \$23,182 which existed as of June 30, 2014 were repaid during the year.
- c) Of the \$Nil (June 30, 2014: \$1,533,007) in charges from a mining and engineering firm for which one of the Company's former directors serves as a senior officer and director. \$Nil (June 30, 2014: \$633,418) is included in accounts payable and accrued liabilities.
- d) \$46,292 (June 30, 2014: \$264,922) was included within accounts payable and accrued liabilities as a committed amount due to the former Chief Executive Officer of the Company.

6. Equipment

	Cost	Accumulated Depreciation	June 30, 2015 Net Book Value	June 30, 2014 Net Book Value
Exploration equipment	\$ 195,561	\$ 117,048	\$ 78,513	\$ 126,385

For the year ended June 30, 2015, depreciation expense totaled \$47,872 (June 30, 2014: \$44,446). For the year ended June 30, 2015, the Company purchased exploration equipment totaling \$Nil (June 30, 2014: \$132,014).

7. Mineral Properties

Molo Graphite Property, Southern Madagascar, Africa

On December 14, 2011, the Company entered into a Definitive Joint Venture Agreement ("JVA") with Malagasy Minerals Limited ("Malagasy"), a public company on the Australian Stock Exchange, to acquire a 75% interest to explore and develop a group of industrial minerals, including graphite, vanadium and approximately 25 other minerals. The land position covers 2,119 permits and 827.7 square kilometres and is mostly adjacent to the south and east of the Company's 100% owned Green Giant Property. The Company paid \$2,261,690 and issued 7,500,000 common shares valued at \$1,350,000.

On April 16, 2014, the Company signed a Sale and Purchase Agreement and a Mineral Rights Agreement with Malagasy to acquire the remaining 25% interest. The Company made the following payments at that time: \$364,480 (CAD\$400,000); issued 2,500,000 common shares subject to a 12 month voluntary vesting period and valued at \$325,000; and issued 3,500,000 common share purchase warrants, valued at \$320,950 using the Black-Scholes pricing model with an exercise price of \$0.14 and an expiry date of April 15, 2019. On May 20, 2015 the Company paid \$546,000 (CAD\$700,000), and issued 1,000,000 common shares valued at \$100,000 due to the completion of a bankable feasibility study ("BFS") for the Molo Graphite Property. Further, a cash payment of \$801,584 (CAD\$1,000,000) will be due within five days of the commencement of commercial production. Malagasy retains a 1.5% net smelter return royalty ("NSR") on the property. The Company also acquired a 100% interest to the industrial mineral rights on approximately 1-1/2 additional claim blocks comprising 10,811 hectares to the east and adjoining the Molo Graphite Property.

Green Giant Property, Southern Madagascar, Africa

During 2007 to acquire a 75% interest in the property, the Company paid \$765,000, issued 2,500,000 common shares and 1,000,000 now expired common share purchase warrants to enter into a joint venture agreement for the Green Giant Property with Madagascar Minerals and Resources Sarl ("MMR"). On July 9, 2009, the Company acquired the remaining 25% interest for \$100,000. MMR retains a 2% NSR. The NSR can be purchased, at the Company's option, for \$500,000 in cash or common shares for the first 1% and \$1,000,000 in cash or common shares for the second 1%.

On April 16, 2014, the Company signed a Joint Venture Agreement with Malagasy, whereby Malagasy acquired a 75% interest for non-industrial minerals on the Company's 100% owned Green Giant Property in Madagascar. On May 21, 2015, Malagasy terminated this Joint Venture Agreement. Therefore, the Company reobtained its 100% interest in all minerals on this property.

Sagar Property - Romanet Horst, Labrador Trough, Quebec, Canada

During 2006, the Company purchased from Virginia Mines Inc. ("Virginia") a 100% interest in 382 claims located in northern Quebec, Canada. Virginia retains a 2% NSR on certain claims within this property with other unrelated vendors holding a 1% NSR on certain claims, and a 0.5% NSR on other claims. For the other vendor's NSR, the Company has the right to buy back half of the 1% NSR for \$200,000 and half of the 0.5% NSR for \$100,000.

On February 28, 2014, the Company signed an agreement to sell an interest in the Sagar property to TUF, a public company related by common management. On July 31, 2014 and May 8, 2015, the agreement terms were revised. In order for TUF to acquire an initial 35% interest in the property, TUF has to pay \$40,079 (CAD\$50,000) by December 31, 2015 and has to spend \$400,792 (CAD\$500,000) by December 31, 2016 developing the property. TUF can earn further percentage interests up to 75% over a period ending December 31, 2019 by spending an additional \$3,206,336 (CAD\$4,000,000), paying the Company an additional \$480,950 (CAD\$600,000) and issuing to the Company the lesser of 15% of its issued and outstanding shares or 35,000,000 shares. Once these commitments have been met, TUF can acquire the remaining 25% interest for \$1,618,600 (CAD\$2,000,000) and issuing the lesser of 19.5% of TUF outstanding shares or 60,000,000 shares, including all previously issued shares.

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8. Deferred Premium on Flow-Through Shares

The premium paid for flow-through shares in excess of the market value of the shares without a flow-through feature is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of operations and comprehensive loss on a pro-rata basis based on the corresponding eligible flow-through expenditures that have been incurred. The following summarizes the deferred premium liability on flow-through transactions for the year ended June 30, 2015.

	June 30, 2015	June 30, 2014
Deferred premium on flow-through shares, beginning of year	\$ 37,145	\$ -
Recognized on issuance of flow-through shares	-	100,538
Recorded to consolidated statement of operations and comprehensive loss	(37,145)	(63,393)
Deferred premium on flow-through shares, end of year	\$ -	\$ 37,145

9. Common Stock and Additional Paid-in Capital

- a) On July 9, 2013, the Company issued 1,255,000 stock options to directors, officers and consultants at an exercise price of \$0.11. The stock options were valued at \$117,594 using the Black-Scholes pricing model with the following assumptions: risk free interest rate - 1.25%; expected volatility - 128%; dividend yield - NIL; and expected life - 5 years. These stock options vested on the grant date.
- b) Between July 26, 2013 and August 1, 2013, the Company closed a private placement raising \$2,043,452. The Company issued 16,950,001 common stock at prices at \$0.12 and \$0.121 per share. The Company paid a fee of \$120,674 and issued 402,000 compensation warrants at an exercise price of \$0.10 and 150,000 compensation warrants at an exercise price of \$0.12. Each compensation warrant expires one year from the date of issue.
- c) On September 19, 2013, the Company issued 750,000 stock options to directors, officers and consultants at an exercise price of \$0.15. The stock options were valued at \$96,675 using the Black-Scholes pricing model with the following assumptions: risk free interest rate - 1.25%; expected volatility - 127%; dividend yield - NIL; and expected life - 5 years. These stock options vested on the grant date.
- d) On October 9, 2013, the Company issued 250,000 stock options to a director of the Company at an exercise of \$0.13 and an expiry date of October 9, 2018. The stock options were valued at \$27,550 using the Black-Scholes pricing model with the following assumptions: risk free interest rate - 1.25%; expected volatility - 126%; dividend yield - NIL; and expected life - 5 years. These stock options vested on the grant date.
- e) On December 18, 2013 the Company closed a private placement raising a total of \$1,479,024. The Company issued 11,189,215 common shares at a price of \$0.13. The Company paid fees of \$98,176 and issued 671,353 compensation warrants at an exercise price of \$0.11. Each compensation warrant expires eighteen months from the date of issue.
- f) On January 10, 2014, the Company issued 4,625,000 stock options to directors and officers of the Company at an exercise of \$0.18 and an expiry date of January 10, 2019. The stock options were valued at \$413,475 using the Black-Scholes pricing model with the following assumptions: risk free interest rate - 1.50%; expected volatility - 110%; dividend yield - NIL; and expected life - 5 years. These stock options vested on the grant date.

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9. Common Stock and Additional Paid-in Capital - continued

- g) On January 15, 2014 and January 31, 2014, the Company closed a private placement raising a total of \$6,906,008. The Company issued 62,384,067 common shares at a price of \$0.111 and 31,192,033 common share purchase warrants with an exercise price of \$0.14. Of the 31,192,033 common share purchase warrants, 29,152,033 expire on January 14, 2017, 1,450,000 expire on June 14, 2015 and 590,000 expire on January 31, 2017. The Company paid fees, including commissions, legal fees and Toronto Stock Exchange ("TSX") fees of \$649,707 and issued 3,396,744 compensation warrants at an exercise price of \$0.11. Each compensation warrant expires eighteen months from the date of issue.
- h) On February 6, 2014, the Company issued 250,000 stock options to a consultant of the Company at an exercise of \$0.18 and an expiry date of February 6, 2019. The stock options were valued at \$26,125 using the Black-Scholes pricing model with the following assumptions: risk free interest rate - 1.50%; expected volatility - 107%; dividend yield - NIL; and expected life - 5 years. These stock options vested on the grant date.
- i) On June 23, 2014, the Company issued 2,500,000 shares of common stock to Malagasy valued at \$0.13 per share for total consideration of \$325,000 and 3,500,000 common share purchase warrants valued at \$320,950 using the Black-Scholes pricing model, with an exercise price of \$0.14 and an expiry date of April 15, 2019 for the remaining 25% interest in the Molo Graphite Property. The Black-Scholes assumptions used were as follows: risk free interest rate - 1.53%; expected volatility - 105%; dividend yield - NIL; and expected life - 5 years.
- j) On July 3, 2014, the Company issued 4,800,000 stock options to directors and officers of the Company at an exercise of \$0.15 and an expiry date of July 3, 2019. The stock options were valued at \$404,160 using the Black-Scholes pricing model with the following assumptions: risk free interest rate - 1.50%; expected volatility - 97%; dividend yield - NIL; and expected life - 5 years. These stock options vested on the grant date.
- k) On September 18, 2014 a total of 571,353 broker common share purchase warrants were exercised at \$0.11 per share for proceeds of \$72,051.
- l) On September 26, 2014 the Company closed a private placement raising a total of \$4,800,000. The Company issued 34,285,714 common shares at a price of \$0.14. The Company paid fees, including commissions, legal fees and TSX fees of \$413,225 and issued 1,928,571 compensation common share purchase warrants at an exercise price of \$0.14 and an expiry date of September 26, 2016.
- m) On December 16, 2014 the authorized capital of the Company was increased from an aggregate of four hundred fifty million (450,000,000) shares to six hundred fifty million (650,000,000) shares, par value of \$0.001 per share, of which 640,000,000 will be deemed common shares and the remaining 10,000,000 will be deemed eligible to be divisible into classes, series and types as designated by the board of directors.
- n) On December 30, 2014 the Company closed a private placement raising a total of \$588,000. The Company issued 4,900,000 common shares at a price of \$0.12. The Company paid fees, including commissions, legal fees and TSX fees of \$27,698 and issued 147,000 compensation common share purchase warrants at an exercise price of \$0.12 and an expiry date of December 30, 2016.
- o) On February 26, 2015, the Company issued 4,480,000 stock options to directors and officers of the Company at an exercise of \$0.20 and an expiry date of February 26, 2020. The stock options were valued at \$223,104 using the Black-Scholes pricing model with the following assumptions: risk free interest rate - 0.94%; expected volatility - 89%; dividend yield - NIL; and expected life - 5 years. These stock options vested on the grant date.

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9. Common Stock and Additional Paid-in Capital – continued

- p) On May 4, 2015 the Company closed a private placement offering (the “Offering”) of 20,550,998 special warrants (“Special Warrants”) at a price of CAD\$0.12 per Special Warrant, representing aggregate gross proceeds of \$2,019,947 (CAD\$2,466,120). Each Special Warrant entitles the holder, for no additional consideration, to acquire one unit (“Unit”) of the Company, with each Unit comprised of one common share of the Company and one-half of one common share purchase warrant (“Warrant”). Each full Warrant entitles the holder to purchase one common share at a price of US\$0.14 per common share until May 4, 2018. The Company paid fees, including commissions, legal fees and TSX fees of \$375,927. On July 31, 2015, each of these Special Warrants were converted into one common share and one half one common share purchase warrant with an exercise price of \$0.14 and an expiry date of May 4, 2018.
- q) On May 20, 2015, the Company issued 1,000,000 shares of common stock at \$0.10 per share valued at \$100,000 as consideration for the Sale and Purchase Agreement and a Mineral Rights Agreements with Malagasy (note 7).

10. Stock Options

On March 9, 2006, the Company filed a Form S-8 registration statement in connection with its newly adopted 2006 Stock Option Plan (the “2006 Plan”) allowing for the direct award of shares or granting of stock options to acquire up to a total of 2,000,000 common shares. On December 18, 2006, February 16, 2007, July 11, 2007, September 29, 2009, May 3, 2011, March 1, 2012, February 27, 2013, December 23, 2013 and January 30, 2015 the 2006 Plan was amended to increase the stock option pool by a total of 41,000,000 additional common shares.

The following is a continuity schedule of the Company's stock options, all of which vest on the grant date:

	Number of Stock Options	Weighted-Average Exercise Price (\$)
Outstanding and exercisable, June 30, 2013	27,140,000	0.28
Issued	7,130,000	0.16
Expired	(5,600,000)	0.39
Cancelled	(200,000)	0.26
Outstanding and exercisable, June 30, 2014	28,470,000	0.23
Issued	9,280,000	0.17
Cancelled	(2,385,000)	0.21
Outstanding and exercisable, June 30, 2015	35,365,000	0.22

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10. Stock Options - continued

The following is a summary stock options outstanding as of June 30, 2015:

Exercise Price (\$)	Number of Stock Options	Expiry Date
0.30	3,600,000	July 1, 2016
0.29	1,650,000	July 13, 2016
0.20	1,640,000	October 24, 2016
0.21	1,910,000	December 1, 2016
0.28	5,400,000	March 7, 2017
0.23	180,000	May 23, 2017
0.21	5,250,000	February 27, 2018
0.11	1,080,000	July 9, 2018
0.15	675,000	September 19, 2018
0.13	250,000	October 9, 2018
0.18	4,450,000	January 10, 2019
0.18	250,000	February 6, 2019
0.15	4,550,000	July 3, 2019
0.20	4,480,000	February 26, 2020
	35,365,000	

11. Warrants

The following is a continuity schedule of the Company's common share purchase warrants:

	Number of Warrants	Weighted-Average Exercise Price (\$)
Outstanding and exercisable, June 30, 2013	3,513,599	0.46
Issued	39,312,130	0.16 *
Expired	(270,000)	0.19
Outstanding and exercisable, June 30, 2014	42,555,729	0.16 *
Issued	22,626,569	0.01
Exercised	(571,353)	0.11 *
Expired	(992,028)	0.19 *
Outstanding and exercisable, June 30, 2015	63,618,917	0.10 *

* Amount represents the converted USD exercise price

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11. Warrants - continued

The following is a summary common share purchase warrants outstanding as of June 30, 2015:

Exercise Price (\$)	Number of Warrants	Expiry Date
0.11 (b)	3,396,744	July 14, 2015
0.14 (c)	1,450,000	July 14, 2015
- (d)	20,550,998	November 5, 2015
0.14	1,928,571	September 26, 2016
0.18 (a)	2,903,571	November 15, 2016
0.12	147,000	December 30, 2016
0.14 (c)	29,152,033	January 14, 2017
0.14 (c)	590,000	January 31, 2017
0.14	3,500,000	April 15, 2019
	63,618,917	

(a) On December 24, 2013, the Company re-priced and extended the term of the common share purchase warrants from an expiry of November 15, 2015 and an exercise price of \$0.23 to November 15, 2016 and \$0.18, respectively.

(b) The exercise price is CAD\$0.14.

(c) The exercise price is CAD\$0.18.

(d) On July 31, 2015, each of these special warrants were converted into one common share and one half one common share purchase warrant with an exercise price of \$0.14 and an expiry date of May 4, 2018 (see also note 9).

The Company has accounted for the warrant liability in accordance with ASC Topic 815. These warrants are considered derivative instruments as they were issued in a currency other than the Company's functional currency of the US dollar. The estimated fair value of warrants accounted for as liabilities was determined on the date of issue and are marked to market at each financial reporting period. The change in fair value of the warrant liability is recorded in the consolidated statements of operations and comprehensive loss as a gain or loss and estimated using the Binomial model with the following weighted average inputs:

	June 30, 2015	June 30, 2014
Exercise price	\$0.14	\$0.13
Risk free rate	1.53%	1.19%
Expected volatility	93.7%	88%
Expected dividend yield	Nil	Nil
Expected life (in years)	1.48	2.48

	June 30, 2015	June 30, 2014
Beginning balance, derivative warrant liability	\$ 1,830,151	\$ -
Origination of derivative warrant liability January 2014	-	1,806,865
(Gain)/Loss on change in fair value of derivative warrant liability	(985,300)	23,286
Ending balance, derivative warrants liability	\$ 844,851	\$ 1,830,151

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12. Income Taxes

Below is a reconciliation of the United States income tax provision at the statutory rate of 35% to the actual provision:

	June 30, 2015	June 30, 2014
Net loss	\$ (6,072,810)	\$ (11,180,583)
Rate	35.00%	35.00%
Expected income tax recovery	\$ (2,125,480)	\$ (3,913,200)
Tax rate changes and other adjustments	352,480	(798,420)
Stock-based compensation	219,540	238,500
Change in tax benefits not recognized	1,208,360	4,480,270
Non-deductible expenses	345,100	(7,150)
Income tax recovery reflected in the Consolidated Statements of Operations and Comprehensive Loss	\$ -	\$ -
The Company's income tax (recovery) is allocated as follows:		
Current tax expense	\$ -	\$ -
Future tax recovery	-	-
	\$ -	\$ -

Future Income Tax Assets

The Company's future income tax assets and liabilities as at June 30, 2015 and 2014 are as follows:

	June 30, 2015	June 30, 2014
Future Income Tax Assets		
Non-capital losses - United States	\$ 8,855,130	\$ 8,786,110
Exploration expenditures	8,300,770	7,813,100
Other deductible temporary differences	141,860	10,900
	17,297,760	16,610,110
Less: valuation allowance	(17,297,760)	(16,610,110)
Net future income tax assets	\$ -	\$ -

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12. Income Taxes - continued

The United States net operating loss carry forwards expire as noted below. The remaining deductible temporary differences may be carried forward indefinitely. Future tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom. The Company's United States net operating losses expire as follows:

2025	\$ 4,130
2026	29,460
2027	283,870
2028	909,180
2029	341,250
2030	3,435,600
2031	3,998,670
2032	5,264,970
2033	4,660,880
2034	3,642,800
2035	2,729,570
	<hr/>
	\$ 25,300,380
	<hr/>

13. Loss Per Share

Basic and diluted loss per share is computed using the weighted average number of common stock outstanding. Diluted loss per share and the weighted average number of shares of common stock exclude all potentially dilutive shares since their effect is anti-dilutive. As at June 30, 2015, there were a total of 98,983,917 (June 30, 2014: 71,025,729) potentially dilutive stock options and common share purchase warrants outstanding.

14. Segmented Reporting

The Company operates one operating segment, that being the exploration and development of mineral properties. The Company's President and Chief Executive Officer and Chief Financial Officer are the operating decision-makers, and direct the allocation of resources to geographic segments. No revenue has been generated by these properties. A summary of mineral exploration expenses by geographic area is as follows:

For the year ended June 30, 2015	Madagascar	Canada	Total
Mineral exploration expense	\$ 2,852,214	\$ 1,699,072	\$ 4,551,286
	<hr/>		
For the year ended June 30, 2014	Madagascar	Canada	Total
Mineral exploration expense	\$ 5,039,517	\$ 2,304,024	\$ 7,343,541
	<hr/>		

As at June 30, 2015, \$65,299 (June 30, 2014: \$58,110) in cash was held in Africa and \$713,819 (June 30, 2014: \$1,192,273) in cash was held in Canada. All of the Company's remaining assets were held in Canada.

15. Contingency

During fiscal 2014 the Company issued 17,889,215 flow-through shares requiring the Company to spend \$3,812,642 on qualified Canadian Exploration Expenditures (“CEE”) on or before December 31, 2014. As at December 31, 2014, the Company had unfulfilled CEE obligations of \$422,415. As the Company did not fulfill the expenditure obligation, the Company accrued an amount of \$42,242, included in accounts payable and accrued liabilities, related to Part XII.6 tax and related penalties and interest on the unfulfilled commitments.

Furthermore, the Company may also have to indemnify shareholders for taxes and penalties related to the unspent portion of the commitment. An estimated amount totaling \$147,845 was recorded in accounts payable and accrued liabilities, related to the indemnification on the unfulfilled commitments based upon a combined tax rate of 35% of unspent flow-through funds raised. The outcome of the amount of actual claims and penalties, if any, is contingent on assessments of the Canada Revenue Agency.



Consent of Independent Registered Public Accounting Firm

We hereby consent to the inclusion in Energizer Resources Inc.'s (the "Company") Annual Report on Form 10-K of our audit report dated September 28, 2015, with respect to the consolidated financial statements of the Company for the years ended June 30, 2015 and 2014.

Signed: "***MNP LLP***"

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants
Mississauga, Canada

Dated: September 28, 2015

Exhibit 31.1

Certification of CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

I, Craig Scherba, certify that:

1. I have reviewed this annual report on Form 10-K 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)) 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 Issuer, 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 Issuer'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 Issuer's internal control over financial reporting that occurred during the Registrant's fiscal quarter ending June 30, 2015 that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditor and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All 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.

Dated: September 28, 2015

/s/ Craig Scherba
Craig Scherba, President & Chief Executive Officer

Exhibit 31.2

Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

I, Peter Liabotis, certify that:

1. I have reviewed this annual report on Form 10-K 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)) 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 Issuer, 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 Issuer'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 Issuer's internal control over financial reporting that occurred during the Registrant's fiscal quarter ending June 30, 2015 that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditor and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All 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.

Dated: September 28, 2015

/s/ Peter Liabotis

Peter Liabotis, Chief Financial Officer (Principal Accounting Officer)

Exhibit 32.1

**CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the annual report of Energizer Resources Inc. (the "Company") on Form 10-K for the period ending June 30, 2015, 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 § 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.

Dated: September 28, 2015

/s/ Craig Scherba
Craig Scherba, President & Chief Executive Officer

Exhibit 32.2

**CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the annual report of Energizer Resources Inc. (the "Company") on Form 10-K for the period ending June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Liabotis, Chief Financial Officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 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.

Dated: September 28, 2015

/s/ Peter Liabotis

Peter Liabotis, Chief Financial Officer (Principal Accounting Officer)