

Analyst says the time is now for Energizer Graphite

Energizer Resources Inc. (TSX:EGZ | OTCQB:ENZR) (“Energizer”) is about to complete a detailed engineering study on its 100%-owned Molo Graphite Project in Madagascar. Following the study, the company will enter phase 1 of real production. The construction of the mine, is earmarked for completion by year-end and will run at 15,000 tpa and later be scaled-up to track the demand curve. The mine is capable of running for over ninety years and the company’s bankable feasibility study (BFS) envisages that this capacity could be scaled up to 50,000 tpa. We have commented on numerous occasions regarding graphite’s near-absurd upward momentum in the coming years, which prompted Energizer’s decision in 2012 to temporarily halt progressing its nearby vanadium deposit in order to prioritise development of one of the world’s leading graphite deposits.

The procurement of equipment for construction is now imminent, and in preparation, the company has hired renowned former Managing Director of DRA Africa (DRA), Johann de Bruin, as consultant to the project. DRA is the largest and most successful African-based engineering firms specialising in mine construction. You don’t get to having 3,000 global employees and twenty offices for nothing, and de Bruin’s involvement is a strong confidence marker indeed. During his tenure at DRA, Mr. de Bruin was instrumental in growing the mining project portfolio to include design and construction of 35 platinum concentrators, 42 coal processing plants and 12 metallurgical plants across multiple commodities, collectively valued at over \$5 billion.

Additionally, the company’s VP of operations, Robin Borley, who will work alongside de Bruin, has also done time at DRA, and their combined skillsets provide Energizer with, quite

frankly, ridiculous levels of expertise in bringing the complex island project to maximum fruition.

Molo contains one of the largest primary sources of crystalline flake graphite in the world. What gives this particular deposit a competitive edge is that the material in Madagascar is immediately at surface, meaning little-to-no stripping requirements, and much easier access to the site than would normally be expected.

The Molo flake graphite deposit is located in a savannah region that is sparsely populated, which makes it ideal for low cost, open pit mining as no special relocation or protection measures (lengthy and costly endeavours) are required. As a result of this favourable location, the demo-plant will cost only \$7m. Furthermore, the site enjoys convenient access to two port cities, Toliara, the regional capital, and Fort Dauphin, that will be utilised for shipping the finished product.

The 2015 Feasibility Study considers a mine that will produce an average of 856,701tpa of ore, which will be processed to produce approximately 53,017tpa of graphite concentrate over a mine-life of 26 years. Production is likely to commence in 2018 given the ever-so-slight delay in completing the engineering study, but at such a late stage, and with progress looking good, Energizer have a clear shot at emerging successful with a long-term project.

Perhaps most importantly, the Molo site is to be found in an area of dry grassland, entirely away from people and wildlife, meaning that very little resistance should be encountered in establishing a producing facility in the pro-mining nation. Investors looking to participate in a graphite play (who isn't?) would do very well to send some cash to Madagascar; this year will almost certainly be the final year of construction-only business for Energizer, and with conveyor-belts-a-rolling from next year, it won't be a bargain to get

involved for very much longer.