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Energizer Resources' Metallurgical Enhancements Yield Superior Graphite Flake Recovery with Significant Increase in Large and Jumbo Flake Sizes

Malagasy Minerals Limited (ASX Code: MGY) advises that the attached announcement has been made by Energizer Resources Inc. ("Energizer") its Joint Venture partner in the Molo Graphite Project in Madagascar.

Malagasy holds a 25% free-carried interest through to completion of a bankable feasibility study in the Molo Graphite JV.

For and on behalf of the Board

Peter Langworthy
Technical Director

Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Peter Langworthy, Consulting Geologist, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Peter Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



Energizer Resources' Metallurgical Enhancements Yield Superior Graphite Flake Recovery with Significant Increase in Large and Jumbo Flake Sizes

NEWS RELEASE – August 19, 2013

Energizer Resources Inc. (TSX: EGZ) (OTCBB: ENZR) (FWB: YE5) ("Energizer" or the "Company") is pleased to announce further positive results from ongoing metallurgical optimization tests from the Company's flagship Molo flake graphite deposit ("the Molo") in Madagascar.

In addition to having achieved an ultra-high purity of greater than 99.9% graphitic carbon on a first-pass purification test, latest results from the Phase 1 Molo process optimization testing at SGS Canada Inc. ("SGS") has yielded superior results as compared to the graphite flake size distributions previously reported in the Company's Preliminary Economic Assessment (PEA) Study released in February 2013.

These positive results from the ongoing metallurgical optimization tests will further improve the economics of the Molo graphite project, since larger graphite flake sizes command premium selling prices.

The highlights of the open circuit cleaner test results using an optimized cleaning circuit are as follows:

- 47.6% of the concentrate mass is large and jumbo flake graphite (greater than +80 mesh) at a grade of 96.8% C(t);
- 21.7% of the concentrate mass is jumbo flake graphite (greater than +48 mesh) at a grade of 97.4% C(t);
- 23.5% of the concentrate is medium flake graphite (-80 to +150 mesh) at a grade of 95.6%;
- 28.9% of the concentrate is small flake (-150 mesh) at a grade of 95.7% C(t);
- Overall, there was a 44% increase in graphite flakes larger than +100 mesh as compared to the PEA study, and the grade improved to 96.3% C(t) from 94.9% C(t)..
- Exceptional increase in the small flake (-200 mesh) size fraction concentrate grade from 82.1% C(t) to 96.0 % C(t)
- The combined concentrate obtained in the test graded 96.2% C(t);

Processing Considerably Simplified

The significant gain in the flake-size distribution and concentrate grades of the Molo graphite deposit was achieved as a result of the SGS test protocol utilizing an optimized circuit that employed only a simple grind and gentle polishing between flotation stages. This process resulted in significantly minimizing graphite flake breakage and is considerably simplified as compared to the process on which the Company's PEA Study was based.

This open circuit cleaner test will be immediately followed up with a locked cycle flotation test, which simulates the continuous operation of a circuit under laboratory scale conditions.

Substantive Reductions Expected in CAPEX and OPEX

Craig Scherba, President and COO, stated, "These results are very significant because premium prices for graphite are achieved with the highest purity and flake sizes, and Energizer has just achieved marked increases in both. Based on these excellent results, Energizer anticipates that there will be a significant enhancement to the already positive economics of the project presented in our PEA Study."

Molo Well Positioned for Key Demand Markets

The Molo Graphite property is situated in an extremely rare and unique geological setting that has resulted in the flake graphite being very high in both purity and quality. The ability for Energizer to produce a natural flake graphite product with the highest purities possible, with markedly enhanced graphite flake sizes and using low-cost, standard processing techniques will allow Energizer to target all markets utilizing value-added graphite applications.

According to industry experts, flake graphite is the most desired form of natural graphite because only natural flake graphite has all the necessary attributes and material properties that allow it to be used across all end-use applications where natural graphite can be used. The general rule is: the larger the flake size and the higher the purity, the higher the selling price.

The three largest demand markets for high-purity natural flake graphite today, and going forward, are:

- Refractories; acts as a protective insulator from high temperature and corrosive environments
- Battery and energy storage; a critical component in alkaline, lithium-ion batteries, fuel cells and vanadium redox flow batteries
- Specialty graphite foils; essential as a heat sink and sealant in all portable electronics, smartphones, flat panel televisions and computer monitors

Natural flake graphite is the choice for many refractory applications owing to its particle shape and size. Neither synthetic nor amorphous graphite can be used to produce graphite foils, which are a main component in fuel cells, smart phones, consumer electronics, solar panels, laptops, all flat panel televisions and computer monitors. Flake graphite is the only form of natural graphite that competes directly with synthetic graphite in producing battery anode material.

About SGS Metallurgical Services (Lakefield)

SGS Canada Inc. ("SGS") is recognized as a world leader in the development of process flow sheets and pilot plant testing programs. SGS' Metallurgical Services division was founded over half a century ago. Its metallurgists, hydro-metallurgists and chemical engineers are experienced in all the major physical and chemical separation processes utilized in the recovery of metals and minerals contained in resource properties around the world.

Qualified Person

The technical information presented in this press release has been reviewed by Oliver Peters, M.Sc., MBA, P.Eng. (Ontario), Principal Metallurgist and President of Metpro Management Inc. and a Qualified Person under NI 43-101.

About Energizer Resources

Energizer Resources Inc. is a mineral exploration and development company based in Toronto, Canada, which is focused on developing its flagship Molo flaked graphite deposit located near Fotadrevo in the southern region of Madagascar. The Molo graphite property is held 100% within the joint venture (JV)

entity with Malagasy Minerals Limited. Energizer has a 75% ownership interest and is the operator of the Project.

Administration

The Company has closed a non-brokered private placement. The company raised CAD\$837,500 and USD\$1,230,000 by issuing 16,950,001 of the Company's Common Shares. The proceeds of this offering will be used to fund the completion of the full-scale pilot plant, which is a component of a Full Feasibility Study. In connection with the closing, Energizer paid compensation consisting of cash fees of CAD\$57,750 and USD\$21,600 and issued 582,000 compensating options.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to U.S. persons unless an exemption from registration is available. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction. All securities issued in connection with the Offering will also be subject to a four-month hold period from the date of issuance as required by Canadian authorities and a six month hold period as required by U.S. authorities. Completion of the Offering remains subject to final approval of the applicable regulatory authorities, including the Toronto Stock Exchange.

The Company has applied to the Toronto Stock Exchange to extend the term and revise the price of a total of 2,903,571 common share purchase warrants. These common share purchase warrants originally had an exercise price of USD\$0.50 and an expiry date between November 6 and 15, 2014. The Company has applied to change the exercise price to USD\$0.23 and extend the term by one year so that all of the common share purchase warrants expire on November 15, 2015. No insiders of the Company hold any of these common share purchase warrants. Finalization of this change is subject to the approval of the Toronto Stock Exchange and if approved, the amendment will be effective 10 business days from the date of this press release.

For more information, please visit our website at www.energizerresources.com or contact:

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or Craig Scherba, President and COO

Safe Harbour: This press release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from expectations and projections set out herein.