U.S. 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, 2017

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

Commission File Number 000-51151

NEXTSOURCE MATERIALS INC.

(Exact name of registrant as specified in its charter)

Minnesota	20-0803515
(State or other jurisdiction of Incorporation or organization)	**(I.R.S. Employer Identification No.)**
1001–145 Wellington Street West, Toronto, Ontario	M5J 1H8
(Address of principal executive offices)	**(Zip Code)**

(416) 364-4911

(Registrant's telephone number, including area code)

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

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

Indicate by check mark 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 Section 15(d) of the 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 Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated file ☐ Accelerated filer ☐ Non-Accelerated filer ☐
Smaller reporting company ☒ Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

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

Aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of December 31, 2016, based upon the closing price of the common stock as reported on the OTCQB on such date: $22,995,535

As of September 27, 2017, there were 460,995,711 shares of the Registrant's common stock issued and outstanding.

Documents Incorporated by Reference: None

NextSource Materials Inc.

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.

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

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

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

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

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

All references to "dollars", "$" or "US$" are to United States dollars and all references to "CAD$" are to Canadian dollars. United States dollar equivalents of Canadian dollar figures are based on the daily average 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.

All references to "tpa" refer to tonnes per annum.

NextSource Materials Inc.

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FINANCIAL INFORMATION

As used in these footnotes, "we", "us", "our", "NextSource Materials ", "NextSource", "Company" or "our company" refers to NextSource Materials Inc. and all of its subsidiaries.

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All references to "tpa" refer to tonnes per annum.

ITEM 1. – BUSINESS

Company Overview

Our principal business is the acquisition, exploration and development of mineral resources. We are primarily focused on the development of the Molo Graphite Project into a fully operational and sustainable graphite mine.

The Molo Graphite Project currently consists of a commercially minable graphite deposit situated in the African country of Madagascar. No mine infrastructure currently exists at the Molo Graphite Project site. We have additional exploration-stage mineral properties situated in Madagascar, including the Green Giant Property.

We have not generated operating revenues or paid dividends since inception on March 1, 2004 to the period ended June 30, 2017 and we are unlikely to do so in the immediate future. Our business activities have been entirely financed from the proceeds of securities subscriptions.

Our executive offices are situated at 1001–145 Wellington Street West, Toronto, Ontario, Canada, M5J 1H8 and the primary telephone number is (416) 364-4986. Our website is www.nextsourcematerials.com (which website is expressly not incorporated by reference into this filing).

We are incorporated in the State of Minnesota, USA and have a fiscal year end of June 30.

On April 19, 2017, the Company changed its name from Energizer Resources Inc. to NextSource Materials Inc. as part of our rebranding effort and to better reflect our evolution from an exploration-stage company into a mine-development company. Our new symbol on the Toronto Stock Exchange is "NEXT" and on the OTC Markets is "NSRC."

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

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

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

Further details regarding each of our Madagascar properties, although not incorporated by reference, including the comprehensive feasibility studies prepared in accordance with Canada's National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") for the Molo Graphite Project and separately the technical report on the Green Giant Property in Madagascar can be found on the Company's website at www.nextsourcematerials.com (which website is expressly not incorporated by reference into this filing) or in the Company's Canadian regulatory filings at www.sedar.com (which website and content is expressly not incorporated by reference into this filing).

We report mineral reserve estimates in accordance with the Securities and Exchange Commission's Industry Guide 7 ("Guide 7") under the Securities Act of 1933, as amended (the "U.S. Securities Act"). As a reporting issuer in Canada with our primary trading market in Canada, we are also required to prepare reports on our mineral properties in accordance with NI 43-101. The technical reports referenced in this document use the terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource". These terms are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under Guide 7 and are normally not permitted to be used in reports filed with the Securities and Exchange Commission. As a result, information in respect of our mineral resources determined in accordance with NI 43-101 is not contained in this document.

Cautionary Note

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

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

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

Due to the present inability to generate revenues, accumulated losses, recurring losses and negative operating cash flows, the Company has stated its opinion in Note 1 of our audited financial statements, as included in this annual report, that there currently exists substantial doubt regarding the Company's ability to continue as a going concern.

Summary of Milestones

In July 2016, we appointed UK-based HCF International Advisers Limited ("HCF") as advisor in negotiating and structuring strategic partnerships, off take agreements and debt financing for our Molo Graphite Project in Madagascar. Discussions in respect of these matters have been ongoing for the past 26 months and are expected to continue during the coming months with no assurances as to the conclusion or results of these discussions.

In August 2016, we initiated a Front-End Engineering Design Study (the "FEED Study") and value engineering for our Molo Graphite Project in Madagascar. The FEED Study was undertaken in order to optimize the mine plan as envisioned in the technical report titled "Molo Feasibility Study – National Instrument 43-101 Technical Report on the Molo Graphite Project located near the village of Fotadrevo in the Province of Toliara, Madagascar", dated July 13, 2017, effective as of July 13, 2017 (the "Molo Feasibility Study") and determine the optimal development path based on discussions with prospective strategic partners. All costing aspects were examined with the goal of providing a method to produce meaningful, multi-tonne test samples of Molo graphite concentrate to potential off-takers while reducing the CAPEX and time required to the commencement of commercial production.

On November 7, 2016, we outlined a phased mine development plan for the Molo Graphite Project based on the FEED Study and value engineering. The results supported the construction of a plant to test and verify the flow sheet design from the Molo Feasibility Study. Under the existing Exploration Permit, the Company is limited to an ore input of 20,000 cubic meters (or approximately 50,000 tonnes) of front-end feed into the demonstration plant. Upon approval of a full mining permit, the 20,000-cubic meter test limit would be removed and at full capacity, the demonstration plant would be capable of processing up to 240,000 tonnes of feed per annum, which equates to 30 tonnes per hour of ore feed and roughly 1 to 3 tonnes of flake graphite concentrate production per hour.

Phase 1

Phase 1 would consist of a fully operational and sustainable graphite mine with a permanent processing plant capable of producing, in our estimation, approximately 17,000 tpa of high-quality SuperFlake™ graphite concentrate with a mine life of 30 years (as discussed below). The fully-modularized mining operation in this phase will use a 100% owner-operated fleet that we believe will process an average of 240,000 tonnes of ore per year (or 30 tonnes per hour) of mill feed (ore) that will be processed on site. Phase 1 will provide "proof of concept" for the modular methodology and allow NextSource the flexibility to optimize further the process circuit while being capable of supplying a true "run-of-mine" flake concentrate to potential off-takers and customers for final product validation. All supporting infrastructure including water, fuel, power, dry-stack tailings and essential buildings will be constructed during Phase 1 to sustain the fully operational and permanent processing plant. The plant will utilize dry-stack tailings in order to eliminate the up-front capital costs associated with a tailings dam. NextSource's existing camp adjacent to the nearby town of Fotadrevo will be used to accommodate employees and offices, with additional housing available within the town for additional employees.

Phase 2

Phase 2 would consist of a modular expansion to plant capable of producing approximately 50,000 tpa of high-quality SuperFlake™ graphite concentrate. Timing of the implementation of Phase 2 will be determined by market demand for SuperFlake™ graphite and will incorporate the unique full-modular build approach used in Phase 1. This phase will include the construction of additional on-site accommodation and offices, upgrading of road infrastructure, port facility upgrades, a wet tailings dam facility and further equipment purchases to provide redundancy within the processing circuit. The costs for these capital expenditures are unknown at this time, but will be assessed as part of an economic analysis completed in parallel with Phase 1 development.

On June 1, 2017, we released the results of a positive updated Molo Feasibility Study for Phase 1 of the mine development plan utilizing a fully modular build-out approach which was based on the FEED Study and subsequent detailed engineering studies. Phase 1 would consist of a fully operational and sustainable graphite mine with a permanent processing plant capable of producing, in our estimation, approximately 17,000 tpa of high-quality SuperFlake™ graphite concentrate per year with a mine life of 30 years. The Phase 1 production costs were estimated at $433 per tonne at the plant and $688 per tonne delivered CIF port of Rotterdam. The Phase 1 capital costs were estimated at $18.4 million with a construction projected but not guaranteed timeline of approximately 9 months. Based on an average selling cost of $1,014 per tonne, the Phase 1 was estimated to have a pre-tax NPV of $34 million using an 8% discount rate, a pre-tax internal rate of return (IRR) of 25.2%, and a post-tax IRR of 21.5%.

Summary of Future Plans

We have applied for a mining permit from the Government of Madagascar to begin construction of Phase 1 of the Molo Graphite Project. Although the Company believes it has complied with all permit requirements and has submitted all necessary documents, there can be no assurances as to the timing of the receipt of a mining permit.

In anticipation of receiving the mine permit and of eventual graphite production, we have continued to pursue negotiations in respect of potential off-take agreements with graphite end-users and intermediaries with the intention of securing project financing alternatives, which may include debt, equity and derivative instruments.

From the date of this report, and subject to availability of capital and unforeseen delays in receiving the mining permit for the Molo Graphite Project, our business plan during the next 12 months is to incur between $2,200,000 to $23,000,000 on further permitting, engineering, construction, professional fees, G&A and working capital costs to achieve initial production at the Molo Graphite Project by July 2018. No assurances can be provided that we will achieve our production objective by that date.

The following is a summary of the amounts budgeted to be incurred (presuming all $23,000,000 is required):

Professional Fees and General and Administrative	$	1,500,000
Environmental and Permitting Fees	$	700,000
Phase 1 Processing Plant CAPEX	$	14,500,000
Phase 1 Infrastructure CAPEX	$	400,000
Construction Financing Costs	$	1,100,000
Construction Contingency Costs (10%)	$	1,700,000
Working Capital for Mine Startup	$	3,100,000
Total	**$**	**23,000,000**

The above amounts may be updated based on actual costs and the timing may be delayed or adjusted 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.

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

Employees

As of the date of this annual report, we have 4 full-time employees and consultants based in Toronto and South Africa engaged in the management of the Company as well as several additional consultants in South Africa and Madagascar that serve managerial and non-managerial functions.

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.

Government Regulations and Permitting

The receipt of the exploitation permit is a critical step in the larger permitting and licensing regime. The permitting and licensing of the Molo Graphite Project requires dedicated attention to ensure momentum is maintained during the application for and delivery of all necessary permits and licenses.

The Molo Graphite Project exploration permit PR 3432 is currently held under the name of one of our Madagascar subsidiary ERG Madagascar SARLU. Our Madagascar subsidiaries have paid all taxes and administrative fees to the Madagascar 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 Madagascar government. In addition, we continue to diligently work with the Madagascar government to obtain the necessary permits as the country clears its backlog of applications and amendments.

We have applied to have the Molo Graphite Project exploration permit converted into an exploitation permit, which is expected to be completed in due course. The exploitation permit is required to advance the Molo Project into the developmental stage.

A comprehensive Environmental and Social Impact Assessment ("ESIA"), developed to local Malagasy, Equator Principles, World Bank and International Finance Corporation (IFC) standards, is nearing completion. This 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.

Application for all necessary permits to construct and operate the mine, including water use, construction, mineral processing, transportation, export, and labour will be undertaken within the ESIA review period (6 months), which is expected to be from September 2017 till February 2018.

Security of land tenure is a process that is estimated to take 6-9 months to complete. Compilation of a comprehensive legal register will also be required.

The Company cannot provide any assurance as to the timing of the receipt of the required permits and licenses.

Graphite Prices

Graphite prices are highly variable depending on the flake size, carbon content and level of processing.

Natural flake graphite prices rose steeply in 2010 and 2011 before declining steadily until mid-2016. This price peak was the result of graphite consumer fears that Chinese consolidation in the flake graphite sector, coupled with bullish forecasts for demand growth for use in lithium-ion batteries, would create an eventual shortage of supply and encouraged producers to hoard stocks and traders to speculate on prices. Instead, Chinese flake graphite consolidation continued but at a slower than expected pace and lithium-ion-based electric vehicle ("EV") adoption rates were also been slower than first predicted.

This is expected to change over the next decade as the market for lithium-ion battery components increases graphite demand, resulting in price increases for battery grades.

Larger flake sizes and higher carbon grades have always achieved the highest price. The jumbo flake price premium is justified because of the use of the larger fractions in specialist applications. The actual market size for these larger fractions is relatively small but is forecast to grow over the next ten years.

The 3-year historic average price for global flake graphite across different flake sizes were as follows:

Global Flake Graphite Weighted Average Selling Price

	2014	2015	2016	3-Year Average
Jumbo Flake	$1,821	$1,530	$1,470	$1,607
Large Flake	$1,317	$1,183	$861	$1,120
Medium Flake	$1,042	$1,025	$770	$946
Fine Flake	$965	$846	$668	$826

Source: Flake graphite average prices provided by Roskill Consulting Group Ltd.

The rapid uptake of lithium-ion batteries between 2017 and 2030 is expected to encourage growth in the demand for fine and medium size flake graphite. The future price of flake graphite from 2017 until 2030 will be influenced by several factors until 2030, including:

- Amount of graphite supply from new projects and expansions of existing projects in China and ROW
- Curtailment of flake graphite production in China as the government imposes environmental controls
- Demand and supply balance by graphite flake size
- Growth of the lithium-ion battery market
- Competition from synthetic graphite
- Recycling of refractory graphite products

Cautionary note to U.S. investors regarding estimates of measured, indicated and inferred resources and proven and probable reserves

As used in this Annual Report on Form 10-K, 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 (CIM)-CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended ("CIM Definition Standards").

These definitions differ from the definitions in Guide 7 under the Securities Act. However, despite the differences in the definition between NI 43-101 and Guide 7:

- *Erudite Strategies (Pty) Ltd. has stated that the Proven and Probable Reserves reported in the Molo Feasibility Study are equal to the proven and probable reserves which would have been reported had the reports been prepared pursuant to Guide 7 standards, and in such disclosures, the procedures and definitions employed in the estimation of proven and probable reserves is also consistent with Guide 7 definitions*

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 designated as the "qualified person" who reviewed and approved the technical disclosure contained in this document.

Molo Graphite Project, Southern Madagascar, Africa

Madagascar has been a traditional producer of flake graphite for over a century but has never exceeded 12,000 tonnes of production annually. Currently, Madagascar's annual production of flake graphite averages about 5,000 tonnes. The Molo Graphite Project deposit represents the first new and substantial graphite discovery in the country in over 50 years.

Project Timeline

The Molo Graphite Project is one of seven surficial graphite trends discovered and drill tested by NextSource in late 2011 and announced to the market in early January 2012. The Molo deposit itself occurs in a flat, sparsely populated and dry savannah grassland region that has easy access via a network of seasonal secondary roads.

The Molo Graphite Project graphitic zone consists of multi-folded graphitic strata with a surficially exposed strike length of over two kilometres. Outcrop mapping and trenching on the Molo Graphite Project has shown the surface geology to be dominated by resistant ridges of graphitic schist and graphitic gneiss, as well as abundant graphitic schist float. Geological modeling has shown that the Molo Graphite Project deposit consists of various zones of mineralized graphitic gneiss, with a barren footwall composed of garnetiferous gneiss. The host rock of the mineralized zones on the Molo Graphite Project is graphitic gneiss.

Resource delineation, drilling and trenching on the Molo Graphite Project took place between May and November of 2012, which resulted in a maiden mineral resource estimate to be released in early December of the same year. This maiden mineral resource estimate formed the basis for the Company's Preliminary Economic Assessment (the "PEA"), which was undertaken by DRA Mineral Projects and released in 2013.

The positive outcome of the PEA led NextSource to undertake another phase of exploratory drilling and sampling in 2014 to upgrade the deposit and its contained mineral resources to mineral reserves. The process included an additional 32 diamond drill holes (totaling 2,063 metres) and 9 trenches (totaling 1,876 metres). The entire database upon which the upgraded resource estimate was based contained 80 drill holes (totaling 11,660 metres) and 35 trenches (totaling 8,492 metres). This new mineral resource formed the basis of the Molo Feasibility Study, which was originally released in February 2015.

In July 2016, we appointed HCF as advisor in negotiating and structuring strategic partnerships, off-take agreements and debt financing for its Molo Graphite Project.

In August 2016, we initiated the FEED Study and value engineering for our Molo Graphite Project in Madagascar. The FEED Study was undertaken in order to optimize the mine plan as envisioned in the Molo Feasibility Study and determine the optimal development path based on discussions with prospective strategic partners. All costing aspects were examined with the goal of providing a method to produce meaningful, multi-tonne test samples of Molo graphite concentrate to potential off-takers while reducing the CAPEX and time required to the commencement of commercial production.

On November 7, 2016, we outlined a phased mine development plan for the Molo Graphite Project based on the FEED Study and value engineering. The results supported the construction of a cost-effective demonstration plant to test and verify the flow sheet design from the Molo Feasibility Study. Under the Exploration Permit, the Company would initially be limited to an ore input of 20,000 cubic meters (or approximately 50,000 tonnes) of front-end feed into the demonstration plant. Upon approval of a full mining permit, the 20,000 cubic meter test limit would be removed and at full capacity, the demonstration plant would be capable of processing up to 240,000 tonnes of feed per annum, which equates to 30 tonnes per hour of ore feed and roughly 1 to 3 tonnes of flake graphite concentrate production per hour.

On June 1, 2017, we released the results of a positive updated Molo Feasibility Study for Phase 1 of the mine development plan utilizing a fully modular build-out approach and based on the FEED Study and subsequent detailed engineering studies. Phase 1 would consist of a fully operational and sustainable graphite mine with a permanent processing plant capable of producing approximately 17,000 tpa of high-quality SuperFlake™ graphite concentrate per year with a mine life of 30 years. The Phase 1 production costs were estimated at $433 per tonne at the plant and $688 per tonne delivered CIF port of Rotterdam. The Phase 1 capital costs were estimated at US$18.4 million with a construction timeline of approximately 9 months. Based on an average selling cost of $1,014 per tonne, the Phase 1 financials were estimated to have a pre-tax NPV of $34M using an 8% discount rate, a pre-tax internal rate of return (IRR) of 25.2%, and a post-tax IRR of 21.5%. The average selling price of $1,014 per tonne is

the weighted average selling price for the different graphite sizes that we expect to sell. The average selling price is less than the comparable 3-year historic weighted average price.

Molo Feasibility Study

The following information is derived from the Molo Feasibility Study dated July 13, 2017 and prepared by J.K. de Bruin Pr.Eng of Erudite Strategies (Pty) Ltd., J. Hancox of Caracle Creek International Consulting (Pty) Ltd., D. Subrumani of Caracle Creek International Consulting (Pty) Ltd., D. Thompson of DRA Projects (Pty) Ltd., O. Peters of Metpro Management Inc., P. Harvey of Met63 (Pty) Ltd., H. Smit of Erudite Projects (Pty) Ltd., E.V. Heerden of EVH Consulting (Pty) Ltd., G. Pappagiorgio of Epoch Resources (Pty) Ltd. and A. Marais of GCS Consulting (Pty) Ltd., each of whom is a "qualified person" and "independent", as such terms are defined in NI 43-101.

The information below 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 Molo Feasibility Study and is qualified in its entirety with reference to the full text of the Molo Feasibility Study. It is advised that this summary should be read in conjunction with the Molo Feasibility Study (which is not incorporated by reference into this filing).

(See "*Cautionary note to U.S. investors regarding estimates of measured, indicated and inferred resources and proven and probable reserves.")*

Overview

The Molo Feasibility Study was undertaken to reflect the Company's decision to revise Phase 1 of its Molo Graphite Project mine plan from a demonstration plant to a fully operational and sustainable graphite mine with a permanent processing plant capable of producing, in our estimation, approximately 17,000 tpa of high-quality SuperFlake™ concentrate per year with a mine life of 30 years.

The Molo Feasibility Study for Phase 1 of the Molo Graphite Project was based on FEED Study and subsequent detailed engineering studies. The updated Molo Feasibility Study incorporates the procurement of all mining equipment, off-site modular fabrication and assembly, factory acceptance testing ("FAT"), module disassembly, shipping, plant infrastructure construction, onsite module re-assembly, commissioning, project contingencies and three months of capital. All capital and operating costs expressed below are considered to be accurate to +/- 10%.

The Molo Feasibility Study highlights are:

- Initial production of 17,000 tpa of SuperFlake™ graphite during Phase 1
- Phase 1 CAPEX estimated at $18.4 million using a modular assembly approach
- Dry stack tailings can be utilized for Phase 1 production instead of cyclone deposition, which significantly reduces the CAPEX associated with a conventional tailings deposition facility
- Total build and commissioning of the Molo Graphite Project mine is estimated at 9 months
- Number of on-site personnel during construction is estimated at 50 people
- Weighted averge selling price of $1,014 per tonne, which reflects current market conditions and is lower than the 3-year historic weighted average price for flake graphite
- Total all-in OPEX of $433 per tonne at the plant and of $688 per tonne for CIF delivery to customer port Rotterdam
- The financial results are based on 100% equity funding
- Pre-tax NPV of $34 million and pre-tax IRR of 25.2%

Updated Phase 1 Feasibility Study Results Highlights[(1)]	**Pre-Tax**	**Post-Tax**
NPV at 8% Discount Rate	$34.0 M	$25.5 M
Internal Rate of Return (IRR)	25.2%	21.6%
Payback Period	4.2 years	4.8 years
Average annual graphite concentrate production	17,000 tonnes	
Average production costs of graphite concentrate (at plant)	$433 / tonne	
Average production costs of graphite concentrate (Delivered CIF Port of Rotterdam)	$688 / tonne	
Weighted average selling price (in USD)	$1,014 / tonne	
Direct CAPEX	$14.5 M	

Indirect CAPEX	$0.4 M
Environmental and Permitting	$0.7 M
Owner's Costs	$1.1 M
Contingency (10%)	$1.7 M
Sub Total CAPEX	**$18.4 M**
Working Capital (3 months)	$3.1 M
Total CAPEX	**$21.5 M**
Projected build period	9 months

(1) Unless otherwise noted, all monetary figures presented throughout this press release are expressed in US dollars (USD). The exchange rates used in the financial model are 12.85 South African Rand (ZAR) to US$1, moving in line with purchasing power parity

(2) Direct CAPEX includes process equipment, civil & infrastructure, mining, buildings, electrical infrastructure, and project & construction services

The weighted average selling price used in the Molo Feasibility Study is the volume weighted average sales price for the various flake sizes and grades of SuperFlake™ graphite concentrate that are expected to be produced from the Molo Graphite Project deposit. This price is based on current quotes and projected real (as opposed to nominal) estimates provided by UK-based Roskill Consulting Group Ltd ("Roskill"), who are recognized as a leader in providing independent and unbiased market research, pricing trends and demand and supply analysis for the natural flake graphite market.

Molo Feasibility Study Weighted Average Selling Price

Flake Sizes	Graphite Sales Volume Weighting	Forecast Average Price per Tonne	Basket Price per Tonne
Jumbo Flake	15.7%	$1,499	$235
Large Flake	27.8%	$1,094	$304
Medium Flake	9.7%	$920	$89
Fine Flake	46.7%	$824	$385
Feasibility Study Weighted Average Selling Price			**$1,014**

The weighted average selling price used in the Molo Feasibility Study is less than the 3-year historic weighted average selling price, which was $1,041 per tonne.

Global Graphite Average Selling Prices by Flake Size

Flake Sizes	2014	2015	2016	3-Year Historic Average Price Per Tonne
Jumbo Flake	$1,821	$1,530	$1,470	$1,607
Large Flake	$1,317	$1,183	$861	$1,120
Medium Flake	$1,042	$1,025	$770	$946
Fine Flake	$965	$846	$668	$826

Source: Flake graphite average prices provided by Roskill Consulting Group Ltd.

Weighted Average Selling Price Using 3-Year Historic Average Price

Flake Sizes	Graphite Sales Volume Weighting	3-Year Historic Average Price per Tonne	Basket Price per Tonne
Jumbo Flake	15.7%	$1,607	$252
Large Flake	27.8%	$1,120	$311
Medium Flake	9.7%	$946	$91
Fine Flake	46.7%	$826	$386
3-Year Historic Weighted Average Selling Price			**$1,041**

No pricing premium for valued-added applications was applied on any sales. Furthermore, no financial or operational calculations and/or scenarios in the updated Molo Feasibility Study financial model with regards to downstream value-added processing of SuperFlake™ graphite concentrate were included. This includes purification, spherodization coating for battery-grade graphite and thermal expansion for specialty graphite applications, such as foils.

Project Description, Location and Access

Property and Site Description

The Molo Graphite Project deposit is situated 160 km southeast of the city of Toliara, in the Tulear region of south-western Madagascar, and about 220 km NW of Fort Dauphin. 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.

The Project is centred on UTM coordinates 413,390 Easting 7,345,713 Northing (UTM 38S, WGS 84 datum). The Molo Graphite Project 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.

Geologically, the Molo Graphite Project is situated in the Bekikiy block (Tolagnaro-Ampanihy high grade metamorphic province) of southern Madagascar. The 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.

The Molo Graphite Project is one of several surficial graphite trends discovered by the Company 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 the Molo Graphite Project took place between May and November of 2012, and allowed for a maiden mineral resource estimates to be stated in early December of the same year. This maiden mineral resource estimate formed the basis for the PEA, which was undertaken by DRA Mineral Projects in 2013. The positive outcome of the PEA led the Company to undertake another phase of exploratory drilling and sampling in 2014, which was done under the supervision of Caracle Creek International Consulting (Proprietary) Limited ("Caracle Creek"). This phase of exploration was aimed at improving the geological confidence of the deposit and the 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 mineral resource estimate. The entire database on which this new model and mineral resource estimate is based contains 80 drill holes (totalling 11,660 metres) and 35 trenches (totalling 8,492 metres). This new mineral resource forms the basis for the original feasibility study completed on the Molo Graphite Project in 2015 which targeted 860ktpa of ore processing capacity.

The Molo Feasibility Study utilises the knowledge base of the original feasibility study completed on the Molo Graphite Project in 2015 on a smaller scale low capital cost 240ktpa process capacity option.

Figure 1: Project Location

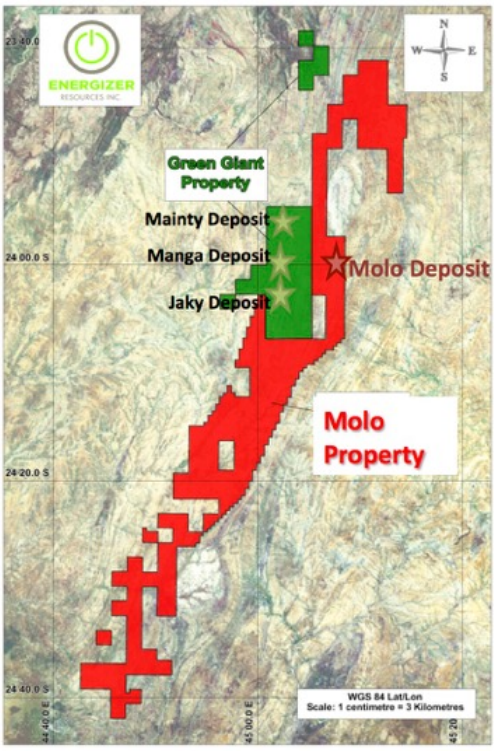

Figure 2.1: Exploration Area

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 240,000 tonnes of ore per annum and all supporting infrastructure including water, fuel, power, tailings, buildings and permanent accommodation.

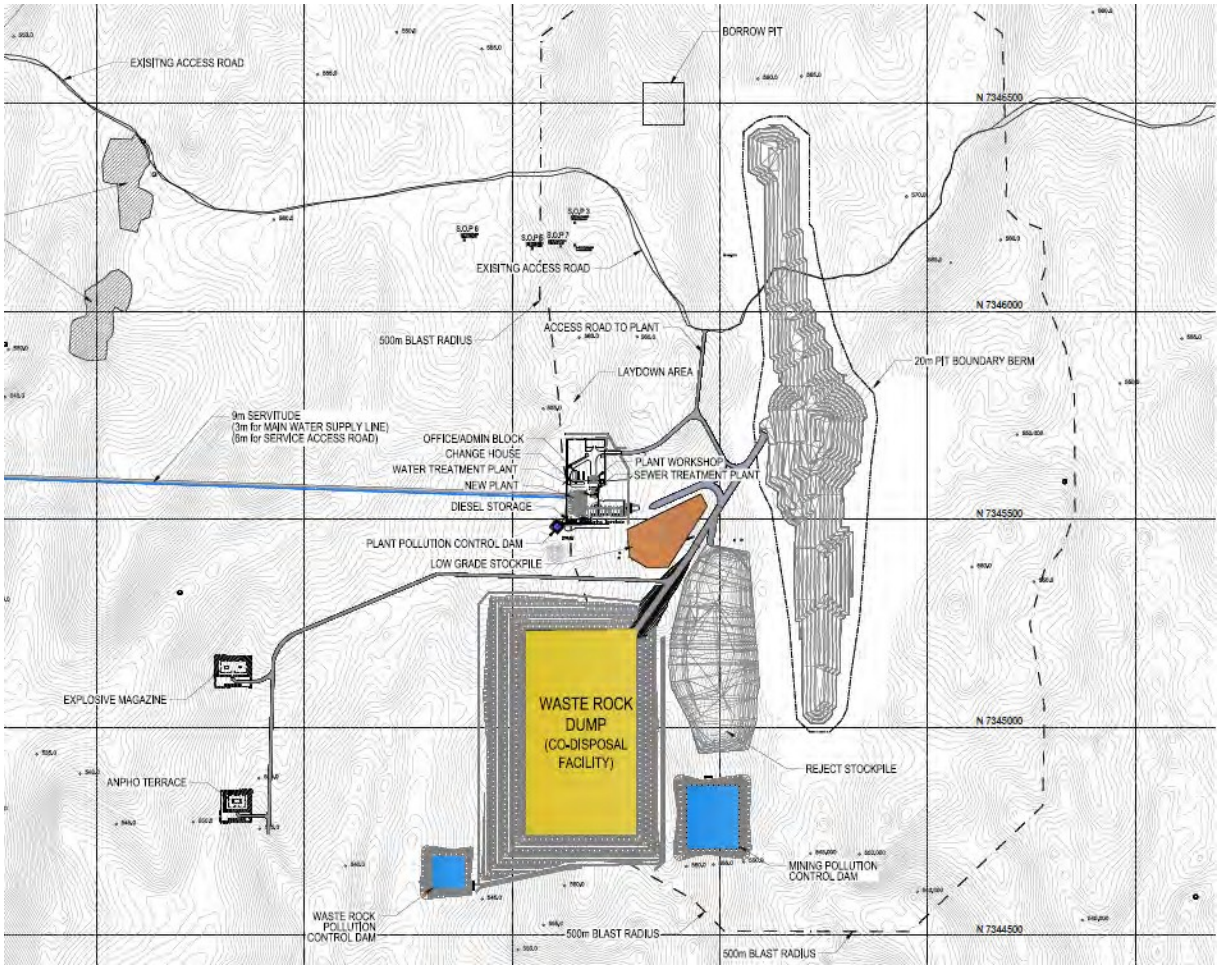

Figure 2.2: Site Layout

Ownership

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 at the Molo Graphite Project. 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 to Malagasy.

On April 16, 2014, we signed a Sale and Purchase Agreement and a Mineral Rights Agreement with Malagasy to acquire the remaining 25% interest in the Molo Graphite Project. 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 Project. 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 Molo Graphite Project. 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 Project.

Royalties

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

Government Regulations and Permitting

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

Carracle Creek International Consulting (Pty) Ltd., which was a consultant for the Molo Feasibility Study, has had sight of and reviewed a copy of the “Contrat d’amodiation” pertaining to this right and are satisfied that the rights to explore this Exploration Permit have been ceded to the Company or one of its Madagascar subsidiaries.

The Company holds the exclusive right to explore for a defined group of industrial minerals within the Exploration Permit listed above. These industrial minerals include the following: Vanadium, Lithium, Aggregates, Alunite, Barite, Bentonite, Vermiculite, Carbonatites, Corundum, Dimensional stone (excluding labradorite), Feldspar (excluding labradorite), Fluorspar, Granite, Graphite, 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 an Exploration 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, Exploration Permits may be converted into Exploitation Permits by application. Carracle Creek is of the opinion that the Company 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 Company positional data is collected in WGS 84, and if necessary converted back to LaBorde Royalties.

The receipt of the exploitation permit is a critical step in the larger permitting and licensing regime. The permitting and licensing of the Molo Graphite Project requires dedicated attention to ensure momentum is maintained during the application for and delivery of all necessary permits and licenses.

The Molo Graphite Project exploration permit PR 3432 is currently held under the name of one of our Madagascar subsidiary ERG Madagascar SARLU. Our Madagascar subsidiaries have paid all taxes and administrative fees to the Madagascar 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 Madagascar government. In addition, we continue to diligently work with the Madagascar government to obtain the necessary permits as the country clears its backlog of applications and amendments.

We have applied to the BCMM to have the Molo Graphite Project exploration permit converted into an exploitation permit, which is expected to be completed in due course. The exploitation permit is required to advance the Molo Project into the developmental stage.

A comprehensive Environmental and Social Impact Assessment ("ESIA"), developed to local Malagasy, Equator Principles, World Bank and International Finance Corporation (IFC) standards, is nearing completion. This 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.

Application for all necessary permits to construct and operate the mine, including water use, construction, mineral processing, transportation, export, and labour will be undertaken within the ESIA review period (6 months), which is expected to be from September 2017 till February 2018.

Security of land tenure is a process that is estimated to take 6-9 months to complete. Compilation of a comprehensive legal register will also be required.

The Company cannot provide any assurance as to the timing of the receipt of the required permits and licenses.

Geological Setting, Mineralization and Deposit Types

Regional Geology

Madagascar comprises a fragment of the African Plate, which rifted from the vicinity of Tanzania at the time of the breakup of Gondwana, some 180 million years ago. At that time Madagascar remained joined with India, moving east-by-south until the late Cretaceous (approximately 70 million years ago), whereupon the two land masses split apart. On a regional scale Madagascar can be described as being formed by two geological entities, a Precambrian crystalline basement, and a much younger Phanerozoic sedimentary cover Figure 12 that hosts potentially economic coal deposits. The central and eastern two thirds of the island are mainly composed of Neoproterozoic-aged, crystalline basement rocks, composed of a complex mélange of metamorphic schist and gneiss intruded by younger granitic and basic igneous Carboniferous to Permian-Triassic. These rocks correlate with the Karoo Super group successions of sub-Saharan Africa, which was widespread in the former supercontinent of Gondwana.

The geology of the basement of Madagascar is composed of intercontinental tectonic blocks made up of ancient poly-deformed, high-grade metamorphic rocks and later igneous intrusions. The tectonic and metallogenic basement framework was originally subdivided into four blocks (Besarie, 1967), these beingthe: northern Bemarivo Block; northeastern Antongil Block; central Antananarivo Block; and the southern Bekily Block. The Molo Graphite Project lies entirely within the bounds of the Bekily Block.

Molo Graphite Project Geology

The Molo Graphite Project graphitic zone consists of multi-folded graphitic strata with a surficially exposed strike length of over two kilometres. Outcrop mapping and trenching on Molo Graphite Project has shown the surface geology to be dominated by resistant ridges of graphitic schist and graphitic gneiss, with fracture-lined vanadium mineralisation, as well as abundant graphitic schist float. Geological modelling has shown that the deposit consists of various zones of mineralised graphitic gneiss, with a barren footwall composed of garnetiferous gneiss. The host rock of the mineralised zones is graphitic gneiss.

No academic studies have been undertaken on the graphitic schists and gneisses of the Molo Graphite Project deposit and at present the deposit is still not fully understood. There is, however, no indication of secondary hydrothermal, or other transported, post-metamorphic graphitic mineralisation or upgrading and the present distribution and crystallinity of the graphite zones seem to be primarily due to regional metamorphic and structural events.

Deposit Types

The Molo Graphite Project primarily hosts at least two different deposit types: (i) metamorphosed black shale/roll front redox vanadium deposits, and deposit types; and (ii) flake graphite deposits.

Exploration History

The region around the Molo Graphite Project has primarily been explored for base metal type occurrences, although colonial geologic services were alert to all kinds of mineral potential in the region. In 1985 the Bureau de Recherches Géologiques et Minières ("BRGM") produced a three-volume country scale compilation of all exploration and mineral inventory data in their files. Relatively little exploration and development work has been completed in south-western Madagascar after that of BRGM, and therefore these volumes are key to retracing any historical data. Archival research by the Company has not revealed evidence of mineral exploration in the past fifty years within the Molo Graphite Project area.

Prior to the exploration work completed by the Company in 2007, there is no record of any previous exploration activity within the Molo Graphite Project area and no historical resource estimates exist for the area. Between 2007 and 2011 the Company retained Taiga Consultants Limited ("Taiga") to manage exploration activities on the Molo Graphite Project.

The identification of graphite as a potential credit to the the Company's NI 43-101 compliant vanadium resources led to a reconnaissance exploration programme being undertaken on the Molo Graphite Project in September 2011, with the goal of delineating new graphitic trends. Activities during this phase of exploration included prospecting, grab and trench sampling, and diamond drilling.

Based on the results of this programme, the Company launched a second phase of exploration in November 2011. The objective of this second programme was to use geophysical techniques to delineate additional graphite mineralisation, as well as to drill test the known graphitic. The signing of the JVA with Malagasy in November, 2011 prompted additional exploration to ascertain the industrial mineral potential of the Molo Graphite Project area. Exploration activities consisted of, geologic mapping, prospecting and sampling, (including metallurgical), ground geophysical surveying (EM-31), trenching, and diamond drilling. As a consequence of the work undertaken during 2011, the Molo Graphite Project was identified and targeted for additional work, which was undertaken between May 2012 and June 2014.

As at the effective date of the Molo Feasibility Study, no further exploration work is currently planned.

Drilling

The Molo Graphite Project is one of seven surficial graphite trends discovered and drill tested by the Company in late 2011 and announced to the market in early January 2012.

Resource delineation, drilling and trenching on the Molo Graphite Project took place between May and November of 2012, and allowed for a maiden mineral resource estimates to be stated in early December of the same year. This maiden mineral resource estimate formed the basis for the Company's Preliminary Economic Assessment (the "PEA"), which was undertaken by DRA Mineral Projects and released to the market in 2013.

The positive outcome of the PEA led NextSource to undertake another phase of exploratory drilling and sampling in 2014 to upgrade the deposit and its contained mineral resources to mineral reserves. The process included an additional 32 diamond drill holes (totaling 2,063 metres) and 9 trenches (totaling 1,876 metres). The entire database upon which the upgraded resource estimate was based contained 80 drill holes (totaling 11,660 metres) and 35 trenches (totaling 8,492 metres). This new mineral resource formed the basis of the Molo Feasibility Study, which was originally released in February 2015.

Sampling, Analysis and Data Verification

At all times during sample collection, storage, and shipment to the laboratory facility, the samples are in the control of the Company, or our agents. When sufficient sample material (grab, trench, or core) has been collected, the samples are trucked, or flown to the Company's storage location in Antananarivo, at all times accompanied by an employee of the Company.

From there, samples are further shipped to either South Africa (Mintek, or Genalysis), or Canada (Activation Labs) for ICP-MS analysis. Drill core samples collected during 2011 were directed to two major laboratories. All samples collected during Phase I of 2011 were sent to Mintek, South Africa. Samples were then tested for Carbon content (Total Organic Carbon and Overall Carbon content), as well as the full range of elements available through ICP-OES (Mintek code FA5) and XRF analysis.

The remainder of samples collected during Phase II of the 2011 exploration programme were submitted for analysis to Activation Labs, Canada. Samples were again submitted for analysis of Carbon content, as well as for a large range of elemental analysis. During 2012 all samples were submitted to Intertek Genalysis. All work undertaken by Intertek is performed in accordance with the Intertek Minerals Standard Terms and Conditions of which can be downloaded from their web page. All analytical results were e-mailed directly by both Genalysis and Mintek to the Project Manager, as well as the Company's executive staff, and were posted on a secure website and downloaded by Company personnel using a secure username and password. Following the site inspection in May 2012, all analytical results were also e-mailed directly to Dr. Hancox (Carracle Creek) and these were compared against the final data set as presented by the Company.

All of the laboratories that carried out the sampling and analytical work are independent of the Company.

Quality Control Measures

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.

Data Verification

Prior to Carracle Creek's involvement with the Company and the Molo Graphite Project, all information published regarding the 2011 exploration programme was reviewed by an independent Qualified Person as it became available.

The database received by Carracle Creek from the Company contained 80 drill holes totalling 11,660 m and data from 35 trenches totalling 8,492m. With regards to the database, Carracle Creek performed various tests to verify the integrity of the collar co-ordinates, logging and sampling procedures, and assay results. Leapfrog™ Geo software was used for most of the checks.

Metallurgical Test Work

The Molo Feasibility Study is based on a full suite of metallurgical test work performed by SGS Canada Metallurgical Services Inc. 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 Graphite Project 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 ore using proven mineral processing techniques and its robustness has been successfully demonstrated in the laboratory and pilot plant campaigns.

The metallurgical programs 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 that was created by the ore variability 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 is 87.8% based on the metallurgical response of composites using samples from all drill holes within the five year pit design of the original feasibility study at the higher concentrate production rate of 53,000 tpa. The average composition of the combined concentrate grade is presented in the table below entitled “Metallurgical Data - Flake Size Distribution and Product Grade”. The size fraction analysis results were converted into a grouping reflecting a typical pricing matrix, which is shown in table below entitled “Pricing Matrix - Flake Size Distribution Grouping and Product Grade”.

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 uncertainly of up to 1.7% relative for graphite concentrate grades greater than 90% total carbon.

Metallurgical Data - Flake Size Distribution and Product Grade

Product Size	% 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	97.3
+150 mesh (medium flake)	15.5	98.1
+200 mesh (small flake)	10.1	98.1
-200 mesh (fine flake)	21.1	97.5

Pricing Matrix - Flake Size Distribution Grouping and Product Grade

Product Size	% 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.

Mineral Reserve Estimate

As at the date of the Molo Feasibility Study, the following proven and probable mineral reserves are declared:

Mineral Reserves

Category	Tonnes	C Grade (%)
Proven	5,881,243	8.04
Probable	1,278,757	8.07
Proven and Probable	7,160,000	8.05

Proven reserves are reported as the measured resources inside the designed open pit and above the grade cut off of 5.5% C. Similarly, the probable reserves are reported as the indicated resources inside the designed open pit and above the grade cut-off of 5.5% C.

Mining Methods

The surficial, lateral expanse and the massive nature of the Molo Graphite Project deposit make it suitable for open-pit mining methods. It is a typical pipe-shaped and steeply dipping ore body, with extended mineral outcrop along the strike (north-south direction) of the deposit. In this mining method, the following activities are executed:

- The land is cleared, topsoil is removed and stockpiled at designated sites for use in the future land rehabilitation. Depending on the extent of the abse of weathering, any further waste or ore that can be removed by free-digging is removed and stockpiled accordingly. The topsoil is

planned to be used as a berm around the pit to prevent water flow into the pit and minimize transportation costs

- In a number of cyclic processes the waste and/or ,mineralized material is drilled, charged with explosives and blasted, excavated, hauled and dumped in designated sites
- At strategically planned periods the waste around the boundary of the pit is removed in order to mine out deeper ore

The conventional open-pit mining activities are carried out with small to medium sized mining equipment including 30t dump trucks, an excavator and a front end loader.

Detailed geotechnical and hydro-geological studies have been conducted and the reports indicated that there are no fatal flaws regarding the adoption of the open-pit mining as the preferred mining method.

Processing and Recovery Methods

The process design is based on an annual feed plant throughput capacity of 240 kilotonnes at a nominal head grade of 7.04% C(t) producing an estimated average of 15-17 kilotonnes per annum ("ktpa") of final concentrate.

The ore processing circuit consists of three stages of crushing which comprises jaw crushing in the primary circuit, followed by secondary cone crushing and tertiary cone crushing; the secondary and tertiary crushers operate in closed circuit with a double deck classification screen. Crushing is followed by primary milling and screening, graphite recovery by froth flotation and concentrate upgrading circuit, and graphite product and tailings effluent handling unit operations. The crusher circuit is designed to operate 365 days per annum for 24 hours per day at ±55% utilization. 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 92% utilization. A single stage primary ball milling circuit is employed, incorporating a closed circuit classifying screen and a scalping screen ahead of the mill. The scalping screen undersize feeds into a flash flotation cell before combining with the mill discharge material. Scalping and classification screen oversize are the fed to the primary mill.

Primary milling is followed by rougher flotation which, along with flash flotation, recovers graphite to concentrate from the main stream. Rougher flotation employs six 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 212 µm classifying screen, from where the large-flake oversize stream is pumped to a high rate thickener located in the concentrate attritioning circuit whilst the 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 media mill, a column flotation cell and flotation cleaner/cleaner scavenger trough cells. Fine flake column concentrate is combined with the +212 µm primary cleaner classifying screen oversize as it feeds the attritioning circuit thickener. Concentrate from the attrition circuit is pumped to the final concentrate thickener.

The combined fine flake cleaner concentrate and the +212 µm may also be processed through the secondary attrition circuit which consists of a dewatering screen, an attrition scrubber, column flotation cell and cleaner/cleaner scavenger trough cells. Concentrate from this circuit is pumped to the final concentrate. The secondary attrition circuit is optimal.

Combined rougher and cleaner flotation final tailings are pumped to the final tailings thickener. Thickened final concentrate is pumped to a filter press for further dewatering before the filter cake is stockpiled prior to load and haul.

The concentrate thickener underflow is pumped to a linear belt filter for further dewatering and fed to a diesel-fired rotary kiln for drying. The dried concentrate is then screened into four size fractions:

- +48 mesh

- -48 + 80 Mesh
- -80 +100 mesh
- -100 mesh

The various product sizes are bagged and readied for shipping.

Chemical reagents are used throughout the froth flotation circuits and thickeners. Diesel fuel is used as collector and liquid MIBC (methyl isobutyl carbinol) frother are used within the flotation circuits. Diesel collector is pumped from a diesel storage isotainer, 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 an isotainer. A manifold system on the storage isotainer 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 (Magnafloc 24) 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, each one 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 (Magnafloc 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.

Infrastructure, Logistics and Permitting

The Molo Graphite Project is located in a relatively remote part of Southwestern Madagascar, approximately 13 km NE of the local village of Fotadrevo. There is currently limited infrastructure on site and project infrastructure will have to be constructed.

The following elements are all part of the Molo Graphite 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
- All permanent buildings (offices, workshops, stores, laboratory)
- All buried services (potable water, sewage, storm water, electrical reticulation)
- In plant roads
- Haul road
- Waste, high and low grade -Rock dumps.

The following section describes the methods, assumptions and specifications used in the preliminary design of the civil, structural and infrastructure portions of the proposed new modular graphite plant. As the proposed new plant is a temporary pilot plant for a potentially much larger process plant and mining operation, the brief form the client was to develop a "fit for purpose" and cost-effective design without compromising on safety or quality.

Basis of Civil, Structural and Infrastructure Design

The scope of the civil and structural design covers the following facilities and areas:

- Bulk earthworks and terraces for the process plant, administration and workshop areas
- Earthworks for laydown areas
- Bulk earthworks and retaining walls for the Run of Mine (ROM) tip ramp
- Foundations and slabs for:
    - Front end crushing circuit

    - Conveyors, transfer stations and bins
    - Complete modular process plant
    - Workshops, offices, change-house, laboratory and stores
    - Security and access control buildings
    - Modular water treatment plant
    - Modular sewer treatment plant
    - Diesel generators
- In plant roads and access
- Fuel storage and bund area
- Storm water drainage (Concrete lined v-drains) and protection berms
- Plant pollution control dam

As the process plant is supplied in modular units by a vendor, the design of these structures are not included in this section. Critical structural design criteria are however still included.

Bulk Earthworks

Geotechnical

The geotechnical investigation conducted by SRK Consulting in 2014 was used as reference document for the design and planning of this phase of the project.

In summary, transported soils are present across all areas investigated to shallow depths not exceeding a maximum depth of 0.6 m. From the consistencies noted during test pit excavations the transported soils are anticipated to have a maximum allowable bearing capacity of 100 kPa, limiting total consolidation settlement to 25 mm.

Residual soils were noted in the majority of the test pits excavated and comprised dense to very dense silty and/ or clayey sands. The residual soils are expected to have a maximum allowable bearing capacity of 200 kPa, limiting total consolidation settlement to 25 mm (differential settlement expected to be half this value).

As rock is located at a shallow depth at most locations it is recommended that structures generally be founded on rock rather than the overlying thin soils. However, light structures with loads of less than 100 kPa could be founded on the soils if necessary.

Site Clearance

The entire plant area is to be cleared and grubbed. Topsoil shall be stripped nominally 150mm deep after clearing and grubbing and stockpiled in designated areas for possible re-use in accordance with the recommendations of the EIA. Topsoil may also be used for screen and drainage berms.

Terrace Design

Bulk earthworks are required for the process plant and building platforms, plant roads, storm water drainage, access ramps and laydown areas.

Finished surface levels for bulk earthworks at all plant will be 200 mm below the nominated top of concrete of all footings and foundation slabs with grading of the surface surrounding the foundation to ensure runoff is directed away from the foundations.

All fill areas will be compacted to a minimum modified AASHTO density of at least 95%. The terraces will be formed using a cut to fill operation with suitable in-situ material after all unsuitable topsoil has been removed. A borrow pit has been identified for any shortfall fill material.

The terrace design has been done to allow for a minimum load bearing capacity of 150kPa for concrete foundations and structures.

All fill slopes will be between 1:1.5 and 1:3 in accordance with the geotechnical report.

Plant Roads

Site roads will be formed from existing site material and be shaped to assist rainfall runoff. In plant roads will be 6m wide and constructed of in situ material. Borrow pit material is to be used for heavy vehicle haul roads.

Run of Mine (ROM) Ram

The ROM ramp will be constructed from borrow pit material with a ramp slope of 10 degrees. The ROM ramp retaining walls will be constructed with gabion baskets on a concrete footing.

Soil and Compaction Testing

All tests test work shall be done in accordance with the latest and applicable SANS 1200 specification.

Storm Water Runoff

Storm water runoff within the process plant areas are dealt with by a minimum slope on the terrace platform. Runoff is then collected in concrete lined V-drains. All V-drains form the process plant area will be routed to the plant pollution control dam.

Earth berms are proposed on the high sides of the process plant to prevent rainwater runoff from entering the process plant area and possibly becoming contaminated by plant spills or materials.

All runoff not affected by possibly contaminated areas will be routed to local low areas and natural seasonal watercourses.

Plant Pollution Control Dam

A pollution control dam will be constructed on the low side of the plant. All potentially contaminated water runoff from the process plant will be routed to this dam. The dam will be an earth wall dam constructed from in situ materials. If required by the Environmental Impact Assessment the dam will be lined.

Raw Water Supply

Water is supplied by a network of boreholes. A detailed water demand and supply analysis was done as part of the feasibility study, 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 maximum raw water make up requirement is estimated to be 561m3 per day, decreasing to 222m3 per day for latter part of the life of mine.

Power Supply

Due to the remote location of the Molo site, no other power or electrical infrastructure is available on the site, hence the supply to the Molo Graphite plant shall be independent by stand-alone diesel generators and not grid tied.

The total installed generation capacity equals to 2.8MW. Power to the plant and infrastructure shall be supplied by 2 x 1.4 MW, 3-ph, 400Vac diesel generators, interlocked and operating either in parallel or independently. Power to remote areas, such as the water wells shall be supplied via independent stand - alone 15kVA, 3-ph, 400Vac diesel generators.

Subject to the sequential starting of the larger loads for e.g. the Mill, it might be required during an ore loaded start-up, that both generators run in parallel. Once the plant has reached equilibrium the standby generator shall be stepped back. During continuous normal operation of the plant, one generator will suffice. The second unit shall primarily be used during maintenance and operational rotations

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 used for this study is based on the findings of Roskill and yielded $1,014/tonne. 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 2018 terms) for a tonne graphite concentrate is a projection based on Roskill information. The nominal graphite price was used in the financial model, which in essence 'flat-lines' the price forecast over the life of mine. The reader is cautioned that these are forecasts and may change subject to market dynamics.

Logistics

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

The route from the Molo Graphite Project to Fort Dauphin runs either via the RN 10 or the RN 13. Both these routes are in relatively 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 completed 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 4: Port of Ehoala at Fort Dauphin

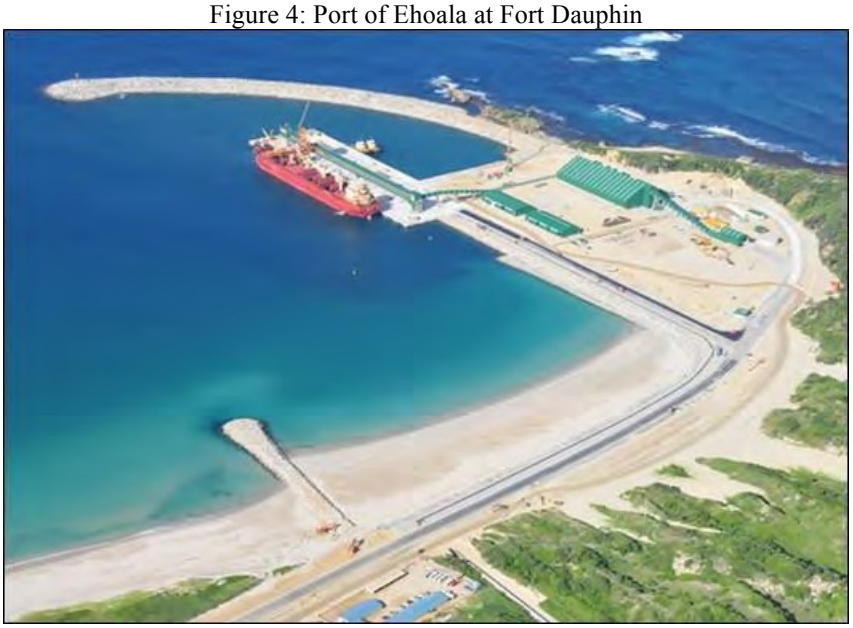

Figure 5: Road conditions between Molo and Fort Dauphin

Environmental Permitting and Social Impact Assessment

A comprehensive Environmental and Social Impact Assessment ("ESIA"), developed to local Malagasy, Equator Principles, World Bank and International Finance Corporation (IFC) standards, is nearing completion. This 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, which is anticipated in October 2017. The investment application was submitted on June 21, 2017. The Company 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.

Capital and Operating Costs

The capital cost for the project is estimated to be $18.4 million, including a contingency of $1.7 million. A firm offer was obtained for the beneficiation facility, and supporting earthworks and civils have been quantified based on detailed designs and firm price offers from contractors established on the island.

The base date for the capital costs is April 2017 and no provision has been made for escalation. The accuracy of capital costs is considered to be accurate to +/- 10%.

Initial Capital Cost Summary

Capital Cost Breakdown	**Cost (USD)**
Process Equipment	$ 8,072,750
Civil & Infrastructure	1,842,450
Mining	2,292,885
Buildings	322,998
Electrical Infrastructure	89,670
Project Services	832,041
Construction Services	1,050,000
Indirect Costs	355,000
Environmental & Permitting costs	695,074
Owner's Costs	1,140,000
Capital Cost Sub-Total	**16,692,871**
Contingency (10%)	1,669,287
Total *Excludes taxes, tariffs, duties and interest	**$18,362,158**

Sustaining capital expenditure expected to be incurred has been allowed for in the financial model to cover replacement of the:

- mine fleet,

- replacement of the power plant,
- process plant replacement items,
- administration facilities maintenance
- and for rehabilitation at the end of the project.

Over the life of mine the sustaining capital accounts for $3.3 million. Additionally, three months working capital is estimated at $3.1 million.

The operating costs per tonne of finished graphite flake concentrate delivered on a CIF basis in Rotterdam are outlined in the table below.

Operating Costs per Tonne of Finished Graphite Concentrate

Category	
Mining (US$/T)	102.81
Processing (US$/T)	265.82
Trucking to local port / Ft. Dauphin (US$/T)	133.01
Shipping to customer port; CIF Rotterdam (US$/T)	122.50
General and Administration (US$/T)	64.29
Total	**$688.43**

The operating costs expressed above are considered to be accurate to +/- 10%, and assume a varying USD 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 operating 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. 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

Economic analysis

The table below summarizes the economic analysis of the project using discounted cash flow methods. The weighted average selling price is less than the 3-year historic average price for Madagascar exports of flake graphite across all flake sizes to the USA and Germany, which was $1,000-1,200 per tonne between 2014 and 2016, and averaged $1,088 per tonne.

Economic Analysis of the Project

Category	**Value**
Average price / tonne of concentrate (at start up, 2018)	$1,014 per tonne
Internal Rate of Return ("IRR") - Project Equity	25.2%
NPV @ 8% Discounted Cash Flow	$34 million
NPV @ 10% Discounted Cash Flow	$24.8 million
NPV @ 12% Discounted Cash Flow	$18 million
Project Payback Period * Assumes that the project is financed through 100% equity.	4.2 years

Notes

All values in the above table do not account for inflation. Also included in the above table are forecasted prices for 2018, which coincides with the year the Molo Graphite Project 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

Molo Feasibility Study Conclusions

Geology

The Company's 2011 exploration programme delineated a number of new graphitic trends in southern Madagascar. The resource delineation drilling undertaken during 2012-2014 focussed on only one of these, the Molo Graphite Project deposit, and this has allowed for an Independent, CIM compliant, updated resource statement for the Molo deposit.

Mining

Maiden mineral reserves of 7,160,000 tonnes have been declared for in the Molo Feasibility Study at an average grade of 8.05% and based on such information it is possible to economically mine the Molo Graphite Project deposit.

Tailings

Due to the substantially reduced tonnages for the project as envisaged, tailings will be dried and co- disposed with the waste rock generated as part of the open cast mining. Despite this co-disposal approach, a detailed design has been completed, complete with environmental and social impact assessment and closure to allow for the upgrade to a more conventional, cyclone facility, should the throughput be increased during the life of the mine. This approach has been pursued to ensure that sufficient flexibility is built into the project development strategy to accommodate the anticipated increase in market demand.

Risks

In addition to the qualitative risk assessment completed during the previous BFS, a comprehensive HAZID study was completed as part of this study.

Permitting

Various permits will have to be obtained for the project including an Environmental Permit, a Mining permit, land tenure and land use approvals and finally supplementary sectoral permits. The most urgent permit is for the Company to obtain the exploitation permit for the right to mine and produce.

Metallurgical Test Work

Comprehensive metallurgical test programs culminated in a process flowsheet that is capable of treating the 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. The upgrading circuit treated the combined concentrate after the secondary cleaning circuit. Reduced flake degradation and an improved process flexibility may be obtained by employing separate upgrading circuits for the coarse and fine flakes.

Molo Feasibility Study Recommendations

Geology

No further recommendations.

Mining

The following recommendations are made for the mine planning and production stage:

- The Molo Graphite Project will allow for potential optimization 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 study.

Metallurgical Test Work

The following recommendations are made for the detailed engineering stage:

- Investigate the metallurgical impact of different attrition mill technologies such as stirred media mills or attrition scrubbers
- Evaluate a range of different grinding media (e.g. different size, shape, material) 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
- Complete a series of flotation tests on samples covering mine life intervals for the Molo Feasibility Study pit design

Recovery Methods

The following recommendations are made for the detailed engineering stage:

- The process plant has been designed to easily optimize the final product grade, this is achieved by having two options in the attrition cleaning step. It is however recommended that additional laboratory test work be conducted to test the current plant configuration for treatment for higher feed grade material.

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. It is proposed that all the material excavated from the Return Water Dam is utilized 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 utilized 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

Water

The following is recommended during the detailed design phase:

- Water quality and quantity data is required to provide a baseline for comparison once the Molo Graphite Project 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 mine will be commissioned. Additionally, proposed monitoring boreholes 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.
- Quantitative and predictive water balance, groundwater and geochemical analyses should be undertaken on regular intervals in order to update the water management plan.

Environmental, Social

The following is recommended during the development and production phases:

- The installation of a suitable weather station at or as near as possible to the proposed project site, even before construction commences, is recommended. 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 utilize wind and or solar power generation.
- Clean and or renewable energy supply should be considered as a medium to long term target.
- Appointment of a community representative and the establishment of a mandate to sensitize 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 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.

Green Giant Property, Southern Madagascar, Africa

During 2007, the Company acquired a 75% interest in the Green Giant 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% NSR and at a price of $1,000,000 in cash or common shares for the second 1% NSR.

The Green Giant Property 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 Tulear region/Fotadrevo, covering an area of 225 km2 situated in two separate blocks. The Green Giant Property is composed of two separate groups of four and two Research Permits respectively.

The discovery of potentially economic vanadium mineralization on the Green Giant 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.

The Company 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 pre-concentration processes, acid and alkaline leaching (atmospheric and pressure), alkaline salt roasting and high definition mineralogical characterization. Mineralogical characterization of several silicate samples has revealed a unique deportment of vanadium at the Green Giant Property. Vanadium bearing minerals include clays, micas, oxides, and sulphides.

The mineral deposits on the Green Giant 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 Graphite Project and as such only minimal work has been completed on the Green Giant property since that time. At such time, the Company does not consider the Green Giant Property to be a material asset of the Company.

Sagar Property, Labrador Trough Region, Quebec, Canada

In 2006, the Company purchased from Virginia Mines Inc. ("Virginia") a 100% interest in 382 claims located in northern Quebec, Canada. Virginia retains a 2% net smelter return royalty ("NSR") on certain claims within the property. Other unrelated parties also retain a 1% NSR and a 0.5% NSR on certain claims within the property, of which half of the 1% NSR can be acquired by the Company by paying $200,000 and half of the 0.5% NSR can be acquired by the Company by paying $100,000.

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

Since early 2012, the Company has focused its efforts on the Molo Graphite Project and as such only minimal work has been completed on the Sagar Property since that time. At such time, the Company does not consider the Sagar Property to be a material asset of the Company.

ITEM 1A. – RISK FACTORS

The risk factors required pursuant to Regulation S-K, Item 503(c) are not required for smaller reporting companies. However, the Company has determined to provide particular risk factors at this time.

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, 2017, we had accumulated net losses of $97,960,105 (June 30, 2016: $93,960,748). 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 Molo Graphite 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 the Molo Graphite Project could materially adversely affect our business, financial condition and results of oprations.

Our primary exploration efforts are in the African country of Madagascar, where a new democratically elected 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. Solonandrasana Olivier Mahafaly became prime minister of Madagascar after Jean Ravelonarivo resigned, ostensibly, due to disagreements with President Hery Rajaonarimampianina over development policy In December 2015, the Senate was elected. As of this report, the President, the Government and the Parliament continue to operate as before but Madagascar continues to experience occasional political instability.

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 Molo Graphite Project exploration permit PR 3432 is currently held under the name of one of our Madagascar subsidiary ERG Madagascar SARLU. Our Madagascar subsidiaries have paid all taxes and administrative fees to the Madagascar 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 Madagascar government. In addition, we continue to diligently work with the Madagascar government to obtain the necessary permits as the country clears its backlog of applications and amendments.

We have applied to have the Molo Graphite Project exploration permit converted into an exploitation permit, which is expected to be completed in due course. The exploitation permit is required to advance the Molo Project into the developmental stage.

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 under the symbol "NSRC", our common shares trade on the Toronto Stock Exchange, Canada's national stock exchange, under the symbol "NEXT" 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 common 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 common 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, 2017.

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 Marc Johnson, 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 have completed on our Molo Graphite Project claims may not result in the commercial production of graphite. The exploration work that we have completed on our Green Giant Property may not result in the commercial production of vanadium or other minerals.

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.

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. In addition, certain of our ongoing expenditures are in South African Rand, Madagascar Ariary and Euros requiring us to occasionally hold reserves of these foreign currencies with a similar risk of foreign exchange currency translation losses.

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.

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 Molo 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 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, 2017. It is anticipated that we will continue to report negative operating cash flow in future periods, likely until one or more of our mineral properties generate recurring revenues from being 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

This Item is not applicable to us as we are not an accelerated filer, a large accelerated filer, or a well-seasoned issuer.

ITEM 2. – PROPERTY

The Company's executive offices are currently located at 1001-145 Wellington Street West, Toronto, Ontario, Canada, M5J 1H8. These offices are leased on a month-to-month basis, and the Company's current monthly rental payments are approximately CAD $2,000.

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

ITEM 3. - LEGAL PROCEEDINGS

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

ITEM 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 27, 2017, there were 460,995,711 common shares issued and outstanding and 74,991,256 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 "NSRC", the TSX under the symbol "NEXT" and the Frankfurt Stock Exchange under the symbol "A1CXW3".

On September 27, 2017, the last reported sale price for our common shares on the OTCQB and TSX was US$0.05 and CAD$0.07 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, 2017				
First quarter ended September 30, 2016	$0.08	$0.05	$0.11	$0.07
Second quarter ended December 31, 2016	$0.05	$0.05	$0.07	$0.06
Third quarter ended March 31, 2017	$0.06	$0.05	$0.08	$0.06
Fourth quarter ended June 30, 2017	$0.08	$0.05	$0.11	$0.06
Fiscal year ended June 30, 2016				
First quarter ended September 30, 2015	$0.09	$0.03	$0.11	$0.04
Second quarter ended December 31, 2015	$0.09	$0.02	$0.12	$0.03
Third quarter ended March 31, 2016	$0.07	$0.05	$0.10	$0.07
Fourth quarter ended June 30, 2016	$0.10	$0.05	$0.13	$0.07
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	$.011	$0.15	$0.12

Our common shares commenced trading on the TSXV on May 5, 2010. Our common shares ceased trading on the TSXV 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 common shares trade on the OTCQB. Prior to August 28, 2014, our common shares traded on the OTCBB.

Holders

As of September 27, 2017, 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, 2017 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 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	44,470,000	$0.11	1,530,000
Equity compensation plans not approved by security holders	--	--	--
Total	44,470,000	$0.11	1,530,000

ITEM 6. SELECTED FINANCIAL DATA

As a "smaller reporting company", we are not required to provide the information required by this Item.

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

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

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our financial statements included herein. Further, this MD&A should be read in conjunction with our Financial Statements and Notes to Financial Statements included in this Annual Report on Form 10-K for the years ended June 30, 2017 and 2016.

Our actual results could differ materially from those anticipated by the forward-looking statements due to important factors and risks including, but not limited to, those set forth under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K and discussed below under "Cautionary Note". In addition, the foregoing factors may affect generally our business, results of operations and financial position. Forward-looking statements speak only as of the date the statement was made. We do not undertake and specifically decline any obligation to update any forward-looking statements. Our financial statements have been prepared in accordance with United States generally accepted accounting principles (US GAAP). We urge you to read this report in conjunction with the risk factors referenced above.

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

Company Overview

Our principal business is the acquisition, exploration and development of mineral resources. We are primarily focused on the development of the Molo Graphite Project into a fully operational and sustainable graphite mine.

The Molo Graphite Project currently consists of a commercially minable graphite deposit situated in the African country of Madagascar. No mine infrastructure currently exists at the Molo Graphite Project site. We have additional exploration-stage mineral properties situated in Madagascar, including the Green Giant Property.

We have not generated operating revenues or paid dividends since inception on March 1, 2004 to the period ended June 30, 2017 and we are unlikely to do so in the immediate future. Our business activities have been entirely financed from the proceeds of securities subscriptions.

Our executive offices are situated at 1001–145 Wellington Street West, Toronto, Ontario, Canada, M5J 1H8 and the primary telephone number is (416) 364-4986. Our website is www.nextsourcematerials.com (which website is expressly not incorporated by reference into this filing).

We are incorporated in the State of Minnesota, USA and have a fiscal year end of June 30.

On April 19, 2017, the Company changed its name from Energizer Resources Inc. to NextSource Materials Inc. as part of our rebranding effort and to better reflect our evolution from an exploration-stage company into a mine-development company. Our new symbol on the Toronto Stock Exchange is "NEXT" and on the OTC Markets is "NSRC."

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

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

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

Further details regarding each of our Madagascar properties, although not incorporated by reference, including the comprehensive feasibility studies prepared in accordance with Canada's National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") for the Molo Graphite Project and separately the technical report on the Green Giant Property in Madagascar can be found on the Company's website at www.nextsourcematerials.com (which website is expressly not incorporated by reference into this filing) or in the Company's Canadian regulatory filings at www.sedar.com (which website and content is expressly not incorporated by reference into this filing).

We report mineral reserve estimates in accordance with the Securities and Exchange Commission's Industry Guide 7 ("Guide 7") under the Securities Act of 1933, as amended (the "U.S. Securities Act"). As a reporting issuer in Canada with our primary trading market in Canada, we are also required to prepare reports on our mineral properties in accordance with NI 43-101. The technical reports referenced in this document use the terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource". These terms are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under Guide 7 and are normally not permitted to be used in reports filed with the Securities and Exchange Commission. As a result, information in respect of our mineral resources determined in accordance with NI 43-101 is not contained in this document.

Cautionary Note

Based on the nature of our business, we anticipate incurring operating losses for the foreseeable future. We base this expectation, in part, on the fact that very few mineral properties in the exploration stage are ultimately developed into producing and profitable mines. Our future financial results are uncertain due to a number of factors, some of which are outside the Company's control. These factors include, but are not limited to: (a) our ability to raise additional funding; (b) the market price for graphite, vanadium, gold and/or uranium; (c) the results of the

exploration programs and metallurgical analysis of our mineral properties; (d) the political instability and/or environmental regulations that may adversely impact costs and ability to operate in Madagascar; and (e) our ability to find joint venture and/or off-take partners in order to advance the development of our mineral properties.

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

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

Due to the present inability to generate revenues, accumulated losses, recurring losses and negative operating cash flows, the Company has stated its opinion in Note 1 of our audited financial statements, as included in this annual report, that there currently exists substantial doubt regarding the Company's ability to continue as a going concern.

Summary of Milestones

In July 2016, we appointed UK-based HCF International Advisers Limited ("HCF") as advisor in negotiating and structuring strategic partnerships, off take agreements and debt financing for our Molo Graphite Project in Madagascar. Discussions in respect of these matters have been ongoing for the past 26 months and are expected to continue during the coming months with no assurances as to the conclusion or results of these discussions.

In August 2016, we initiated a Front-End Engineering Design Study (the "FEED Study") and value engineering for our Molo Graphite Project in Madagascar. The FEED Study was undertaken in order to optimize the mine plan as envisioned in the technical report titled "Molo Feasibility Study – National Instrument 43-101 Technical Report on the Molo Graphite Project located near the village of Fotadrevo in the Province of Toliara, Madagascar", dated July 13, 2017, effective as of July 13, 2017 (the "Molo Feasibility Study") and determine the optimal development path based on discussions with prospective strategic partners. All costing aspects were examined with the goal of providing a method to produce meaningful, multi-tonne test samples of Molo graphite concentrate to potential off-takers while reducing the CAPEX and time required to the commencement of commercial production.

On November 7, 2016, we outlined a phased mine development plan for the Molo Graphite Project based on the FEED Study and value engineering. The results supported the construction of a plant to test and verify the flow sheet design from the Molo Feasibility Study. Under the existing Exploration Permit, the Company is limited to an ore input of 20,000 cubic meters (or approximately 50,000 tonnes) of front-end feed into the demonstration plant. Upon approval of a full mining permit, the 20,000-cubic meter test limit would be removed and at full capacity, the demonstration plant would be capable of processing up to 240,000 tonnes of feed per annum, which equates to 30 tonnes per hour of ore feed and roughly 1 to 3 tonnes of flake graphite concentrate production per hour.

Phase 1

Phase 1 would consist of a fully operational and sustainable graphite mine with a permanent processing plant capable of producing, in our estimation, approximately 17,000 tpa of high-quality SuperFlake™ graphite concentrate with a mine life of 30 years (as discussed below). The fully-modularized mining operation in this phase will use a 100% owner-operated fleet that we believe will process an average of 240,000 tonnes of ore per year (or 30 tonnes per hour) of mill feed (ore) that will be processed on site. Phase 1 will provide "proof of concept" for the modular methodology and allow NextSource the flexibility to optimize further the process circuit while being capable of supplying a true "run-of-mine" flake concentrate to potential off-takers and customers for final product validation. All supporting infrastructure including water, fuel, power, dry-stack tailings and essential buildings will be constructed during Phase 1 to sustain the fully operational and permanent processing plant. The plant will utilize dry-stack tailings in order to eliminate the up-front capital costs associated with a tailings dam. NextSource's existing camp adjacent to the nearby town of Fotadrevo will be used to accommodate employees and offices, with additional housing available within the town for additional employees.

Phase 2

Phase 2 would consist of a modular expansion to plant capable of producing approximately 50,000 tpa of high-quality SuperFlake™ graphite concentrate. Timing of the implementation of Phase 2 will be determined by market demand for SuperFlake™ graphite and will incorporate the unique full-modular build approach used in Phase 1. This phase will include the construction of additional on-site accommodation and offices, upgrading of road infrastructure, port facility upgrades, a wet tailings dam facility and further equipment purchases to provide redundancy within the processing circuit. The costs for these capital expenditures are unknown at this time, but will be assessed as part of an economic analysis completed in parallel with Phase 1 development.

On June 1, 2017, we released the results of a positive updated Molo Feasibility Study for Phase 1 of the mine development plan utilizing a fully modular build-out approach which was based on the FEED Study and subsequent detailed engineering studies. Phase 1 would consist of a fully operational and sustainable graphite mine with a permanent processing plant capable of producing, in our estimation, approximately 17,000 tpa of high-quality SuperFlake™ graphite concentrate per year with a mine life of 30 years. The Phase 1 production costs were estimated at $433 per tonne at the plant and $688 per tonne delivered CIF port of Rotterdam. The Phase 1 capital costs were estimated at $18.4 million with a construction projected but not guaranteed timeline of approximately 9 months. Based on an average selling cost of $1,014 per tonne, the Phase 1 was estimated to have a pre-tax NPV of $34 million using an 8% discount rate, a pre-tax internal rate of return (IRR) of 25.2%, and a post-tax IRR of 21.5%.

Summary of Future Plans

We have applied for a mining permit from the Government of Madagascar to begin construction of Phase 1 of the Molo Graphite Project. Although the Company believes it has complied with all permit requirements and has submitted all necessary documents, there can be no assurances as to the timing of the receipt of a mining permit.

In anticipation of receiving the mine permit and of eventual graphite production, we have continued to pursue negotiations in respect of potential off-take agreements with graphite end-users and intermediaries with the intention of securing project financing alternatives, which may include debt, equity and derivative instruments.

From the date of this report, and subject to availability of capital and unforeseen delays in receiving the mining permit for the Molo Graphite Project, our business plan during the next 12 months is to incur between $2,200,000 to $23,000,000 on further permitting, engineering, construction, professional fees, G&A and working capital costs to achieve initial production at the Molo Graphite Project by July 2018. No assurances can be provided that we will achieve our production objective by that date.

The following is a summary of the amounts budgeted to be incurred (presuming all $23,000,000 is required):

Professional Fees and General and Administrative	$	1,500,000
Environmental and Permitting Fees	$	700,000
Phase 1 Processing Plant CAPEX	$	14,500,000
Phase 1 Infrastructure CAPEX	$	400,000
Construction Financing Costs	$	1,100,000
Construction Contingency Costs (10%)	$	1,700,000
Working Capital for Mine Startup	$	3,100,000
Total	**$**	**23,000,000**

The above amounts may be updated based on actual costs and the timing may be delayed or adjusted 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.

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

Employees

As of the date of this annual report, we have 4 full-time employees and consultants based in Toronto and South Africa engaged in the management of the Company as well as several additional consultants in South Africa and Madagascar that serve managerial and non-managerial functions.

RESULTS OF OPERATIONS

The following are explanations of the material changes for the year ended June 30, 2017 compared to the year ended June 30, 2016:

	Year ended June 30, 2017	Year ended June 30, 2016
Revenues	**$ -**	**$ -**
Expenses		
Mineral exploration expense	1,839,659	812,477
Professional and consulting fees	770,397	811,704
Stock-based compensation	794,864	331,491
General and administrative	458,780	279,097
Depreciation	21,911	56,602
Foreign currency translation loss (gain)	93,476	106,036
Total Expenses	3,979,087	2,408,778
Net Loss From Operations	(3,979,087)	(2,408,778)
Other Income (Expenses)		
Investment income	-	623
Gain on legal settlement	-	59,556
(Loss) gain on sale of marketable securities	-	(18,916)
Change in value of warrant liability	111,049	733,802
Part XII.6 taxes	(131,320)	-
Net Loss	(3,999,358)	(1,633,713)
Realized gain from marketable securities	-	4,323
Comprehensive Loss	$ (3,999,358)	$ (1,629,390)
Loss per share – basic and diluted	($0.01)	($0.00)
Weighted average shares outstanding – basic and diluted	448,187,140	343,243,652

Results for the year ended June 30, 2017:

- Mineral exploration costs increased to $1,839,659 (2016: $812,477) as our company completed metallurgical analysis activities related to the Feed Study, environmental permitting and consulting and general project expenditures as compared to the previous year.
- Professional fees decreased to $770,397 (2016: $811,704)as a result of a reduction in the number of employees and legal fees as compared to the previous year.
- General and administrative (G&A) costs increased to $458,780 (2016: $279,097)as a result of increased travel costs and investor relations activities as compared to the previous year.

- Part XII.6 taxes of $131,320 (2016: $nil) were incurred to settle taxes payable to the Canada Revenue Agency (CRA) related to the issuance of flow-through shares during fiscal 2014.
- A non-cash gain in the value of a warrant liability of $111,049 (2016: $733,802) was recognized. This is in relation to warrants that expried in January 2017 that were issued in a currency other than our functional currency. In accordance with ASC 815 *Derivatives and Hedging*, upon recognition the fair value of these warrants was estimated using a binomial model and was recorded as a derivative liability. The liability was subsequently remeasured at the end of each financial reporting period until expiration.

Liquidity, Capital Resources and Foreign Currencies

The following are explanations of the material changes to the working capital position as of June 30, 2017 when compared to June 30, 2016:

	June 30, 2017	June 30, 2016
Assets		
Current Assets:		
Cash and cash equivalents (note 12)	$ 1,964,948	$ 544,813
Amounts receivable	39,441	13,955
Prepaid expenses (note 6)	39,096	11,545
Total current assets	2,043,485	570,313
Current Liabilities:		
Accounts payable (note 6)	$ 159,147	$ 215,391
Accrued liabilities	68,241	24,743
Contingency provision (note 13)	182,883	182,742
Warrant liability (note 10)	-	111,049
Total current liabilities	410,271	533,925
Net working capital position	**$ 1,633,214**	**$ 36,388**

In managing liquidity, management's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet our obligations as they come due. However, due to the present inability to generate revenues, accumulated losses, recurring losses and negative operating cash flows, the Company has stated its opinion in Note 1 of our audited financial statements, as included in this annual report, that there currently exists substantial doubt regarding the Company's ability to continue as a going concern. Our operations to date have been funded by issuing equity. Our company expects to raise additional working capital to fund planned project expenditures by securing additional financing. The existing working capital position is expected to be sufficient to fund non-project expenditures for the next 12 months.

We hold a significant portion of our cash reserves in Canadian dollars to satisfy non-exploration expenditures such as professional and consulting fees and general and administrative costs, which are mainly incurred in Canadian dollars. Due to foreign exchange rate fluctuations, the remeasurement of the value of Canadian dollar reserves into US dollars results in foreign currency translation gains or losses. If there was to be a significant decline in the Canadian dollar against the US dollar, the value of that Canadian dollar cash reserves, as presented on the balance sheet, could significantly decline causing significant foreign currency translation losses. For illustration, there has been a consistent and steady decline in the value of the Canadian dollar from near par in 2013 to the Canadian dollar's current rates. In addition, certain of our ongoing expenditures are in South African Rand, Madagascar Ariary and Euros requiring us to occasionally hold reserves of these foreign currencies with a similar risk of foreign exchange currency translation losses.

Capital Financings

We have funded our business to date from sales of our securities. We will require additional funding throughout fiscal 2018 to advance our projects, which will likely be in the form of equity financing from the issuance of additional common shares. However, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common shares.

Net proceeds during the past two years:

- On October 7, 2015, we closed a non-brokered private placement offering of 14,200,000 units at a price of $0.04 (CAD$0.05) per unit, representing gross proceeds of $530,673 (CAD$710,000). Insiders subscribed for a total of $50,000CAD as part of this offering. Each unit is comprised of one (1) common share and one-half (0.5) of one (1) common share purchase warrant. Each warrant entitling the holder thereof to acquire one (1) additional common share at a price of $0.07 per share until October 6, 2017.
- On February 4, 2016, we closed a private placement offering of 6,437,900 units at a price of $0.05 (CAD$0.07) per unit, representing aggregate gross proceeds of $328,977 (CAD$450,653). Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.11 per common share until February 4, 2018.
- On April 11, 2016, we closed a private placement offering of 3,207,857 units at a price of $0.05 (CAD$0.07) per unit, representing aggregate gross proceeds of $172,633 (CAD$224,550). Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.11 per common share until April 11, 2018.
- On May 17, 2016, we closed a private placement offering of 11,150,000 common shares at a price of $0.07 (CAD$0.09) per unit, representing aggregate gross proceeds of $782,730 (CAD$1,003,500).
- On August 18, 2016, we closed a private placement offering of 96,064,286 common shares at a price of $0.05 (CAD$0.07) per unit, representing aggregate gross proceeds of $5,177,885 (CAD$6,724,500).

Net proceeds subsequent to the end of the current reporting period:

- None.

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

Off-balance sheet arrangements

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

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

Not applicable.

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.

ITEM 9A. - CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management team, under the supervision and with the participation of our chief executive officer and our chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act, as of the last day of the fiscal period covered by this report, June 30, 2017.

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

Based on this evaluation, our chief executive officer and our chief financial officer concluded that, our disclosure controls and procedures were effective as of June 30, 2017.

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 2013 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, 2017, our internal controls over financial reporting was effective.

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.

Changes In Internal Control Over Financial Reporting

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

ITEM 9B. – OTHER INFORMATION

Not applicable.

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 27, 2017.

Name	Age	Position
Craig Scherba	45	President, Chief Executive Officer and Director
Marc Johnson	41	Chief Financial Officer
Robin Borley	49	Senior Vice President of Mine Development and Director
John Sanderson	82	Chairman and Director
Quentin Yarie	52	Director
Dean Comand	51	Director
Dalton Larson	77	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.

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 and 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, 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.

Marc Johnson (Toronto, Canada): Mr. Johnson was appointed as our Chief Financial Officer in October 2015. Mr. Johnson is a senior executive with over 20 years of experience, including 10 years at large public companies in corporate development, financial management and cost control positions. He also brings 10 years of capital markets

experience, specifically in mining investment banking and as an equity research mining analyst covering precious and base metals. Mr. Johnson is a Chartered Professional Accountant, a Chartered Financial Analyst (CFA) and holds a Bachelor of Commerce (Finance) degree from the John Molson School of Business at Concordia University. Mr. Johnson also currently serves as the CFO of Red Pine Exploration Inc. and as the CFO of Honey Badger Exploration Inc..

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.

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 Master's 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. He served as the first Chairman of the Board of Directors for two years and then participated closely in its governance and management including serving as the Chair of the Compensation Committee. During his tenure, the Company raised in excess of $65 million in equity to finance its development activities, all by way of private placements. This company was sold to Xstrata in excess of $150 million. He currently serves as the Chairman of the Board of Directors of Cloud Nine Education Group (CSE:CNI) and on the Board of Directors of SmartCool Systems Inc. (TSX-V: SSC).

Director Term Limits and Female Representation in Management and on the Board

The Company has not instituted director term limits. The Company believes that in taking into account the nature and size of the Board and the Company, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Company. In lieu of imposing term limits, the Company regularly monitors director performance through annual assessments and regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent directors in attendance, as well as through continuing education initiatives. On a regular basis, the Company analyzes the skills and

experience necessary for the Board and evaluates the need for director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

The Company has not implemented a diversity policy; however, the Company believes that it currently promotes the benefits of, and need for, extending opportunities to all candidates, without distinction as to gender, race, colour, religion, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, disability, or any other basis and will strive for diversity of experience, perspective and education. The Company believes that it currently focuses on hiring the best quality individuals for the position and also encourages representation of women on the Board and in executive officer positions.

The Company has seven Board members and four executive officers, none of whom are female. The Company has not considered the level of representation of women in its executive officer positions or on its Board in previous nominations or appointments (including a targeted number or percentage). The Company's focus has always been, and will continue to be, working to attract the highest quality executive officers and Board candidates with special focus on the skills, experience, character and behavioral qualities of each candidate. The Company will continue to monitor developments in the area of diversity.

Audit Committee and Audit Committee Financial Expert

The audit committee is a key component of the Company's commitment to maintaining a higher standard of corporate responsibility. This committee consists of Dalton L. Larson, Dean Comand, John Sanderson and prior to his passing, Albert Thiess, Jr., each of whom are financially literate (see biographies under "Nominees" section above) and independent as per the independence standards of the NYSE American in the United States of America and as per the standards of NI 58-101 in Canada (each are independent directors as they do not have involvement in the day-to-day operations of the Company). The Board has determine that Dean Comand is the "audit committee financial expert" as defined in the SEC's rules and regulations.

The audit committee assists our Board in its oversight of the Company's accounting and financial reporting processes and the annual 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 in both Canada and the United States of America, (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. Further, the audit committee, to the extent it deems necessary or appropriate, among its several other responsibilities, shall: (1) 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; (2) 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; (3) 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; (4) monitor the Company's policies for compliance with federal, state, local and foreign laws and regulations and the Company's policies on corporate conduct; (5) maintain open, continuing and direct communication between the Board, the committee and both the company's independent auditors and its internal auditors; and (6) monitor our compliance with legal and regulatory requirements 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 Exchange Act 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, 2017, 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 3(a) above, 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. 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. We will provide a copy of the Code of Ethics for Senior Financial Officers

and the Code of Business Conduct and Ethics without charge, upon request, by contacting our Corporate Secretary at 1001-145 Wellington Street West, Toronto, ON, M5J 1H8 or 416-364-4911.

ITEM 11. – EXECUTIVE COMPENSATION

Compensation of Executives

Summary Compensation Table

The table below sets forth certain summary information concerning the compensation paid or accrued during each of our last two completed fiscal years to our principal executive officer and four most highly compensated executive officers who received compensation over $100,000 for the fiscal year ended June 30, 2017 (Named Executive Officers" or "NEO"):

Name and Principal Position	Fiscal Year	Salary & Consulting Fees ($)[1]	Bonus ($)	Option Awards ($)[2]	Stock Awards ($)	Non-Equity Incentive Plans ($)	Change in Pension Value & Non-Qualified Deferred Compensation ($)	Other Compensation & Severance ($)	Total ($)
Craig Scherba, CEO, President and Director (A)	2017 2016	139,870 88,015	0 0 0	90,240 37,049	0 0	0 0	0 0	0 0	230,110 125,064
Marc Johnson, CFO (B)	2017 2016	128,860 51,784	0 0 0	82,720 29,249	0 0	0 0	0 0	0 0	211,580 81,033
Robin Borley, SVP and Director (C)	2017 2016	196,800 204,800	0 0 0	82,720 29,249	0 0	0 0	0 0	0 0	279,520 234,049
Brent Nykoliation, SVP (D)	2017 2016	132,594 129,027	0 0 0	82,720 29,249	0 0	0 0	0 0	0 0	215,314 158,276

(A) On July 30, 2015, Mr. Scherba became the Chief Executive Officer. The Company has an employment agreement with Mr. Scherba, who receives a salary of CAD$20,000 per month. He is eligible to receive specific bonuses linked to achieving company milestones. His contract has an 18-month termination notice, which increases to 36 months if within 12 months of a change of control the Company gives notice of its intention to terminate or a triggering event occurs and he elects to terminate.

(B) On October 23, 2015, Mr. Johnson became the Chief Financial Officer. The Company has a management company agreement with Mr. Johnson, who receives consulting fees of CAD$15,000 per month. He is eligible to receive specific bonuses linked to achieving company milestones. His contract has an 18-month termination notice, which increases to 36 months if within 12 months of a change of control the Company gives notice of its intention to terminate or a triggering event occurs and he elects to terminate.

(C) The Company has a management company agreement with Mr. Borley, who receives consulting fees of USD$16,400 per month. He is eligible to receive specific bonuses linked to achieving company milestones. His contract has an 18-month termination notice, which increases to 36 months if within 12 months of a change of control the Company gives notice of its intention to terminate or a triggering event occurs and he elects to terminate.

(D) The Company has a management company agreement with Mr. Nykoliation, who receives a salary of CAD$15,000 per month. He is eligible to receive specific bonuses linked to achieving company milestones. His contract has an 18-month termination notice, which increases to 36 months if within 12 months of a change of control the Company gives notice of its intention to terminate or a triggering event occurs and he elects to terminate.

(1) These amounts include salary and/or consulting fees paid during the year. No bonuses have been paid during the fiscal year.

(2) 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.

Outstanding Stock Option Grants

Outstanding stock options granted to Named Executive Officers ("NEO's") as at June 30, 2017 are as follows:

Name and Principal Position	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Un-Exercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Value Realized if Exercised ($)[1]	Option Expiration Date
Craig Scherba	750,000	0	0	0.21	0	February 27, 2018
CEO, President	180,000	0	0	0.11	0	July 9, 2018
and Director	500,000	0	0	0.18	0	January 10, 2019
	250,000	0	0	0.15	0	July 3, 2019
	470,000	0	0	0.20	0	February 26, 2020
	950,000	0	0	0.056	0	December 22, 2020
	2,400,000	0	0	0.066	0	June 9, 2022
Marc Johnson	750,000	0	0	0.056	0	December 22, 2020
CFO	2,200,000	0	0	0.066	0	June 9, 2022
Robin Borley	75,000	0	0	0.21	0	February 27, 2018
SVP and Director	300,000	0	0	0.18	0	January 10, 2019
	350,000	0	0	0.20	0	February 26, 2020
	750,000	0	0	0.056	0	December 22, 2020
	2,200,000	0	0	0.066	0	June 9, 2022
Brent Nykoliation	700,000	0	0	0.21	0	February 27, 2018
SVP	175,000	0	0	0.11	0	July 9, 2018
	75,000	0	0	0.15	0	July 19, 2018
	400,000	0	0	0.18	0	January 10, 2019
	400,000	0	0	0.15	0	July 3, 2019
	450,000	0	0	0.20	0	February 26, 2020
	750,000	0	0	0.056	0	December 22, 2020
	2,200,000	0	0	0.066	0	June 9, 2022

(1) Based on a closing price of $0.05 (CAD$0.07) on June 30, 2017 and presuming all options are exercised.

Outstanding Stock Appreciation Rights Grants

The Company had no stock appreciation rights as of June 30, 2017.

Outstanding Stock Awards at Year End

There were no outstanding stock awards as at June 30, 2017.

Options Exercises and Stocks Vested

No options were exercised and no stocks issued with a vesting period vested during the year ended June 30, 2017.

Grants of Plan-Based Awards

There were no grants of plan-based awards to a named executive officer during the year ended June 30, 2017.

Non-Qualified Deferred Compensation

The Company had no formalized deferred compensation plan as of June 30, 2017.

Other Compensation and Awards

The Company had arrangements in place relating to the termination of employees or NEOs as of June 30, 2017:

- The Company has an employment agreement with Mr. Scherba, who receives a salary of CAD$20,000 per month. He is eligible to receive specific bonuses linked to achieving company milestones. His contract has an 18-month termination notice, which increases to 36 months if within 12 months of a change of control the Company gives notice of its intention to terminate or a triggering event occurs and he elects to terminate.

- On October 23, 2015, Mr. Johnson became the Chief Financial Officer. The Company has a management company agreement with Mr. Johnson, who receives consulting fees of CAD$15,000 per month. He is eligible to receive specific bonuses linked to achieving company milestones. His contract has an 18-month termination notice, which increases to 36 months if within 12 months of a change of control the Company gives notice of its intention to terminate or a triggering event occurs and he elects to terminate.
- The Company has a management company agreement with Mr. Borley, who receives consulting fees of USD$16,400 per month. He is eligible to receive specific bonuses linked to achieving company milestones. His contract has an 18-month termination notice, which increases to 36 months if within 12 months of a change of control the Company gives notice of its intention to terminate or a triggering event occurs and he elects to terminate.
- The Company has a management company agreement with Mr. Nykoliation, who receives a salary of CAD$15,000 per month. He is eligible to receive specific bonuses linked to achieving company milestones. His contract has an 18-month termination notice, which increases to 36 months if within 12 months of a change of control the Company gives notice of its intention to terminate or a triggering event occurs and he elects to terminate.

Long-Term Incentive Plan Awards Table

There Company had no Long-Term Incentive Plans in place as of June 30, 2017.

Pension Benefits

The Company had no pension or retirement plans as of June 30, 2017.

Compensation of Directors

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, 2017.

Name and Principal Position	Salary & Consulting Fees ($)[1]	Bonus ($)	Option Awards ($)[2]	Stock Awards ($)	Non-Equity Incentive Plans ($)	Change in Pension Value & Non-Qualified Deferred Compensation ($)	Other Compensation & Severance ($)	Total ($)
John Sanderson, Chairman (A)	13,475	0	90,240	0	0	0	0	103,715
Quentin Yarie, Director (B)	5,775	0	82,720	0	0	0	0	88,495
Dean Comand, Director (C)	9,625	0	82,720	0	0	0	0	92,345
Dalton Larson, Director (D)	12,191	0	86,480	0	0	0	0	98,671

(A) Mr. Sanderson receives chairman fees of CAD$3,500 per month.
(B) Mr. Yarie receives director fees of CAD$2,500 per month.
(C) Mr. Comand receives director fees of CAD$2,500 per month.
(D) Mr. Larson receives director fees of CAD$2,500 per month plus committee chair fees of $667 per month.

(1) These amounts include salary and/or consulting fees paid during the year. No bonuses have been paid.
(2) 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.

Outstanding stock options granted to directors who are not Named Executive Officers as at June 30, 2017 are as follows:

Name and Principal Position	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Un-Exercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Value Realized if Exercised ($)[1]	Option Expiration Date
John Sanderson, Chairman	100,000	0	0	0.21	0	February 27, 2018
	25,000	0	0	0.11	0	July 9, 2018
	50,000	0	0	0.15	0	July 19, 2018
	400,000	0	0	0.18	0	January 10, 2019
	200,000	0	0	0.15	0	July 3, 2019
	350,000	0	0	0.20	0	February 26, 2020
	850,000	0	0	0.056	0	December 22, 2020
	2,400,000	0	0	0.066	0	June 9, 2022
Quentin Yarie, Director	300,000	0	0	0.21	0	February 27, 2018
	100,000	0	0	0.11	0	July 9, 2018
	50,000	0	0	0.15	0	July 19, 2018
	425,000	0	0	0.18	0	January 10, 2019
	250,000	0	0	0.15	0	July 3, 2019
	350,000	0	0	0.20	0	February 26, 2020
	750,000	0	0	0.056	0	December 22, 2020
	2,200,000	0	0	0.066	0	June 9, 2022
Dean Comand, Director	400,000	0	0	0.20	0	February 26, 2020
	750,000	0	0	0.056	0	December 22, 2020
	2,200,000	0	0	0.066	0	June 9, 2022
Dalton Larson, Director	200,000	0	0	0.20	0	February 26, 2020
	750,000	0	0	0.056	0	December 22, 2020
	2,300,000	0	0	0.066	0	June 9, 2022

(1) Based on a closing price of $0.05 (CAD$0.07) on June 30, 2017 and presuming all options are exercised.

ITEM 12. – 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 27, 2017, by: (i) each person who is known by the Company to own beneficially more than 5% of our common shares; (ii) each current director of the Company; (iii) each current Named Executive Officers; and (iv) all directors and Named 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. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include ordinary shares issuable upon the exercise of stock options that are immediately exercisable or exercisable within 60 days. Except as otherwise indicated, all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. 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 the sum of common shares outstanding (460,995,711) plus the common share purchase warrants exerciseable within 60 days by that beneficial owner and the common stock purchase options entitled to be exercised within 60 days by that beneficial owner.

Name, Principal Position and Address	Common Shares Owned (#)	Common Share Purchase Warrants (#)	Common Share Stock Purchase Options (#)	Number of Common Shares Beneficially Owned (#)	Percentage of Common Shares Beneficially Owned (%)
Goodman & Company, Investment Counsel Inc.,[3] 2100-1 Adelaide Street East, Ontario, Canada	45,714,286	0	-	45,714,286	9.92%
VR Capital Group Ltd.,[4] Dubai International Financial Centre, Gate Village 4, Suite 402, Dubai, UAE	28,991,713	11,042,000[1]	-	40,033,713	8.5%
JP Morgan Chase & Co.,[5] 270 Park Avenue, New York, NY 10017	33,428,200	-	-	33,428,200	7.0%
Craig Scherba, CEO, President & Director 1480 Willowdown Road, Oakville, ON, Canada	600,000	-	5,500,000	6,100,000	1.3%
Marc Johnson, CFO 59 East Liberty Street, Toronto, ON, Canada	85,000	-	2,950,000	3,035,000	0.7%
Brent Nykoliation, SVP Corporate Development 161 Fallingbrook Road, Toronto, ON, Canada	736,860	-	5,150,000	5,886,860	1.3%
John Sanderson, Chairman of the Board & Director 1721-27th Street, West Vancouver, BC, Canada	75,000	-	4,375,000	4,450,000	1.0%
Robin Borley, SVP Mine Development & Director Waterfall Country Estate, Gauteng, South Africa	2,787,857	2,787,857[2]	3,675,000	9,250,714	2.0%
Quentin Yarie, Director 196 McAllister Road, North York, ON, Canada	825,000	-	4,425,000	5,250,000	1.1%
Dean Comand, Director 131 Garden Avenue, Ancaster, ON, Canada	-	-	3,350,000	3,350,000	0.7%
Dalton Larson, Director 3629 Canterbury Drive, Surrey, BC , Canada	1,000,000	-	3,250,000	4,250,000	0.9%
All Directors and Named Executive Officers as a group	6,109,717	2,787,857	33,870,000	42,767,574	8.6%

(1) These warrants expire May 4, 2018 and have an exercise price of $0.14.
(2) These warrants expire April 11, 2018 and have an exercise price of $0.11.
(3) Based on the Schedule 13G/A filed on March 7, 2017. The control person is Brett Whalen, Vice President and Portfolio Manager.
(4) Based on the Schedule 13G/A filed on February 14, 2017 on behalf of (i) VR Global Partners, L.P. (the "Fund"), a Cayman Islands exempted limited partnership, (ii) VR Advisory Services Ltd ("VR"), a Cayman Islands exempted company, as the general partner of the Fund, (iii) VR Capital Participation Ltd. ("VRCP"), a Cayman Islands exempted company, as the sole shareholder of VR, (iv) VR Capital Group Ltd. ("VRCG"), a Cayman Islands exempted company, as the sole shareholder of VRCP, (v) VR Capital Holdings Ltd.

("VRCH"), a Cayman Islands exempted company, as the sole shareholder of VRCG and (vi) Richard Deitz, the principal of VR, VRCP, VRCG, VRCH. All shares of Common Stock are held by the Fund and VRCG.

(5) Based on the Schedule 13G/A filed on January 18, 2017 by JP Morgan Chase & Co. for itself and its wholly-owned subsidiary, JPMorgan Asset Management (UK) Limited. The control person is Neil Gregson, Portfolio Manager, Natural Resources Fund, J.P. Morgan Asset Management.

The following table sets forth information as of June 30, 2017 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 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	44,470,000	$0.11	1,530,000
Equity compensation plans not approved by security holders	--	--	--
Total	44,470,000	$0.11	1,530,000

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 "Compensation of Executives" 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 related party transactions occurred during the year ended June 30, 2017:

a) The Company incurred $639,190 in mineral exploration expense and professional and consulting fees incurred directly to directors and officers or companies under their control (June 30, 2016: $556,982).
b) The Company incurred $nil in severance costs paid or accrued directly to former officers (June 30, 2016: $125,047).
c) The Company incurred $nil in general and administrative costs (June 30, 2016: $68,293) from a public company related by common management, Red Pine Exploration Inc. (TSX.V: "RPX").
d) The Company granted 18,100,000 stock options to directors and officers of the Company (June 30, 2016: 7,900,000 common stock purchase options issued to directors and officers). These stock options were valued at $680,560 using the Black-Scholes option pricing model and are included in stock-based compensation (June 30, 2016: $308,092).

The following related party transactions balances existed as of June 30, 2017:

a) The accounts payable balance for payroll, management and consulting fees owed to directors and officers or companies under their control was $16,400 at the end of the period (June 30, 2016: $42,000).
b) The prepaid payroll balance for payroll expenditures paid to officers was $29,746 at the end of the period (June 30, 2016: $nil).

The following related party transactions occurred during the year ended June 30, 2016:

a) The Company incurred $68,293 in general and administrative costs (June 30, 2015: $98,595) from a public company related by common management, Red Pine Exploration Inc. (TSX.V: "RPX"). During the year the Company forgave the $68,293 in general and administrative costs as a result of a cost settlement agreement between the Companies. The accounts payable balance for general and administrative costs due to RPX was $nil at the end of the year (June 30, 2015: $24,048).
b) The Company incurred $556,982 in mineral exploration, management and consulting fees paid or accrued directly to directors and officers or to companies under their control (June 30, 2015: $629,204). The accounts payable balance for these expenditures was $42,000 at the end of the year (June 30, 2015: $nil).
c) The Company incurred $125,047 in severance costs paid or accrued directly to former officers. The accounts payable balance for these costs was $34,010 at the end of the year (June 30, 2015: $46,292).
d) The Company incurred $nil in mineral exploration from a mining and engineering firm for which one of the Company's Director services as a senior officer and director (June 30, 2015: $1,927,797), which is included in mineral exploration expenses.
e) The Company granted 7,900,000 common stock purchase options to directors and officers of the Company (June 30, 2015: 6,680,000). These common stock purchase options were valued at $308,092 using the Black-Scholes option pricing model (June 30, 2015: $438,035), which is included in stock-based compensation.
f) The Company received a principal repayment of $76,450 (June 30, 2015: $nil) during the year from MacDonald Mines Exploration Ltd. (TSXV: BMK), a company related by way of common management, for an outstanding loan.

ITEM 14. - PRINCIPAL ACCOUNTING FEES AND SERVICES

The Board considers that the work done in the year ended June 30, 2017 by our company's external auditors, MNP LLP is compatible with maintaining MNP LLP. All of the work expended by MNP LLP on our June 30, 2017 audit was attributed to work performed by MNP LLP's full-time, permanent employees. The Audit Committee reviews and must approve all engagement agreements with external auditors. During the year ended June 30, 2017, the Audit Committee pre-approved all of the fees invoiced by MNP LLP.

Audit Fees: The aggregate fees, including expenses, billed by the Company's auditor 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, 2017 was CAD$47,800 (June 30, 2016: CAD$81,855).

Audit-Related Fees: The aggregate fees, including expenses, billed by the Company's auditor for services reasonably related to the audit for the year ended June 30, 2017 were $nil (June 30, 2016: $nil).

Tax Fees: The aggregate fees, including expenses, billed for all other services rendered to the Company by its auditor during year ended June 30, 2017 was CAD$5,885 (June 30, 2016: CAD$22,898).

All Other Fees: The aggregate fees, including expenses, billed for all other services rendered to the Company by its auditor during year ended June 30, 2017 was CAD$nil (June 30, 2016: CAD$nil).

ITEM 15. – EXHIBITS

Exhibit Number & Description

3.1 Articles of Incorporation of Energizer Resources Inc. (now known as NextSource Materials Inc.) (Incorporated by reference to Exhibit 3.3 to the registrant's registration statement on Form S-1/A filed on July 29, 2015)
3.2 Amendment to Articles of Incorporation of NextSource Materials Inc. (Incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K as filed with the SEC on April 24, 2017)
3.3 Third Amended and Restated By-Laws of NextSource Materials Inc. (Incorporated by reference to Exhibit 3.2 to the registrant's current report on Form 8-K as filed with the SEC on April 24, 2017)

4.1 Amended and Restated 2006 Stock Option Plan of NextSource Materials, 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. Amended and Restated Stock Option Plan of NextSource Materials, Inc. (Incorporated by reference to the registrant's current report on Form 8-K as filed with the SEC on October 16, 2013)
4.3 Stock Option Plan of NextSource Materials, Inc. (Incorporated by reference to Appendix B to Schedule 14A as filed with the SEC on November 14, 2016)
4.4 Form of Warrant relating to private placement completed during October 2015 (Filed herein).
4.5 Form of Warrant relating to private placement completed during July 2015 (Filed herein).
4.6 Form of Warrant relating to private placement completed during February 2016 (Filed herein).
4.7 Form of Warrant relating to private placement completed during April 2016 (Filed herein).
4.8 Form of Warrant relating to private placement completed during June 2014 (Filed herein).

10.1 Sale and Purchase Agreement between Malagasy Minerals Limited and NextSource Materials 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).
10.2 ERG Project Minerals Rights Agreement between Malagasy Minerals Limited and NextSource Materials 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).
10.3 Green Giant Project Joint Venture Agreement between Malagasy Minerals Limited and NextSource Materials 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).
10.4 Employment Agreement with Craig Scherba (Filed herein).
10.5 Employment Agreement with Brent Nykoliation (Filed herein).
10.6 Management Consulting Agreement with Marc Johnson (Filed herein).
10.7 Management Consulting Agreement with Robin Borley (Filed herein).

21 Subsidiaries of the Registrant.

31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2 Certification of Principal Financial & Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
32.1 Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.
32.2 Certification of Chief Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

101.INS XBRL Instance Document
101.SCH XBRL Taxonomy Extension Schema Document
101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF XBRL Taxonomy Extension Definition Linkbase Document
101.LAB XBRL Taxonomy Extension Label Linkbase Document
101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

ITEM 16. - FORM 10-K SUMMARY
None

WHERE YOU CAN FIND MORE INFORMATION

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

SIGNATURES

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

NEXTSOURCE MATERIALS INC.

Dated: September 27, 2017

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

Dated: September 27, 2017

By: /s/ Marc Johnson
Name: Marc Johnson
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.

By: /s/ Craig Scherba
Name: Craig Scherba
Title: Chief Executive Officer, Director
Dated: September 27, 2017

By: /s/ John Sanderson
Name: John Sanderson
Title: Chairman of the Board, Director
Dated: September 27, 2017

By: /s/ Marc Johnson
Name: Marc Johnson
Title: Chief Financial Officer (Principal Accounting Officer)
Dated: September 27, 2017

By: /s/ Robin Borley
Name: Robin Borley
Title: SVP, Mine Development, Director
Dated: September 27, 2017

By: /s/ Quentin Yarie
Name: Quentin Yarie
Title: Director
Dated: September 27, 2017

By: /s/ Dean Comand
Name: Dean Comand
Title: Director
Dated: September 27, 2017

By: /s/ Dalton Larson
Name: Dalton Larson
Title: Director
Dated: September 27, 2017

NEXTSOURCE MATERIALS INC.

(An Exploration Stage Company)

Consolidated financial statements

For the years ended June 30, 2017 and 2016

(Expressed in US Dollars)

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of NextSource Materials Inc.

We have audited the accompanying consolidated balance sheets of NextSource Materials Inc. as of June 30, 2017 and 2016, and the related consolidated statements of operations and comprehensive loss, shareholders' equity (deficiency), and cash flows for the years then ended. NextSource Materials 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. NextSource Materials 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 NextSource Materials 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 NextSource Materials Inc. as of June 30, 2017 and 2016, 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

Mississauga, Canada
September 27, 2017

Chartered Professional Accountants
Licensed Public Accountants

MNP LLP

NextSource Materials Inc.
Consolidated Balance Sheets
(Expressed in US Dollars)

	June 30, 2017	June 30, 2016
Assets		
Current Assets:		
Cash and cash equivalents (note 12)	$ 1,964,948	$ 544,813
Amounts receivable	39,441	13,955
Prepaid expenses (note 6)	39,096	11,545
Total current assets	2,043,485	570,313
Equipment (note 4)	27,805	21,911
Total Assets	**$ 2,071,290**	**$ 592,224**
Liabilities and Stockholders' Equity		
Liabilities		
Current Liabilities:		
Accounts payable (note 6)	$ 159,147	$ 215,391
Accrued liabilities	68,241	24,743
Contingency provision (note 13)	182,883	182,742
Warrant liability (note 10)	-	111,049
Total Liabilities	**$ 410,271**	**$ 533,925**
Stockholders' Equity		
Common stock 650,000,000 shares authorized, $0.001 par value, 460,995,711 issued and outstanding (June 30, 2016: 364,931,425) (note 7)	460,996	364,932
Additional paid-in capital (note 7)	99,160,128	93,654,114
Accumulated deficit	(97,960,105)	(93,960,747)
Total Stockholders' Equity	**1,661,019**	**58,299**
Total Liabilities and Stockholders' Equity	**$ 2,071,290**	**$ 592,224**

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

Nature of Operations and Going Concern (note 1)

Mineral Properties (note 5)

NextSource Materials Inc.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in US Dollars)

	Year ended June 30, 2017	Year ended June 30, 2016
Revenues	**$ -**	**$ -**
Expenses		
Mineral exploration expense (notes 5, 6 and 12)	1,839,659	812,477
Professional and consulting fees (note 6)	770,397	811,704
Stock-based compensation (note 6)	794,864	331,491
General and administrative (note 6)	458,780	279,097
Depreciation (note 4)	21,911	56,602
Interest	-	11,371
Foreign currency translation loss	93,476	106,036
Total Expenses	3,979,087	2,408,778
Net Loss From Operations	(3,979,087)	(2,408,778)
Other Income (Expenses)		
Investment income	-	623
Gain on legal settlement	-	59,556
Loss on sale of marketable securities	-	(18,916)
Change in value of warrant liability (note 10)	111,049	733,802
Part XII.6 taxes (note 13)	(131,320)	-
Net Loss	(3,999,358)	(1,633,713)
Realized gain from marketable securities	-	4,323
Comprehensive Loss	$ (3,999,358)	$ (1,629,390)
Loss per share – basic and diluted	($0.01)	($0.00)
Weighted average shares outstanding – basic and diluted (note 11)	448,187,140	343,243,652

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

NextSource Materials Inc.
Consolidated Statements of Cash Flows
(Expressed in US Dollars)

	Year ended June 30, 2017	Year ended June 30, 2016
Operating Activities		
Net Loss	**$ (3,999,358)**	**$ (1,633,713)**
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	21,911	56,602
Change in value of warrant derivative liability	(111,049)	(733,802)
Stock-based compensation	794,864	331,491
Loss on sale of marketable securities	-	8,068
Change in non-cash working capital:		
Amounts receivable and prepaid expenses	(53,037)	40,016
Accounts payable and accrued liabilities	(12,746)	(139,398)
Contingency provision	141	(7,345)
Net cash used in operating activities	(3,359,274)	(2,078,081)
Investing Activities		
Loan to related party	-	76,450
Proceeds from sale of securities	-	3,870
Equipment Purchases	(27,805)	-
Net cash (used in) provided by investing activities	(27,805)	80,320
Financing Activities		
Proceeds from issuance of common stock	5,177,885	1,815,013
Common stock issue costs	(370,671)	(51,557)
Net cash provided by financing activities	4,807,214	1,763,456
Net increase (decrease) in cash and cash equivalents	1,420,135	(234,305)
Cash and cash equivalents - beginning of year	544,813	779,118
Cash and cash equivalents - end of year	$ 1,964,948	$ 544,813
Supplemental Disclosures:		
Interest Received	$ -	$ 11,371

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

NextSource Materials Inc.
Consolidated Statement of Shareholder's Equity (Deficiency)
(Expressed in US Dollars)

	Shares # **Balance - June 30, 2015**	Common Stock $ **309,385**	Additional Paid-In Capital $ **91,614,714**	Accumulated Comprehensive Income (Loss) $ **(4,323)**	Accumulated Deficit $ **(92,327,034)**	Total $ **(407,258)**
	309,384,670					
Conversion of Special Warrants into common shares	20,550,998	20,551	(20,551)	-	-	-
Private placement of common shares subscribed	14,200,000	14,200	516,473	-	-	530,673
Private placement of common shares subscribed	6,437,900	6,438	322,539	-	-	328,977
Private placement of common shares subscribed	3,207,857	3,208	169,425	-	-	172,633
Private placement of common shares subscribed	11,150,000	11,150	771,580	-	-	782,730
Cost of issue of private placement of common shares subscribed	-	-	(51,557)	-	-	(51,557)
Stock-based compensation	-	-	331,491	-	-	331,491
Loss on marketable securities	-	-	-	(3,745)	-	(3,745)
Reclassified loss to profit or loss	-	-	-	8,068	-	8,068
Net loss for the year	-	-	-	-	(1,633,713)	(1,633,713)
Balance - June 30, 2016	**364,931,425**	**364,932**	**93,654,114**	**-**	**(93,960,747)**	**58,299**
Private placement of common shares subscribed	96,064,286	96,064	5,081,821	-	-	5,177,885
Cost of issue of private placement of common shares subscribed	-	-	(370,671)	-	-	(370,671)
Stock-based compensation	-	-	794,864	-	-	794,864
Net loss for the year	-	-	-	-	(3,999,358)	(3,999,358)
Balance - June 30, 2017	**460,995,711**	**460,996**	**99,160,128**	**-**	**(97,960,105)**	**1,661,019**

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

1. Nature of Operations and Going Concern

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

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

As of June 30, 2017, the Company had accumulated losses of $97,960,105 (June 30, 2016: $93,960,747), recurring loss and negative operating cash flows, and as such, there is substantial doubt regarding the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity or debt financing to continue operations, the Company's ability to attract joint venture partners and off-take contracts and the attainment of profitable operations. These 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 consolidated 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 NextSource Materials Inc. and its wholly-owned subsidiaries, Energizer (Mauritius) Ltd., THB Ventures Ltd., Energizer Madagascar Sarl, Energizer 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 year. 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, 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. Included in cash and cash equivalents are term deposits and GICs that are held as security against the company's credit cards in the amount of $70,131.

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 consolidated 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.

2. Significant Accounting Policies (Continued)

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 were 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 "change in 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.

Foreign Currency Translation
The Company's functional and reporting currency is United States Dollars. The functional and reporting currency of the Mauritius subsidiaries is United States Dollars. The functional and reporting currency of the Madagascar subsidiaries is Madagascar Ariary. 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.

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 (see Note 8). All stock based awards granted are accounted for using the fair value based method, using the 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 at the par value with the remaining included in additional paid-in capital. The additional paid in capital amount associated with stock options is transferred to common stock upon exercise.

2. Significant Accounting Policies (Continued)

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, 2017, 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, 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.

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. Recent Accounting Pronouncements Potentially Affecting The Company

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

- "Presentation of Financial Statements Going Concern (ASC Topic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15") was issued during August 2014. FASB issued guidance on how to account for and disclose going concern risks. This guidance is effective for annual periods beginning after December 15, 2016.
- "Leases" (ASU 2016-02) was issued during February 2016. This update will require organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The new guidance will also require additional disclosure about the amount, timing and uncertainty of cash flows arising from leases. This guidance is effective for annual and interim periods beginning after December 15, 2018.
- "Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" (ASU 2016-09) was issued in March 2016. This new standard provided guidance for the simplification of several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This standard is effective for annual periods beginning after December 15, 2016.
- "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15") was issued in August 2016. This update addresses several specific cash flow issues with the objective of reducing the existing diversity in practice.
- "Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting" (ASU 2017-09) was issued in May 2017. This update will provide clarity and reduce both diversity in practice and cost and complexity when applying the guidance in Topic 718, Compensation – Stock Compensation, to a change to the terms or conditions of a share-based payment award. This standard is effective for annual periods beginning after December 15, 2017.

The Company continues to evaluate the impact of ASU 2014-15, ASU 2016-02, ASU 2016-09, ASU 2016-15, and ASU 2017-09 on its consolidated financial statements.

4. Equipment

For the year ended June 30, 2017, the Company incurred depreciation expenses totaling $21,911 (June 30, 2016: $56,602) resulting in the full depreciation of the underlying equipment and its derecognition since no future economic benefits are expected from use or disposal.

During the year ended June 30, 2017, the Company acquired metallurgical testing equipment in Madagascar valued at $27,805 (March 31, 2016: $nil) which has not yet been put into use.

	Equipment Cost $	Less: Accumulated Depreciation $	Net Book Value $
Balance June 30, 2015	**195,561**	**117,048**	**78,513**
Depreciation expense	-	56,602	(56,602)
Balance June 30, 2016	**195,561**	**173,650**	**21,911**
Depreciation expense	-	21,911	(21,911)
Derecognition of equipment	(195,561)	(195,561)	-
Acquisition of metallurgical equipment	27,805	-	27,805
Balance June 30, 2017	**27,805**	-	**27,805**

5. Mineral Properties

Molo Graphite Property, Southern Madagascar Region, Madagascar

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

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

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

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

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

The Molo Graphite Project exploration permit PR 3432 is currently held under the name of one of our Madagascar subsidiary ERG Madagascar SARLU. Our Madagascar subsidiaries have paid all taxes and administrative fees to the Madagascar 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 Madagascar government.

We have applied to the BCMM to have the Molo Graphite Project exploration permit converted into an exploitation permit. The exploitation permit is required to advance the Molo Project into the developmental stage.

The Company cannot provide any assurance as to the timing of the receipt of the required permits and licenses.

Green Giant Property, Southern Madagascar Region, Madagascar

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

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

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

Sagar Property, Labrador Trough Region, Quebec, Canada

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

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

6. Related Party Transactions and Balances

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

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

The following related party transactions occurred during the year ended June 30, 2017:

a) The Company incurred $639,190 in mineral exploration expense and professional and consulting fees incurred directly to directors and officers or companies under their control (June 30, 2016: $556,982).
b) The Company incurred $nil in severance costs paid or accrued directly to former officers (June 30, 2016: $125,047).
c) The Company incurred $nil in general and administrative costs (June 30, 2016: $68,293) from a public company related by common management, Red Pine Exploration Inc. (TSX.V: "RPX").
d) The Company granted 18,100,000 stock options to directors and officers of the Company (June 30, 2016: 7,900,000 common stock purchase options issued to directors and officers). These stock options were valued at $680,560 using the Black-Scholes option pricing model and are included in stock-based compensation (June 30, 2016: $308,092).

The following related party transactions balances existed as of June 30, 2017:

a) The accounts payable balance for payroll, management and consulting fees owed to directors and officers or companies under their control was $16,400 at the end of the year (June 30, 2016: $42,000).
b) The prepaid payroll balance for payroll expenditures paid to officers was $29,746 at the end of the year (June 30, 2016: $nil).

7. Common Stock and Additional Paid-in Capital

The authorized share capital of the Company is 650,000,000 shares with a $0.001 par value. As of June 30, 2017, the Company had 460,995,711 common shares issued and outstanding (June 30, 2016: 364,931,425).

The Company issued the following common shares during the year ended June 30, 2017:

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

The Company issued the following common shares during the year ended June 30, 2016:

(a) On July 31, 2015, a total of 20,550,998 special common share purchase warrants with no exercise price were converted into one common share and one half one common share purchase warrants with an exercise price of $0.14 and an expiry date of May 4, 2018 (see also note 9). As a result, a total of 20,550,998 common shares and 10,275,499 common share purchase warrants were issued.

(b) On October 7, 2015, the Company closed a private placement offering of 14,200,000 units (the "Units") at a price of $0.04 (CAD$0.05) per unit, representing aggregate gross proceeds of $530,673 (CAD$710,000). Each Unit consisted of one common share of the Company and one half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to purchase one common share at a price of $0.07 per common share until October 6, 2017.

(c) On February 4, 2016, the Company closed a private placement offering of 6,437,900 units (the "Units") at a price of $0.05 (CAD$0.07) per unit, representing aggregate gross proceeds of $328,977 (CAD$450,653). Each Unit consisted of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one common share at a price of $0.11 per common share until February 4, 2018.

(d) On April 11, 2016, the Company closed a private placement offering of 3,207,857 units (the "Units") at a price of $0.05 (CAD$0.07) per unit, representing aggregate gross proceeds of $172,633 (CAD$224,550). Each Unit consisted of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one common share at a price of $0.11 per common share until April 11, 2018.

(e) On May 17, 2016, the Company closed a private placement offering of 11,150,000 common shares at a price of $0.07 (CAD$0.09) for aggregate gross proceeds of $782,730 (CAD$1,003,500).

8. Stock Options

The Company's stock option plan is restricted to a maximum of 46,000,000 stock options.

As of June 30, 2017, there were 44,470,000 options outstanding (June 30, 2016: 41,965,000) with a weighted average exercise price of $0.11 and an expiration of 3.5 years. All the stock options vested on their grant date.

The following is a schedule of the Company's outstanding common stock purchase options for the year ending June 30, 2017:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding June 30, 2016	Balance Outstanding June 30, 2017
July 1, 2011	July 1, 2016	$0.30	3,300,000	-
July 12, 2012	July 13, 2016	$0.29	1,650,000	-
October 24, 2011	October 24, 2016	$0.20	1,640,000	-
December 1, 2011	December 1, 2016	$0.21	1,785,000	-
March 7, 2012	March 4, 2017	$0.28	4,900,000	-
May 23, 2012	May 23, 2017	$0.23	180,000	-
February 27, 2013	February 27, 2018	$0.21	4,900,000	3,725,000
July 9, 2013	July 9, 2018	$0.11	1,080,000	880,000
September 19, 2013	July 19, 2018	$0.15	675,000	450,000
October 9, 2013	October 9, 2018	$0.13	250,000	-
January 10, 2014	January 10, 2019	$0.18	4,400,000	3,775,000
July 3, 2014	July 3, 2019	$0.15	4,275,000	2,750,000
February 26, 2015	February 26, 2020	$0.20	4,430,000	4,100,000
December 22, 2015	December 22, 2020	$0.06	8,500,000	7,650,000
June 9, 2017	June 9, 2022	$0.07	-	21,140,000
Total Outstanding			41,965,000	44,470,000

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

	Weighted-Average Exercise Price ($)	Number of Stock Options
Outstanding as of June 30, 2015	0.22	35,365,000
Granted	0.06	8,500,000
Exercised	-	-
Expired	0.23	(1,900,000)
Outstanding as of June 30, 2016	0.18	41,965,000
Granted	0.07	21,140,000
Exercised	-	-
Expired	0.23	(18,635,000)
Outstanding as of June 30, 2017	0.11	44,470,000

The Company granted the following stock options during the year ended June 30, 2017:

(a) On June 9, 2017, the Company issued 21,140,000 stock options at an exercise price of $0.07 and an expiry date of June 9, 2022. The stock options were valued at $794,864 using the Black-Scholes pricing model with the following assumptions: risk free rate – 1.11%; expected volatility – 82%; dividend yield – NIL; and expected life – 5 years. These stock options vested on the grant date.

The Company granted the following stock options during the year ended June 30, 2016:

(b) On December 22, 2015, the Company issued 8,500,000 stock options at an exercise price of $0.06 and an expiry date of December 22, 2020. The stock options were valued at $331,491 using the Black-Scholes pricing model with the following assumptions: risk free rate – 0.74%; expected volatility – 91%; dividend yield – NIL; and expected life – 5 years. These stock options vested on the grant date.

9. Warrants

As of June 30, 2017, there were 30,521,256 common share purchase warrants outstanding with a weighted average exercise price of $0.11 and an expiration of 0.8 years.

The following is a schedule of the Company's outstanding common stock purchase warrants for the year ending on June 30, 2017:

Issued Date	Expiration Date	Exercise Price		Balance Outstanding June 30, 2016	Balance Outstanding June 30, 2017
September 26, 2014	September 26, 2016	$0.14		1,928,571	-
November 15, 2012	November 15, 2016	$0.18		2,903,571	-
December 30, 2014	December 30, 2016	$0.12		147,000	-
January 14, 2014	January 14, 2017	$0.14	(a)	29,152,033	-
January 31, 2014	January 31, 2017	$0.14	(a)	590,000	-
October 7, 2015	October 6, 2017	$0.07	(b)	7,100,000	7,100,000
July 31, 2015	May 4, 2018	$0.14	(c)	10,275,499	10,275,499
February 4, 2016	February 4, 2018	$0.11	(d)	6,437,900	6,437,900
April 11, 2016	April 11, 2018	$0.11	(e)	3,207,857	3,207,857
June 23, 2014	April 15, 2019	$0.14		3,500,000	3,500,000
Total Outstanding				65,242,431	30,521,256

(a) These warrants were issued at a $0.18 CAD exercise price (see Note 10).

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

	Weighted-Average Exercise Price ($)		Number of Warrants
Outstanding as of June 30, 2015	0.10	*	63,618,917
Issued	0.11		27,021,256
Exercised	-		(20,550,998)
Expired	0.12	*	(4,846,744)
Outstanding as of June 30, 2016	0.13	*	65,242,431
Issued	-		-
Exercised	-		-
Expired	0.14	*	(34,721,175)
Outstanding as of June 30, 2017	0.11		30,521,256

* Amount represents the converted USD exercise price

The Company did not issue any common share purchase warrants during the year ended June 30, 2017.

The Company issued the following common share purchase warrants during the year ended June 30, 2016:

(b) These warrants were issued on October 7, 2015 as part of a private placement (see note 8).
(c) These warrants were issued on July 31, 2015 as part of the conversion of special common share purchase warrants (see note 8).
(d) These warrants were issued on February 4, 2016 as part of a private placement (see note 8).
(e) These warrants were issued on April 11, 2016 as part of a private placement (see note 8).

10. Warrant Liability

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

For the year ended June 30, 2017, the Company recorded a gain in the fair value of the derivative warrant liability of $111,049 (June 30, 2016: gain of $733,802).

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

	Year-Ended June 30, 2017	**Year-Ended June 30, 2016**
Exercise price	Nil	$0.14
Risk free rate	Nil	0.50%
Expected volatility	Nil	88%
Expected dividend yield	Nil	Nil
Expected life (in years)	Nil	0.55
Opening balance, derivative warrant liability	$ **111,049**	**$ 844,851**
Gain on change in fair value of derivative warrant liability	(111,049)	(733,802)
Ending balance, derivative warrant liability	**$ -**	**$ 111,049**

11. Loss Per Share

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

As of June 30, 2017, there was a total of 74,991,256 potentially dilutive warrants and stock options outstanding (June 30, 2016: 107,207,431).

12. Segmented Reporting

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

The following is the segmented information by geographic region:

Mineral Exploration Expense	**Madagascar**	**Canada**	**Total**
	$	**$**	**$**
Year ended June 30, 2017	1,763,223	76,436	1,839,659
Year ended June 30, 2016	747,315	65,162	812,477

Cash and Equivalents	**Madagascar**	**Canada**	**Total**
	$	**$**	**$**
As of June 30, 2017	44,085	1,920,863	1,964,948
As of June 30, 2016	29,239	515,574	544,813

13. Contingency Provision and Legal Settlement

(a) During fiscal 2014, the Company issued 17,889,215 flow-through shares to eligible Canadian taxpayer subscribers with contractual commitments for the Company to incur $3,812,642 in eligible Canadian Exploration Expenditures ("CEEs") by December 31, 2014 as per the provision of the Income Tax Act of Canada. The CEEs were renounced as a tax credit to the flow-through share subscribers on December 31, 2013. As at December 31, 2014, the Company had unfulfilled CEE obligations. During the year ended June 30, 2015, the Company recorded a contingent provision for the Part XII.6 taxes and related penalties for the indemnification liability to subscribers for taxes and penalties related to the CEE renunciation shortfall. During the year ended June 30, 2017, the Company paid $131,320 (2015: $nil) in Part XII.6 taxes related to a revised estimate of the CEE renunciation shortfall and maintained the existing contingent provision amount for the indemnification liability to subscribers for taxes and penalties. During the year ended June 30, 2017, the contingent provision was adjusted due to foreign exchange fluctuations to $182,883 (June 30, 2016: $182,742).

(b) On July 30, 2016, the Company concluded a legal settlement with the Company's former Chief Financial Officer, whereby a severance of $34,457 (CAD$44,750) was awarded and paid in full.

14. 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, 2017	June 30, 2016
Net Loss	(3,999,358)	(1,633,713)
Statutory rate	35.00%	35.00%
Expected income tax recovery	(1,399,775)	(571,800)
Tax rate changes and other adjustments	(147,580)	(703,720)
Stock based compensation	278,200	116,020
Change in tax benefits not recognized	1,260,325	1,415,360
Non-deductible expenses	8,830	(255,860)
Income tax recovery	-	-

Deferred Tax

The Company's future income tax assets and liabilities as at June 30, 2017 and 2016 are as follows:

	June 30, 2017	June 30, 2016
Property, plant and equipment	31,780	29,230
Non-capital losses – United States	7,041,230	7,562,070
Exploration expenditures	13,046,610	11,259,980
Other deductible temporary differences	6,890	6,890
Deferred tax assets	20,126,511	18,858,170
Less: valuation allowance	(20,126,511)	(18,858,170)
Net deferred tax liabilities	-	-

14. Income Taxes (Continued)

The United States net operating loss carry forwards expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred 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 group can utilize the benefits there from.

The Company's United States net operating losses expire as follows:

Expiration Year	Tax Loss $
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	4,956,930
2034	3,642,800
2035	4,880,240
2036	4,549,970
2037	4,978,979
Operating loss carry forwards	37,276,037

Exhibit 4.4

Form of Warrant relating to private placement completed during October 2015 (Incorporated by reference).

THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. THESE WARRANTS MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE WARRANTS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

WARRANT TO PURCHASE COMMON SHARES

OF

ENERGIZER RESOURCES INC.
(existing under the laws of the State of Minnesota)

Number *

Number of Warrants represented by this certificate: *

THIS CERTIFIES THAT, for value received, * (the "Holder"), being the registered holder of this warrant ("Warrant") is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the "Warrant Shares") of Energizer Resources Inc. (the "Company") set forth above on the basis of one Warrant Share at a price of US$0.07 (the "Exercise Price") for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 141 Adelaide Street West, Suite 520, Toronto, Ontario, Canada, M5H 3L5, this Warrant certificate (the "Warrant Certificate"), with a completed and executed Subscription Form (as defined below), and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

Definitions: In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

"Adjustment Period" means the period commencing on the date hereof and ending at the Expiry Time;

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;

"Common Shares" means the common stock of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 12 hereof;

"Company" means Energizer Resources Inc., a company existing under the laws of the State of Minnesota and its successors and assigns;

"Current Market Price" of a Common Share at any date means the volume weighted average trading price on the TSX, or such other stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five Trading Days immediately preceding the relevant date or, if the Common Shares are not listed on any stock exchange, then on the over-the-counter market with the volume weighted average price per Common Share being determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said five Trading Days by the aggregate number of Common Shares so sold or, if the Common Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Company;

"Dividends Paid in the Ordinary Course" means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:

150% of the aggregate amount of dividends paid by the Company on the Common Shares in the 12-month period ending immediately prior to the first day of such financial year; and

100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);

"Exercise Price" means US$0.07 per Warrant Share, subject to adjustment in accordance with Section 12 hereof;

(a) "Expiry Day" means October 6, 2017;

"Expiry Time" means 5:00 p.m. (Toronto time), on the Expiry Day;

"Holder" shall have the meaning ascribed thereto on the face page hereof;

"Person" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;

"Rights Offering" has the meaning set out in Section 12(b)(ii) in this Warrant Certificate;

"Subscription Form" means the subscription form annexed to this Warrant Certificate;

"TSX" means the Toronto Stock Exchange;

"Trading Day" with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange or over-the-counter market is open for business;

"Transfer Form" means the transfer form annexed to this Warrant Certificate;

"U.S. Person" means U.S. person as that term is defined in Rule 902(k) of Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"U.S. Securities Act" means the United States Securities Act of 1933, as amended;

"Warrant" means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time;

"Warrant Certificate" means this warrant certificate; and

"Warrant Share" means the Common Shares issuable upon the exercise of the Warrants.

Expiry Time: At the Expiry Time, all rights under the Warrants evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall expire and be of no further force and effect.

Exercise Procedure:

The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein in the manner provided in Section 26 hereof (or to such other address as the Company may notify the Holder).

Upon such delivery and payment as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for with effect from the date of such delivery and shall be entitled to delivery and payment of a certificate evidencing the Warrant Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable, and in any event within five (5) Business Days of such delivery and payment.

Any certificate or certificates representing Warrant Shares issued upon the exercise of the Warrants represented hereby shall be impressed with the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT."

provided that, if any Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, the legend may be removed by delivery to the registrar and transfer agent for the Warrant Shares and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

This Warrant and the Warrant Shares issuable upon exercise of this Warrant have not been and will not be registered under the U.S. Securities Act or under state securities laws of any state in the United States, although the Company may have filed a resale registration statement under the U.S. Securities Act. Accordingly, this Warrant may not be transferred or exercised, in whole or in part, in the United States or by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act, or an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder complies with Section 8 of this Warrant.

Partial Exercise: The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall receive along with the certificate representing the Warrant Shares so purchased, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.

No Fractional Shares: Notwithstanding any adjustments provided for in Section 12 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number. The Company shall not be required to make any payment to the Holder who, absent this Section 5 hereof, would otherwise have been entitled to receive a fractional Warrant Share.

Exchange of Warrant Certificates: Subject to Section 8 hereof, this Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate (with or without legends as may be appropriate).

Register of Warrantholders: The Company shall cause a register (the "Register") to be kept in which shall be entered the names and addresses of all Holders and the number of Warrants held by each of them.

Transfer of Warrants: Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto. No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Company, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144 under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) in accordance with the provisions of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws (in each case, if an opinion of counsel, of recognized standing reasonably satisfactory to the Company, has been provided to the Company to that effect, if applicable). Hedging transactions involving the Warrants and the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act and other applicable securities laws. The Warrants and the Warrant Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will remain "restricted securities" notwithstanding any resale within or outside the United States unless the sale is completed pursuant to an effective registration statement under the U.S. Securities Act or in accordance with Rule 144 under the U.S. Securities Act. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate (with or without legends as may be appropriate) registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

Upon the transfer of any Warrant, the Company shall enter the name of the transferee in the Register as the registered holder of such transferred Warrants.

Not a Shareholder: Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.

No Obligation to Purchase: Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

Covenants:

The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.

The Company covenants and agrees that until the Expiry Time, while the Warrants (or remaining portion thereof) shall be outstanding, the Company shall use reasonable efforts to preserve and maintain its corporate existence, to remain listed on the TSX, and maintain its status as a "reporting issuer" not in default of the requirements of the applicable securities laws in the Canadian jurisdictions in which the Company is currently a reporting issuer, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company to cease its corporate existence, cease to be listed on the TSX or cease to be a "reporting issuer", respectively, so long as the holders of the Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSX.

The Company shall use its best efforts to ensure the Warrant Shares are listed and posted for trading on the TSX or such other stock exchange or over-the-counter market as the Common Shares may be listed or quoted (as the case may be) at the time of exercise of the Warrants.

The Company shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may reasonably be required for the better accomplishing and effecting of the intentions and provisions of this Warrant Certificate.

If the issuance of the Warrant Shares upon the exercise of the Warrants requires any filing or registration with or approval of any securities regulatory authority or other governmental authority or compliance with any other requirement under any law before such Warrant Shares may be validly issued (other than the filing of a prospectus or similar disclosure document), the Company agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

Adjustments:

Adjustment: The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section 12. The purpose and intent of the adjustments provided for in this Section 12 is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set forth in paragraphs (b), (c) or (d) of this Section 12. Accordingly, the provisions of this Section 12 shall be interpreted and applied in accordance with such purpose and intent.

The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:

Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs 12(b)(i) and (ii) hereof.

Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(ii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than a Rights Offering as described in Section

12(b)(ii)), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) of this Section 12 above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(iii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

Reclassifications: If and whenever at any time during the Adjustment Period, there is (A) any reclassification of or amendment to the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company (other than as described in subsection 12(b) hereof), (B) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company, or (C) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.

If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 12(b) or 12(c) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or

readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

Rules Regarding Calculation of Adjustment of Exercise Price:

The adjustments provided for in Section 12 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 13.

No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

No adjustment in the Exercise Price will be made in respect of any event described in Section 12, other than the events referred to in clause 12(c), if the Holder is entitled to participate in such event on the same terms (subject to the consent of the TSX as long as the Common Shares are listed on the TSX at such time), *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.

No adjustment in the Exercise Price will be made under Section 12 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend.

If at any time a question or dispute arises with respect to adjustments provided for in Section 12, such question or dispute will be conclusively determined by the auditor of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with access to all necessary records of the Company.

In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 12, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.

In the absence of a resolution of the directors of the Company fixing a record date for any event which would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.

As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 12, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.

The Company covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in Section 12 whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

In any case that an adjustment pursuant to Section 12 shall become effective immediately after a record date for or an effective date of an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the Exercise Date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

Representation and Warranty: The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

If Share Transfer Books Closed: The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares called for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding three (3) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.

Lost Certificate: If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder

shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.

Governing Law: This Warrant shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.

Severability: If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

Amendments: Subject to the approval of the TSX, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least $66^{2/3}$% of the Warrants then outstanding.

Headings: The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.

Numbering of Articles, etc.: Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.

Gender: Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

Day not a Business Day: In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

Binding Effect: This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.

Notice: Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is sent by telecopier or prepaid same day courier addressed as follows:

If to the Holder at the latest address of the Holder as recorded in the Register; and

If to the Company at:

Energizer Resources Inc.
141 Adelaide Street West Suite 520
Toronto, Ontario, Canada, M5H 3L5

Attention: Chief Financial Officer
Facsimile No.: (416) 364-2753

Time of Essence: Time shall be of the essence hereof.

[Signature page follows]

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this *.

ENERGIZER RESOURCES INC.
Per: _____
Authorized Signing Officer

_____
Title

SUBSCRIPTION FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Warrant Shares of Energizer Resources Inc. (the "**Company**") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for US$_____ (US$0.07 per Warrant Share) in full payment therefor.

(Please check the **ONE** box applicable):

☐ A The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), (iii) is not exercising the Warrant on behalf of a "U.S. person" or a person in the United States; and (iv) did not execute or deliver this exercise form in the United States. "United States and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

☐ B. The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

NAME(S) IN FULL	**ADDRESS(ES)**	**NUMBER OF WARRANT SHARES**

DATED this _____ day of _____, 20_____.

NAME: _____

Signature of Authorized Representative: _____

Print Name: _____

_____ Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

Note:

The Common Shares have not been registered with the United States Securities and Exchange Commission or the securities commission of any state and are being offered and sold in reliance upon an exemption or exclusion from registration under the U.S. Securities Act, and, accordingly, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws. The undersigned holder understands that the certificate representing the Warrant Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. In addition, if Box A above is checked, hedging transactions involving the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act. Certificates representing Warrant Shares will not be registered or delivered to an address in the United States unless Box B above is checked and any opinion tendered must be in form and substance satisfactory to the Company. Holders planning to deliver an opinion of counsel in connection with the exercise of the Warrant should contact the Company in advance to determine whether any opinions to be tendered will be acceptable to the Company.

TRANSFER FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

_____
(Transferee)

_____
(Address)

_____
(Social Insurance Number)

_____ of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this _____ day of _____, _____.

_____ _____
Signature of Registered Holder (Transferor) Signature Guarantee

_____
Print name of Registered Holder

_____

_____
Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

Exhibit 4.5

Form of Warrant relating to private placement completed during July 2015 (Incorporated by reference).

THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. THESE WARRANTS MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE WARRANTS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

WARRANT TO PURCHASE COMMON SHARES

OF

ENERGIZER RESOURCES INC.
(existing under the laws of the State of Minnesota)

Number *

Number of Warrants represented by this certificate: *

THIS CERTIFIES THAT, for value received, * (the "Holder"), being the registered holder of this warrant ("Warrant") is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the "Warrant Shares") of Energizer Resources Inc. (the "Company") set forth above on the basis of one Warrant Share at a price of US$0.14 (the "Exercise Price") for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 141 Adelaide Street West, Suite 520, Toronto, Ontario, Canada, M5H 3L5, this Warrant certificate (the "Warrant Certificate"), with a completed and executed Subscription Form (as defined below), and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

Definitions: In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

"Adjustment Period" means the period commencing on the date hereof and ending at the Expiry Time;

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;

"Common Shares" means the common stock of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 12 hereof;

"Company" means Energizer Resources Inc., a company existing under the laws of the State of Minnesota and its successors and assigns;

"Current Market Price" of a Common Share at any date means the volume weighted average trading price on the TSX, or such other stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five Trading Days immediately preceding the relevant date or, if the Common Shares are not listed on any stock exchange, then on the over-the-counter market with the volume weighted average price per Common Share being determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said five Trading Days by the aggregate number of Common Shares so sold or, if the Common Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Company;

"Dividends Paid in the Ordinary Course" means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:

150% of the aggregate amount of dividends paid by the Company on the Common Shares in the 12-month period ending immediately prior to the first day of such financial year; and

100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);

"Exercise Price" means US$0.07 per Warrant Share, subject to adjustment in accordance with Section 12 hereof;

(b) "Expiry Day" means May 4, 2018;

"Expiry Time" means 5:00 p.m. (Toronto time), on the Expiry Day;

"Holder" shall have the meaning ascribed thereto on the face page hereof;

"Person" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;

"Rights Offering" has the meaning set out in Section 12(b)(ii) in this Warrant Certificate;

"Subscription Form" means the subscription form annexed to this Warrant Certificate;

"TSX" means the Toronto Stock Exchange;

"Trading Day" with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange or over-the-counter market is open for business;

"Transfer Form" means the transfer form annexed to this Warrant Certificate;

"U.S. Person" means U.S. person as that term is defined in Rule 902(k) of Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"U.S. Securities Act" means the United States Securities Act of 1933, as amended;

"Warrant" means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time;

"Warrant Certificate" means this warrant certificate; and

"Warrant Share" means the Common Shares issuable upon the exercise of the Warrants.

Expiry Time: At the Expiry Time, all rights under the Warrants evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall expire and be of no further force and effect.

Exercise Procedure:

The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein in the manner provided in Section 26 hereof (or to such other address as the Company may notify the Holder).

Upon such delivery and payment as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for with effect from the date of such delivery and shall be entitled to delivery and payment of a certificate evidencing the Warrant Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable, and in any event within five (5) Business Days of such delivery and payment.

Any certificate or certificates representing Warrant Shares issued upon the exercise of the Warrants represented hereby shall be impressed with the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT."

provided that, if any Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, the legend may be removed by delivery to the registrar and transfer agent for the Warrant Shares and the Company of an opinion of counsel, of recognized standing reasonably

satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

This Warrant and the Warrant Shares issuable upon exercise of this Warrant have not been and will not be registered under the U.S. Securities Act or under state securities laws of any state in the United States, although the Company may have filed a resale registration statement under the U.S. Securities Act. Accordingly, this Warrant may not be transferred or exercised, in whole or in part, in the United States or by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act, or an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder complies with Section 8 of this Warrant.

Partial Exercise: The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall receive along with the certificate representing the Warrant Shares so purchased, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.

No Fractional Shares: Notwithstanding any adjustments provided for in Section 12 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number. The Company shall not be required to make any payment to the Holder who, absent this Section 5 hereof, would otherwise have been entitled to receive a fractional Warrant Share.

Exchange of Warrant Certificates: Subject to Section 8 hereof, this Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate (with or without legends as may be appropriate).

Register of Warrantholders: The Company shall cause a register (the "Register") to be kept in which shall be entered the names and addresses of all Holders and the number of Warrants held by each of them.

Transfer of Warrants: Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto. No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Company, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144 under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) in accordance with the provisions of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws (in each case, if an opinion of counsel, of recognized standing reasonably satisfactory to the Company, has been provided to the Company to that effect, if applicable). Hedging transactions involving the Warrants and the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act and other applicable securities laws. The Warrants and the Warrant Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will remain "restricted securities" notwithstanding any resale within or outside the United States unless the sale is completed pursuant to an effective registration statement under the U.S. Securities Act or in accordance with Rule 144 under the U.S. Securities Act. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate (with or without legends as may be appropriate) registered in the name of the

transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

Upon the transfer of any Warrant, the Company shall enter the name of the transferee in the Register as the registered holder of such transferred Warrants.

Not a Shareholder: Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.

No Obligation to Purchase: Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

Covenants:

The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.

The Company covenants and agrees that until the Expiry Time, while the Warrants (or remaining portion thereof) shall be outstanding, the Company shall use reasonable efforts to preserve and maintain its corporate existence, to remain listed on the TSX, and maintain its status as a "reporting issuer" not in default of the requirements of the applicable securities laws in the Canadian jurisdictions in which the Company is currently a reporting issuer, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company to cease its corporate existence, cease to be listed on the TSX or cease to be a "reporting issuer", respectively, so long as the holders of the Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSX.

The Company shall use its best efforts to ensure the Warrant Shares are listed and posted for trading on the TSX or such other stock exchange or over-the-counter market as the Common Shares may be listed or quoted (as the case may be) at the time of exercise of the Warrants.

The Company shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may reasonably be required for the better accomplishing and effecting of the intentions and provisions of this Warrant Certificate.

If the issuance of the Warrant Shares upon the exercise of the Warrants requires any filing or registration with or approval of any securities regulatory authority or other governmental authority or compliance with any other requirement under any law before such Warrant Shares may be validly issued (other than the filing of a prospectus or similar disclosure document), the Company agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

Adjustments:

Adjustment: The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section 12. The purpose and intent of the adjustments provided for in this Section 12 is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set

forth in paragraphs (b), (c) or (d) of this Section 12. Accordingly, the provisions of this Section 12 shall be interpreted and applied in accordance with such purpose and intent.

The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:

Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs 12(b)(i) and (ii) hereof.

Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(ii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the

Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than a Rights Offering as described in Section 12(b)(ii)), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) of this Section 12 above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(iii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

Reclassifications: If and whenever at any time during the Adjustment Period, there is (A) any reclassification of or amendment to the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company (other than as described in subsection 12(b) hereof), (B) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company, or (C) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.

If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 12(b) or 12(c) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be

simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

Rules Regarding Calculation of Adjustment of Exercise Price:

The adjustments provided for in Section 12 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 13.

No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

No adjustment in the Exercise Price will be made in respect of any event described in Section 12, other than the events referred to in clause 12(c), if the Holder is entitled to participate in such event on the same terms (subject to the consent of the TSX as long as the Common Shares are listed on the TSX at such time), *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.

No adjustment in the Exercise Price will be made under Section 12 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend.

If at any time a question or dispute arises with respect to adjustments provided for in Section 12, such question or dispute will be conclusively determined by the auditor of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with access to all necessary records of the Company.

In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 12, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.

In the absence of a resolution of the directors of the Company fixing a record date for any event which would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.

As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 12, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.

The Company covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in Section 12 whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

In any case that an adjustment pursuant to Section 12 shall become effective immediately after a record date for or an effective date of an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the Exercise Date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

Representation and Warranty: The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

If Share Transfer Books Closed: The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares called for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding three (3) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.

Lost Certificate: If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.

Governing Law: This Warrant shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.

Severability: If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

Amendments: Subject to the approval of the TSX, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least $66^{2/3}$% of the Warrants then outstanding.

Headings: The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.

Numbering of Articles, etc.: Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.

Gender: Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

Day not a Business Day: In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

Binding Effect: This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.

Notice: Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is sent by telecopier or prepaid same day courier addressed as follows:

If to the Holder at the latest address of the Holder as recorded in the Register; and

If to the Company at:

Energizer Resources Inc.
141 Adelaide Street West Suite 520
Toronto, Ontario, Canada, M5H 3L5

Attention: Chief Financial Officer
Facsimile No.: (416) 364-2753

Time of Essence: Time shall be of the essence hereof.

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this *.

ENERGIZER RESOURCES INC.

Per: _____

Authorized Signing Officer

_____

Title

SUBSCRIPTION FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Warrant Shares of Energizer Resources Inc. (the "**Company**") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for US$_____ (US$0.14 per Warrant Share) in full payment therefor.

(Please check the **ONE** box applicable):

☐ A The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), (iii) is not exercising the Warrant on behalf of a "U.S. person" or a person in the United States; and (iv) did not execute or deliver this exercise form in the United States. "United States and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

☐ B. The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

NAME(S) IN FULL	**ADDRESS(ES)**	**NUMBER OF WARRANT SHARES**

DATED this _____ day of _____, 20_____.

NAME: _____

Signature of Authorized Representative: _____

Print Name: _____

_____ Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

Note:

The Common Shares have not been registered with the United States Securities and Exchange Commission or the securities commission of any state and are being offered and sold in reliance upon an exemption or exclusion from registration under the U.S. Securities Act, and, accordingly, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws. The undersigned holder understands that the certificate representing the Warrant Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. In addition, if Box A above is checked, hedging transactions involving the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act. Certificates representing Warrant Shares will not be registered or delivered to an address in the United States unless Box B above is checked and any opinion tendered must be in form and substance satisfactory to the Company. Holders planning to deliver an opinion of counsel in connection with the exercise of the Warrant should contact the Company in advance to determine whether any opinions to be tendered will be acceptable to the Company.

TRANSFER FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

_____
(Transferee)

_____
(Address)

_____
(Social Insurance Number)

_____ of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this _____ day of _____, _____.

_____ _____
Signature of Registered Holder (Transferor) Signature Guarantee

_____
Print name of Registered Holder

_____

_____
Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

Exhibit 4.6

Form of Warrant relating to private placement completed during February 2016 (Incorporated by reference).

THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. THESE WARRANTS MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE WARRANTS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

WARRANT TO PURCHASE COMMON SHARES

OF

ENERGIZER RESOURCES INC.
(existing under the laws of the State of Minnesota)

Number W – 02-2016-00● Number of Warrants represented by this certificate: ●

THIS CERTIFIES THAT, for value received, [Name and address of holder] (the "Holder"), being the registered holder of this warrant ("Warrant") is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the "Warrant Shares") of Energizer Resources Inc. (the "Company") set forth above on the basis of one Warrant Share at a price of US$0.11 (the "Exercise Price") for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 141 Adelaide Street West, Suite 520, Toronto, Ontario, Canada, M5H 3L5, this Warrant certificate (the "Warrant Certificate"), with a completed and executed Subscription Form (as defined below), and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

Definitions: In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

"Adjustment Period" means the period commencing on the date hereof and ending at the Expiry Time;

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;

"Common Shares" means the common stock of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 12 hereof;

"Company" means Energizer Resources Inc., a company existing under the laws of the State of Minnesota and its successors and assigns;

"Current Market Price" of a Common Share at any date means the volume weighted average trading price on the TSX, or such other stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five Trading Days immediately preceding the relevant date or, if the Common Shares are not listed on any stock exchange, then on the over-the-counter market with the volume weighted average price per Common Share being determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said five Trading Days by the aggregate number of Common Shares so sold or, if the Common Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Company;

"Dividends Paid in the Ordinary Course" means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:

150% of the aggregate amount of dividends paid by the Company on the Common Shares in the 12-month period ending immediately prior to the first day of such financial year; and

100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);

"Exercise Price" means US$0.11 per Warrant Share, subject to adjustment in accordance with Section 12 hereof;

(c) "Expiry Day" means February ●, 2018;

"Expiry Time" means 5:00 p.m. (Toronto time), on the Expiry Day;

"Holder" shall have the meaning ascribed thereto on the face page hereof;

"Person" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;

"Rights Offering" has the meaning set out in Section 12(b)(ii) in this Warrant Certificate;

"Subscription Form" means the subscription form annexed to this Warrant Certificate;

"TSX" means the Toronto Stock Exchange;

"Trading Day" with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange or over-the-counter market is open for business;

"Transfer Form" means the transfer form annexed to this Warrant Certificate;

"U.S. Person" means U.S. person as that term is defined in Rule 902(k) of Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"U.S. Securities Act" means the United States Securities Act of 1933, as amended;

"Warrant" means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time;

"Warrant Certificate" means this warrant certificate; and

"Warrant Share" means the Common Shares issuable upon the exercise of the Warrants.

Expiry Time: At the Expiry Time, all rights under the Warrants evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall expire and be of no further force and effect.

Exercise Procedure:

The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein in the manner provided in Section 26 hereof (or to such other address as the Company may notify the Holder).

Upon such delivery and payment as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for with effect from the date of such delivery and shall be entitled to delivery and payment of a certificate evidencing the Warrant Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable, and in any event within five (5) Business Days of such delivery and payment.

Any certificate or certificates representing Warrant Shares issued upon the exercise of the Warrants represented hereby shall be impressed with the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT."

provided that, if any Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, the legend may be removed by delivery to the registrar and transfer agent for the Warrant Shares and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

This Warrant and the Warrant Shares issuable upon exercise of this Warrant have not been and will not be registered under the U.S. Securities Act or under state securities laws of any state in the United States, although the Company may have filed a resale registration statement under the U.S. Securities Act. Accordingly, this Warrant may not be transferred or exercised, in whole or in part, in the United States or by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act, or an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder complies with Section 8 of this Warrant.

Partial Exercise: The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall receive along with the certificate representing the Warrant Shares so purchased, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.

No Fractional Shares: Notwithstanding any adjustments provided for in Section 12 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number. The Company shall not be required to make any payment to the Holder who, absent this Section 5 hereof, would otherwise have been entitled to receive a fractional Warrant Share.

Exchange of Warrant Certificates: Subject to Section 8 hereof, this Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate (with or without legends as may be appropriate).

Register of Warrantholders: The Company shall cause a register (the "Register") to be kept in which shall be entered the names and addresses of all Holders and the number of Warrants held by each of them.

Transfer of Warrants: Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto. No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Company, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144 under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) in accordance with the provisions of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws (in each case, if an opinion of counsel, of recognized standing reasonably satisfactory to the Company, has been provided to the Company to that effect, if applicable). Hedging transactions involving the Warrants and the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act and other applicable securities laws. The Warrants and the Warrant Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will remain "restricted securities" notwithstanding any resale within or outside the United States unless the sale is completed pursuant to an effective registration statement under the U.S. Securities Act or in accordance with Rule 144 under the U.S. Securities Act. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate (with or without legends as may be appropriate) registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

Upon the transfer of any Warrant, the Company shall enter the name of the transferee in the Register as the registered holder of such transferred Warrants.

Not a Shareholder: Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.

No Obligation to Purchase: Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

Covenants:

The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.

The Company covenants and agrees that until the Expiry Time, while the Warrants (or remaining portion thereof) shall be outstanding, the Company shall use reasonable efforts to preserve and maintain its corporate existence, to remain listed on the TSX, and maintain its status as a "reporting issuer" not in default of the requirements of the applicable securities laws in the Canadian jurisdictions in which the Company is currently a reporting issuer, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company to cease its corporate existence, cease to be listed on the TSX or cease to be a "reporting issuer", respectively, so long as the holders of the Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSX.

The Company shall use its best efforts to ensure the Warrant Shares are listed and posted for trading on the TSX or such other stock exchange or over-the-counter market as the Common Shares may be listed or quoted (as the case may be) at the time of exercise of the Warrants.

The Company shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may reasonably be required for the better accomplishing and effecting of the intentions and provisions of this Warrant Certificate.

If the issuance of the Warrant Shares upon the exercise of the Warrants requires any filing or registration with or approval of any securities regulatory authority or other governmental authority or compliance with any other requirement under any law before such Warrant Shares may be validly issued (other than the filing of a prospectus or similar disclosure document), the Company agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

Adjustments:

Adjustment: The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section 12. The purpose and intent of the adjustments provided for in this Section 12 is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set forth in paragraphs (b), (c) or (d) of this Section 12. Accordingly, the provisions of this Section 12 shall be interpreted and applied in accordance with such purpose and intent.

The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:

Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs 12(b)(i) and (ii) hereof.

Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(ii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than a Rights Offering as described in Section

12(b)(ii)), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) of this Section 12 above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(iii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

Reclassifications: If and whenever at any time during the Adjustment Period, there is (A) any reclassification of or amendment to the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company (other than as described in subsection 12(b) hereof), (B) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company, or (C) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.

If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 12(b) or 12(c) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or

readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

Rules Regarding Calculation of Adjustment of Exercise Price:

The adjustments provided for in Section 12 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 13.

No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

No adjustment in the Exercise Price will be made in respect of any event described in Section 12, other than the events referred to in clause 12(c), if the Holder is entitled to participate in such event on the same terms (subject to the consent of the TSX as long as the Common Shares are listed on the TSX at such time), *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.

No adjustment in the Exercise Price will be made under Section 12 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend.

If at any time a question or dispute arises with respect to adjustments provided for in Section 12, such question or dispute will be conclusively determined by the auditor of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with access to all necessary records of the Company.

In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 12, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.

In the absence of a resolution of the directors of the Company fixing a record date for any event which would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.

As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 12, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.

The Company covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in Section 12 whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

In any case that an adjustment pursuant to Section 12 shall become effective immediately after a record date for or an effective date of an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the Exercise Date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

Representation and Warranty: The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

If Share Transfer Books Closed: The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares called for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding three (3) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.

Lost Certificate: If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder

shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.

Governing Law: This Warrant shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.

Severability: If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

Amendments: Subject to the approval of the TSX, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least $66^{2/3}$% of the Warrants then outstanding.

Headings: The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.

Numbering of Articles, etc.: Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.

Gender: Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

Day not a Business Day: In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

Binding Effect: This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.

Notice: Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is sent by telecopier or prepaid same day courier addressed as follows:

If to the Holder at the latest address of the Holder as recorded in the Register; and

If to the Company at:

Energizer Resources Inc.
141 Adelaide Street West Suite 520
Toronto, Ontario, Canada, M5H 3L5

Attention: Chief Financial Officer
Facsimile No.: (416) 364-2753

Time of Essence: Time shall be of the essence hereof.

[Signature page follows]

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this _____ day of _____ 20___.

ENERGIZER RESOURCES INC.
Per: _____
Authorized Signing Officer

SUBSCRIPTION FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Warrant Shares of Energizer Resources Inc. (the "Company") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for US$_____ (US$0.11 per Warrant Share) in full payment therefor.

(Please check the ONE box applicable):

☐ A The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), (iii) is not exercising the Warrant on behalf of a "U.S. person" or a person in the United States; and (iv) did not execute or deliver this exercise form in the United States. "United States and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

☐ B. The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF WARRANT SHARES

DATED this _____ day of _____, 20_____.

NAME: _____

Signature of Authorized Representative: _____

Print Name: _____

_____ Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

Note:

The Common Shares have not been registered with the United States Securities and Exchange Commission or the securities commission of any state and are being offered and sold in reliance upon an exemption or exclusion from registration under the U.S. Securities Act, and, accordingly, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws. The undersigned holder understands that the certificate representing the Warrant Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. In addition, if Box A above is checked, hedging transactions involving the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act. Certificates representing Warrant Shares will not be registered or delivered to an address in the United States unless Box B above is checked and any opinion tendered must be in form and substance satisfactory to the Company. Holders planning to deliver an opinion of counsel in connection with the exercise of the Warrant should contact the Company in advance to determine whether any opinions to be tendered will be acceptable to the Company.

TRANSFER FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

_____
(Transferee)

_____
(Address)

_____
(Social Insurance Number)

_____of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this _____ day of _____, _____.

_____ _____
Signature of Registered Holder (Transferor) Signature Guarantee

_____
Print name of Registered Holder

_____

_____
Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

Exhibit 4.7

Form of Warrant relating to private placement completed during April 2016 (Incorporated by reference).

THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. THESE WARRANTS MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE WARRANTS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

WARRANT TO PURCHASE COMMON SHARES

OF

ENERGIZER RESOURCES INC.
(existing under the laws of the State of Minnesota)

Number W – 2016-04-XX

Number of Warrants represented by this certificate: XXX

THIS CERTIFIES THAT, for value received, [Name and Address] (the "Holder"), being the registered holder of this warrant ("Warrant") is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the "Warrant Shares") of Energizer Resources Inc. (the "Company") set forth above on the basis of one Warrant Share at a price of US$0.11 (the "Exercise Price") for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 141 Adelaide Street West, Suite 520, Toronto, Ontario, Canada, M5H 3L5, this Warrant certificate (the "Warrant Certificate"), with a completed and executed Subscription Form (as defined below), and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

Definitions: In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

"Adjustment Period" means the period commencing on the date hereof and ending at the Expiry Time;

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;

"Common Shares" means the common stock of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 12 hereof;

"Company" means Energizer Resources Inc., a company existing under the laws of the State of Minnesota and its successors and assigns;

"Current Market Price" of a Common Share at any date means the volume weighted average trading price on the TSX, or such other stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five Trading Days immediately preceding the relevant date or, if the Common Shares are not listed on any stock exchange, then on the over-the-counter market with the volume weighted average price per Common Share being determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said five Trading Days by the aggregate number of Common Shares so sold or, if the Common Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Company;

"Dividends Paid in the Ordinary Course" means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:

150% of the aggregate amount of dividends paid by the Company on the Common Shares in the 12-month period ending immediately prior to the first day of such financial year; and

100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);

"Exercise Price" means US$0.11 per Warrant Share, subject to adjustment in accordance with Section 12 hereof;

(d) "Expiry Day" means April 11, 2018;

"Expiry Time" means 5:00 p.m. (Toronto time), on the Expiry Day;

"Holder" shall have the meaning ascribed thereto on the face page hereof;

"Person" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;

"Rights Offering" has the meaning set out in Section 12(b)(ii) in this Warrant Certificate;

"Subscription Form" means the subscription form annexed to this Warrant Certificate;

"TSX" means the Toronto Stock Exchange;

"Trading Day" with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange or over-the-counter market is open for business;

"Transfer Form" means the transfer form annexed to this Warrant Certificate;

"U.S. Person" means U.S. person as that term is defined in Rule 902(k) of Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"U.S. Securities Act" means the United States Securities Act of 1933, as amended;

"Warrant" means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time;

"Warrant Certificate" means this warrant certificate; and

"Warrant Share" means the Common Shares issuable upon the exercise of the Warrants.

Expiry Time: At the Expiry Time, all rights under the Warrants evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall expire and be of no further force and effect.

Exercise Procedure:

The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein in the manner provided in Section 26 hereof (or to such other address as the Company may notify the Holder).

Upon such delivery and payment as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for with effect from the date of such delivery and shall be entitled to delivery and payment of a certificate evidencing the Warrant Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable, and in any event within five (5) Business Days of such delivery and payment.

Any certificate or certificates representing Warrant Shares issued upon the exercise of the Warrants represented hereby shall be impressed with the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT."

provided that, if any Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, the legend may be removed by delivery to the registrar and transfer agent for the Warrant Shares and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

This Warrant and the Warrant Shares issuable upon exercise of this Warrant have not been and will not be registered under the U.S. Securities Act or under state securities laws of any state in the United States, although the Company may have filed a resale registration statement under the U.S. Securities Act. Accordingly, this Warrant may not be transferred or exercised, in whole or in part, in the United States or by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act, or an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder complies with Section 8 of this Warrant.

Partial Exercise: The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall receive along with the certificate representing the Warrant Shares so purchased, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.

No Fractional Shares: Notwithstanding any adjustments provided for in Section 12 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number. The Company shall not be required to make any payment to the Holder who, absent this Section 5 hereof, would otherwise have been entitled to receive a fractional Warrant Share.

Exchange of Warrant Certificates: Subject to Section 8 hereof, this Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate (with or without legends as may be appropriate).

Register of Warrantholders: The Company shall cause a register (the "Register") to be kept in which shall be entered the names and addresses of all Holders and the number of Warrants held by each of them.

Transfer of Warrants: Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto. No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Company, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144 under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) in accordance with the provisions of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws (in each case, if an opinion of counsel, of recognized standing reasonably satisfactory to the Company, has been provided to the Company to that effect, if applicable). Hedging transactions involving the Warrants and the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act and other applicable securities laws. The Warrants and the Warrant Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will remain "restricted securities" notwithstanding any resale within or outside the United States unless the sale is completed pursuant to an effective registration statement under the U.S. Securities Act or in accordance with Rule 144 under the U.S. Securities Act. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate (with or without legends as may be appropriate) registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

Upon the transfer of any Warrant, the Company shall enter the name of the transferee in the Register as the registered holder of such transferred Warrants.

Not a Shareholder: Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.

No Obligation to Purchase: Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

Covenants:

The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.

The Company covenants and agrees that until the Expiry Time, while the Warrants (or remaining portion thereof) shall be outstanding, the Company shall use reasonable efforts to preserve and maintain its corporate existence, to remain listed on the TSX, and maintain its status as a "reporting issuer" not in default of the requirements of the applicable securities laws in the Canadian jurisdictions in which the Company is currently a reporting issuer, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company to cease its corporate existence, cease to be listed on the TSX or cease to be a "reporting issuer", respectively, so long as the holders of the Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSX.

The Company shall use its best efforts to ensure the Warrant Shares are listed and posted for trading on the TSX or such other stock exchange or over-the-counter market as the Common Shares may be listed or quoted (as the case may be) at the time of exercise of the Warrants.

The Company shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may reasonably be required for the better accomplishing and effecting of the intentions and provisions of this Warrant Certificate.

If the issuance of the Warrant Shares upon the exercise of the Warrants requires any filing or registration with or approval of any securities regulatory authority or other governmental authority or compliance with any other requirement under any law before such Warrant Shares may be validly issued (other than the filing of a prospectus or similar disclosure document), the Company agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

Adjustments:

Adjustment: The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section 12. The purpose and intent of the adjustments provided for in this Section 12 is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set forth in paragraphs (b), (c) or (d) of this Section 12. Accordingly, the provisions of this Section 12 shall be interpreted and applied in accordance with such purpose and intent.

The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:

Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs 12(b)(i) and (ii) hereof.

Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(ii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than a Rights Offering as described in Section

12(b)(ii)), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) of this Section 12 above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(iii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

Reclassifications: If and whenever at any time during the Adjustment Period, there is (A) any reclassification of or amendment to the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company (other than as described in subsection 12(b) hereof), (B) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company, or (C) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.

If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 12(b) or 12(c) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or

readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

Rules Regarding Calculation of Adjustment of Exercise Price:

The adjustments provided for in Section 12 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 13.

No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

No adjustment in the Exercise Price will be made in respect of any event described in Section 12, other than the events referred to in clause 12(c), if the Holder is entitled to participate in such event on the same terms (subject to the consent of the TSX as long as the Common Shares are listed on the TSX at such time), *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.

No adjustment in the Exercise Price will be made under Section 12 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend.

If at any time a question or dispute arises with respect to adjustments provided for in Section 12, such question or dispute will be conclusively determined by the auditor of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with access to all necessary records of the Company.

In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 12, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.

In the absence of a resolution of the directors of the Company fixing a record date for any event which would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.

As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 12, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.

The Company covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in Section 12 whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

In any case that an adjustment pursuant to Section 12 shall become effective immediately after a record date for or an effective date of an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the Exercise Date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

Representation and Warranty: The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

If Share Transfer Books Closed: The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares called for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding three (3) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.

Lost Certificate: If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder

shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.

Governing Law: This Warrant shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.

Severability: If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

Amendments: Subject to the approval of the TSX, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least $66^{2/3}$% of the Warrants then outstanding.

Headings: The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.

Numbering of Articles, etc.: Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.

Gender: Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

Day not a Business Day: In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

Binding Effect: This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.

Notice: Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is sent by telecopier or prepaid same day courier addressed as follows:

If to the Holder at the latest address of the Holder as recorded in the Register; and

If to the Company at:

Energizer Resources Inc.
141 Adelaide Street West Suite 520
Toronto, Ontario, Canada, M5H 3L5

Attention: Chief Financial Officer
Facsimile No.: (416) 364-2753

Time of Essence: Time shall be of the essence hereof.

[Signature page follows]

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this 11 day of April 2016.

ENERGIZER RESOURCES INC.
Per: _____
Authorized Signing Officer

_____
Name and Title

SUBSCRIPTION FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Warrant Shares of Energizer Resources Inc. (the "Company") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for US$_____ (US$0.11 per Warrant Share) in full payment therefor.

(Please check the ONE box applicable):

☐ A The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), (iii) is not exercising the Warrant on behalf of a "U.S. person" or a person in the United States; and (iv) did not execute or deliver this exercise form in the United States. "United States and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

☐ B. The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF WARRANT SHARES

DATED this _____ day of _____, 20_____.

NAME: _____

Signature of Authorized Representative: _____

Print Name: _____

_____ Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

Note:

The Common Shares have not been registered with the United States Securities and Exchange Commission or the securities commission of any state and are being offered and sold in reliance upon an exemption or exclusion from registration under the U.S. Securities Act, and, accordingly, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws. The undersigned holder understands that the certificate representing the Warrant Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. In addition, if Box A above is checked, hedging transactions involving the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act. Certificates representing Warrant Shares will not be registered or delivered to an address in the United States unless Box B above is checked and any opinion tendered must be in form and substance satisfactory to the Company. Holders planning to deliver an opinion of counsel in connection with the exercise of the Warrant should contact the Company in advance to determine whether any opinions to be tendered will be acceptable to the Company.

TRANSFER FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

_____
(Transferee)

_____
(Address)

_____
(Social Insurance Number)

_____of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this _____ day of _____, _____.

_____ _____
Signature of Registered Holder (Transferor) Signature Guarantee

_____
Print name of Registered Holder

_____

_____
Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

Exhibit 4.8

Form of Warrant relating to private placement completed during June 2014 (Incorporated by reference)

THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. THESE WARRANTS MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE WARRANTS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

WARRANT TO PURCHASE COMMON SHARES

OF

ENERGIZER RESOURCES INC.
(existing under the laws of the State of Minnesota)

Number *

Number of Warrants represented by this certificate: *

THIS CERTIFIES THAT, for value received, * (the "Holder"), being the registered holder of this warrant ("Warrant") is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the "Warrant Shares") of Energizer Resources Inc. (the "Company") set forth above on the basis of one Warrant Share at a price of US$0.14 (the "Exercise Price") for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 141 Adelaide Street West, Suite 520, Toronto, Ontario, Canada, M5H 3L5, this Warrant certificate (the "Warrant Certificate"), with a completed and executed Subscription Form (as defined below), and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

Definitions: In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

"Adjustment Period" means the period commencing on the date hereof and ending at the Expiry Time;

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;

"Common Shares" means the common stock of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 12 hereof;

"Company" means Energizer Resources Inc., a company existing under the laws of the State of Minnesota and its successors and assigns;

"Current Market Price" of a Common Share at any date means the volume weighted average trading price on the TSX, or such other stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five Trading Days immediately preceding the relevant date or, if the Common Shares are not listed on any stock exchange, then on the over-the-counter market with the volume weighted average price per Common Share being determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said five Trading Days by the aggregate number of Common Shares so sold or, if the Common Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Company;

"Dividends Paid in the Ordinary Course" means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:

150% of the aggregate amount of dividends paid by the Company on the Common Shares in the 12-month period ending immediately prior to the first day of such financial year; and

100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);

"Exercise Price" means US$0.07 per Warrant Share, subject to adjustment in accordance with Section 12 hereof;

(e) "Expiry Day" means April 15, 2019;

"Expiry Time" means 5:00 p.m. (Toronto time), on the Expiry Day;

"Holder" shall have the meaning ascribed thereto on the face page hereof;

"Person" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;

"Rights Offering" has the meaning set out in Section 12(b)(ii) in this Warrant Certificate;

"Subscription Form" means the subscription form annexed to this Warrant Certificate;

"TSX" means the Toronto Stock Exchange;

"Trading Day" with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange or over-the-counter market is open for business;

"Transfer Form" means the transfer form annexed to this Warrant Certificate;

"U.S. Person" means U.S. person as that term is defined in Rule 902(k) of Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"U.S. Securities Act" means the United States Securities Act of 1933, as amended;

"Warrant" means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time;

"Warrant Certificate" means this warrant certificate; and

"Warrant Share" means the Common Shares issuable upon the exercise of the Warrants.

Expiry Time: At the Expiry Time, all rights under the Warrants evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall expire and be of no further force and effect.

Exercise Procedure:

The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein in the manner provided in Section 26 hereof (or to such other address as the Company may notify the Holder).

Upon such delivery and payment as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for with effect from the date of such delivery and shall be entitled to delivery and payment of a certificate evidencing the Warrant Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable, and in any event within five (5) Business Days of such delivery and payment.

Any certificate or certificates representing Warrant Shares issued upon the exercise of the Warrants represented hereby shall be impressed with the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE RESALE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT."

provided that, if any Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, the legend may be removed by delivery to the registrar and transfer agent for the Warrant Shares and the Company of an opinion of counsel, of recognized standing reasonably

satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

This Warrant and the Warrant Shares issuable upon exercise of this Warrant have not been and will not be registered under the U.S. Securities Act or under state securities laws of any state in the United States, although the Company may have filed a resale registration statement under the U.S. Securities Act. Accordingly, this Warrant may not be transferred or exercised, in whole or in part, in the United States or by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act, or an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder complies with Section 8 of this Warrant.

Partial Exercise: The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall receive along with the certificate representing the Warrant Shares so purchased, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.

No Fractional Shares: Notwithstanding any adjustments provided for in Section 12 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number. The Company shall not be required to make any payment to the Holder who, absent this Section 5 hereof, would otherwise have been entitled to receive a fractional Warrant Share.

Exchange of Warrant Certificates: Subject to Section 8 hereof, this Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate (with or without legends as may be appropriate).

Register of Warrantholders: The Company shall cause a register (the "Register") to be kept in which shall be entered the names and addresses of all Holders and the number of Warrants held by each of them.

Transfer of Warrants: Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto. No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Company, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144 under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) in accordance with the provisions of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws (in each case, if an opinion of counsel, of recognized standing reasonably satisfactory to the Company, has been provided to the Company to that effect, if applicable). Hedging transactions involving the Warrants and the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act and other applicable securities laws. The Warrants and the Warrant Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will remain "restricted securities" notwithstanding any resale within or outside the United States unless the sale is completed pursuant to an effective registration statement under the U.S. Securities Act or in accordance with Rule 144 under the U.S. Securities Act. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate (with or without legends as may be appropriate) registered in the name of the

transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

Upon the transfer of any Warrant, the Company shall enter the name of the transferee in the Register as the registered holder of such transferred Warrants.

Not a Shareholder: Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.

No Obligation to Purchase: Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

Covenants:

The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.

The Company covenants and agrees that until the Expiry Time, while the Warrants (or remaining portion thereof) shall be outstanding, the Company shall use reasonable efforts to preserve and maintain its corporate existence, to remain listed on the TSX, and maintain its status as a "reporting issuer" not in default of the requirements of the applicable securities laws in the Canadian jurisdictions in which the Company is currently a reporting issuer, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company to cease its corporate existence, cease to be listed on the TSX or cease to be a "reporting issuer", respectively, so long as the holders of the Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSX.

The Company shall use its best efforts to ensure the Warrant Shares are listed and posted for trading on the TSX or such other stock exchange or over-the-counter market as the Common Shares may be listed or quoted (as the case may be) at the time of exercise of the Warrants.

The Company shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may reasonably be required for the better accomplishing and effecting of the intentions and provisions of this Warrant Certificate.

If the issuance of the Warrant Shares upon the exercise of the Warrants requires any filing or registration with or approval of any securities regulatory authority or other governmental authority or compliance with any other requirement under any law before such Warrant Shares may be validly issued (other than the filing of a prospectus or similar disclosure document), the Company agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

Adjustments:

Adjustment: The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section 12. The purpose and intent of the adjustments provided for in this Section 12 is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set

forth in paragraphs (b), (c) or (d) of this Section 12. Accordingly, the provisions of this Section 12 shall be interpreted and applied in accordance with such purpose and intent.

The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:

Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs 12(b)(i) and (ii) hereof.

Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(ii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the

Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than a Rights Offering as described in Section 12(b)(ii)), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) of this Section 12 above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(iii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

Reclassifications: If and whenever at any time during the Adjustment Period, there is (A) any reclassification of or amendment to the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company (other than as described in subsection 12(b) hereof), (B) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company, or (C) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.

If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 12(b) or 12(c) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be

simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

Rules Regarding Calculation of Adjustment of Exercise Price:

The adjustments provided for in Section 12 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 13.

No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

No adjustment in the Exercise Price will be made in respect of any event described in Section 12, other than the events referred to in clause 12(c), if the Holder is entitled to participate in such event on the same terms (subject to the consent of the TSX as long as the Common Shares are listed on the TSX at such time), *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.

No adjustment in the Exercise Price will be made under Section 12 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend.

If at any time a question or dispute arises with respect to adjustments provided for in Section 12, such question or dispute will be conclusively determined by the auditor of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with access to all necessary records of the Company.

In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 12, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.

In the absence of a resolution of the directors of the Company fixing a record date for any event which would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.

As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 12, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.

The Company covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in Section 12 whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

In any case that an adjustment pursuant to Section 12 shall become effective immediately after a record date for or an effective date of an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the Exercise Date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

Representation and Warranty: The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

If Share Transfer Books Closed: The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares called for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding three (3) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.

Lost Certificate: If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.

Governing Law: This Warrant shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.

Severability: If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

Amendments: Subject to the approval of the TSX, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least $66^{2/3}$% of the Warrants then outstanding.

Headings: The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.

Numbering of Articles, etc.: Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.

Gender: Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

Day not a Business Day: In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

Binding Effect: This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.

Notice: Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is sent by telecopier or prepaid same day courier addressed as follows:

If to the Holder at the latest address of the Holder as recorded in the Register; and

If to the Company at:

Energizer Resources Inc.
141 Adelaide Street West Suite 520
Toronto, Ontario, Canada, M5H 3L5

Attention: Chief Financial Officer
Facsimile No.: (416) 364-2753

Time of Essence: Time shall be of the essence hereof.

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this *.

ENERGIZER RESOURCES INC.

Per: _____

Authorized Signing Officer

_____

Title

SUBSCRIPTION FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Warrant Shares of Energizer Resources Inc. (the "**Company**") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for US$_____ (US$0.14 per Warrant Share) in full payment therefor.

(Please check the **ONE** box applicable):

☐ A The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), (iii) is not exercising the Warrant on behalf of a "U.S. person" or a person in the United States; and (iv) did not execute or deliver this exercise form in the United States. "United States and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

☐ B. The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

NAME(S) IN FULL	**ADDRESS(ES)**	**NUMBER OF WARRANT SHARES**

DATED this _____ day of _____, 20_____.

NAME: _____

Signature of Authorized Representative: _____

Print Name: _____

_____ Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

Note:

The Common Shares have not been registered with the United States Securities and Exchange Commission or the securities commission of any state and are being offered and sold in reliance upon an exemption or exclusion from registration under the U.S. Securities Act, and, accordingly, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws. The undersigned holder understands that the certificate representing the Warrant Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. In addition, if Box A above is checked, hedging transactions involving the Warrant Shares may not be conducted unless in compliance with the U.S. Securities Act. Certificates representing Warrant Shares will not be registered or delivered to an address in the United States unless Box B above is checked and any opinion tendered must be in form and substance satisfactory to the Company. Holders planning to deliver an opinion of counsel in connection with the exercise of the Warrant should contact the Company in advance to determine whether any opinions to be tendered will be acceptable to the Company.

TRANSFER FORM

TO: Energizer Resources Inc.
141 Adelaide Street West, Suite 520
Toronto, Ontario, Canada, M5H 3L5
Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

_____
(Transferee)

_____
(Address)

_____
(Social Insurance Number)

_____of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this _____ day of _____, _____.

_____ _____
Signature of Registered Holder (Transferor) Signature Guarantee

_____
Print name of Registered Holder

_____

_____
Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

Exhibit 10.4

Employment Agreement with Craig Scherba

EMPLOYMENT AGREEMENT

THIS AGREEMENT made effective as of the 1st day of January, 2017

BETWEEN:

ENERGIZER RESOURCES INC.
a corporation duly incorporated under the laws
of the State of Minnesota, United States of America

(the "Company")

AND:

CRAIG S.SCHERBA,
a businessman residing at
1480 Willowdown Road
Oakville, Ontario,
Canada L6L 1X3

(the "Executive")

WHEREAS:

1. The Company is engaged in the acquisition, exploration, development, mining and marketing of graphite and related businesses primarily focused on the development of the Molo Graphite Project consisting of a commercially minable graphite deposit situated in the African country of Madagascar;

2. The Executive was appointed as the Chief Executive Officer of the Company on July 20, 2015 having served as the President since September 19, 2012;

3. The Parties have agreed to formalize their legal relationship by entering into this employment agreement for their mutual benefit, and in particular, to officially appoint the Executive as President and Chief Executive Officer of the Company, setting out the duties and responsibilities to be assigned to him and the terms and conditions under which it will be done.

THIS AGREEMENT WITNESSES that the Parties have agreed that the terms and conditions of the relationship shall be as follows:

1. Engagement

(1) The Company hereby agrees to employ the Executive as the President and Chief Executive Officer of the Company to provide the Services set out in Section 3 of this Agreement and the Executive accepts the appointment to exercise all the usual powers and authority of a person in such a position. In performing the Services, the Executive shall ensure that:

(a) the Services are performed professionally in a timely manner and he shall use his best efforts to achieve the goals and objectives set by the Company from time to time;

(b) the Executive shall exercise care, diligence and skill and follow accepted industry practices in the performance of the Services.

(2) The Services may be performed at the offices of the Company or the residence of the Executive or other office established by the Company from time to time. In the event the Executive utilizes the offices of the Company, it shall provide the Executive with access to furnished office space, telephone and telephone answering services, computers, fax machines, photocopying machines and other such equipment and secretarial and administrative assistance as he shall reasonably require.

(3) The Executive agrees to devote his full time and attention to the business affairs of the Company and its subsidiaries and affiliates and to provide such Services. He acknowledges that this Agreement including, without

limitation, the restrictions in Sections 6, 7 and 8 herein are binding on him, both during and after his employment and the term of this Agreement.

2. Term

The Agreement shall commence with effect from the date set upon its approval by the Compensation Committee of the Board of Directors and shall continue indefinitely until earlier terminated in accordance with the provisions of Section 10 of this Agreement.

3. Services

(1) The Executive shall report to and be subject to the general control and direction of the Board of Directors. In his capacity as President and Chief Executive Officer he shall be responsible for the general management of all the operations of the Company including but not limited to strategic and financial planning, development construction and operation of all mining facilities, administration, budgeting, purchasing of materiel and equipment, staffing and marketing.

(2) While he shall generally be responsible for the management of the affairs of the Company and exercise the authority typical of an executive officer in a position of President and Chief Executive Officer, without limiting the generality of the foregoing, he shall be required to perform the following duties and responsibilities (the "Services"):

(a) create value for the shareholders of the Company;
(b) guide and inspire the employees and provide the executive leadership necessary to ensure the long-term success of the Company;
(c) articulate the vision of the Company with a focus on creating value for the shareholders and assist the Board of Directors to develop a strategic plan consistent with that vision;
(d) communicate and promote positive relationships, with the shareholders of the Company, customers and other stakeholders including financial institutions, governments, aboriginals, local community groups and non-governmental organizations, and develop and implement a communication policy consistent with that purpose;
(e) identify, develop and leverage senior political and business relationships supporting the attainment of the goals of the Company;
(f) raise capital and promote the Company to potential investors, lenders and shareholders;
(g) identify business opportunities which are consistent with the vision and strategic plan of the Company;
(h) manage the Company in accordance with the strategic plan adopted by the Board of Directors and perform all such other duties and responsibilities assigned to him within the limits of authority as may be delegated by the Board from time to time;
(i) bring decisions to be made by the Board of Directors and other matters of importance to the Board's attention in a timely manner; work closely with the Chair of the Board of Directors in setting Board agendas, and provide timely and relevant information to the Board to enable it to effectively discharge its obligations;
(j) identify and manage the principal business risks of the Company and design and implement appropriate systems and procedures to mitigate such risks;
(k) develop and maintain an effective organizational structure that reflects operational needs and defines the authority and responsibilities of management;
(l) manage the human resources of the Company, including the succession planning processes, make recommendations to the Board of Directors for the appointment of the senior officers of the Company, appoint Counsel and monitor the performance of senior management and make recommendations to the Board on salary levels and bonuses and stock options for senior managers and employees;
(m) develop and recommend periodic objectives and goals for the Company to the Board of Directors including business, capital and operating plans and budgets, monitor corporate performance relative to the foregoing and provide periodic reports to the Board on such performance;
(n) develop and implement such policies and processes as shall ensure that the Company and its employees engage in socially responsible and ethical behaviour and that they comply with all applicable laws and regulations;
(o) develop and implement policies and processes to provide the highest level of integrity of internal control mechanisms, management information systems and financial reporting;
(p) assist the Board of Directors to develop and implement appropriate health, safety and environmental policies and systems and related quality management systems as shall ensure compliance with all permits, licences, conditions of tenure or title and other requirements that shall be imposed on the

Company by government or other agencies to authorize or facilitate its mining or related business objectives;

(q) ensure the efficient acquisition and allocation of the financial, human and other resources required by the Company and ensure the implementation of effective control, monitoring and performance standards and systems relative to the utilization of all corporate resources;

(r) represent the Company in industry associations and other professional organizations where appropriate, which advance the interests of the Company; and

(s) generally ensure the development and implementation of policies necessary for the Corporation to achieve its strategic and other business objectives and to recommend those policies to the Board of Directors as appropriate.

4. Compensation

(1) The fixed compensation payable for the Services of the Executive shall be paid to him at regular intervals in accordance with the policies of the Company established from time to time but not less than monthly, commencing at the rate of two hundred and forty thousand ($240,000.00) Dollars per annum, subject to periodic adjustments as may be agreed by the Parties less applicable deductions and withholdings.

(2) In addition, the Executive is eligible for performance bonuses by the Company upon the achievement of certain milestones and objectives as determined by the Compensation Committee of the Company's Board of Directors in its discretion.

(3) Without limiting the generality of the foregoing, fixed periodic bonuses shall also be paid in the amounts stated hereafter upon the achievement and completion of the following milestones:

Milestones	Bonus
(a) Closing of definitive offtake agreement(s)	
Full Phase 1 production	$25,000.00
(b) Commencement of mining and commissioning of processing plant (after 6 mos)	$100,000.00

5. Benefits

(1) *Expenses*. It is understood and agreed that the Executive will incur personal expenses in connection with the provision of the Services under this Agreement. The Company shall reimburse him for any reasonable expenses incurred relating to the business of the Company, provided that he shall provide to the Company an itemized written account and receipts acceptable to the Company within a reasonable period after they have been incurred.

(2) *Benefit plans*. The Executive shall be eligible to enrol in all benefit plans (the "Employee Benefits") which the Company generally provides to its managers, employees and contractors separately or together including medical, hospital, dental, extended health care benefits and life insurance. The premium costs of such benefits shall be paid entirely by the Company, provided that whether before or after commencement of coverage the Company reserves the right to unilaterally revise the terms of the Employee Benefits or to eliminate any or all Employee Benefits altogether in its sole discretion. Benefits shall be provided in accordance with the formal plan documents or policies and any issues with respect to entitlement or payment of benefits will be governed by the terms of such documents or policies establishing the benefit in issue.

(3) *Vacation Time.* The Executive shall be entitled to unpaid annual vacation time of up to five (5) weeks in each calendar year provided that no more than two (2) weeks shall be taken concurrently, unless otherwise agreed in writing. Such vacation time may be taken only at such times as the Executive and the Company shall mutually determine, having regard to the requirements of the operations of the Company from time to time; and provided further that such vacation time may be taken only within the year of entitlement thereto and may not be accumulated from year to year unless, otherwise approved by two members of the Board of Directors.

(4) *Stock and Stock Options*. The Executive shall be entitled to stock and stock options in recognition of his Services as may be awarded from time to time by the Board of Directors at its sole discretion.

6. Non-competition

(1) Subject to other express terms of this Agreement, the Executive agrees with and for the benefit of the Company that for a period of one (1) year from the date of termination of this Agreement (whether such termination is

occasioned by the Executive or by the Company with or without cause, or by mutual agreement), the Executive shall not for any reason, directly or indirectly, either as an individual, or as a partner or joint venturer, or as principal, consultant, agent, shareholder, officer or director, of any person, business, firm, association, syndicate, company, organization or corporation, or in any other manner (such person, business, etc., being hereinafter respectively and collectively referred to as an "Entity"), carry on, be engaged in, concerned with, interested in, advise, lend money to, guarantee the debts or obligations of, or permit his name or any part of it to be used or employed by any Entity or person concerned with or engaged in or interested in a business which is the same as or competitive with the business of the Company, including, without limitation any business relating to the development of or mining of graphite or the marketing of graphite products that are competitive with those of the Company, within Canada or the geographical area circumscribed by a radius of Five Hundred (500) miles in any direction from the Molo Graphite Project.

(2) It is specifically agreed that the restrictions in subsection (1) shall not apply in a manner that would restrict the Executive from taking a job in a business strictly as an employee, which is substantially the same or competitive with the business of the Company that does not involve managerial duties of any nature provided that, in such event, the Executive shall still continue to be bound by sections 7 and section 8 of this Agreement except that the restrictions in subsection (1) shall not prevent the Executive from owning up to 5% of the issued and outstanding voting securities of a publicly-traded entity that engages in a business which is the same as or competitive with the business of the Company so long as the Executive does not participate in the management of that entity and only if the Executive holds those securities as a passive investor.

7. Non-solicitation

The Executive agrees with and for the benefit of the Company that for a period of one (1) year from the date of termination of this Agreement, (whether such termination is occasioned by the Executive or by the Company with or without cause, or by mutual agreement), the Executive shall not, for any reason, directly or indirectly, either as an individual, or as a partner or joint venturer, or as an employee, principal, consultant, agent, shareholder, officer or director, of any Entity, solicit or accept business with respect to the development of or mining of graphite or to the marketing of graphite products that are competitive with those of the Company, from any of the Company's customers or agents, actual or potential, with whom the Company has an established relationship, wherever situate.

8. Confidential Information

(1) The Executive acknowledges that as President and Chief Executive Officer and in any other position that he may hold, he will acquire information about certain matters and things which are confidential to the Company, which information is the exclusive property of the Company, including but not limited to:

(a) corporate strategies, technologies and mining methodologies;

(b) properties owned but not developed into mines or prospects or potential mines that shall be at any time under active consideration by the Company;

(c) customers or potential customers and sales policies, techniques and concepts;

(d) trade secrets; and

(e) confidential information concerning the corporate structure and organization, business operations or financial condition or affairs of the Company.

(collectively called the "Confidential Information").

(2) All Confidential Information obtained by the Executive in the course of the term of this Agreement shall remain the exclusive and confidential property of the Company. For greater certainty, Confidential Information shall not include (i) information that is available to the public or in the public domain, being readily accessible to the public in written publications, at the time of disclosure or use; (ii) the general skills and experience gained by the Executive during the period services are provided to the Company; and (iii) information the disclosure of which is required by law, regulation, governmental authority or a court of competent jurisdiction, provided that before disclosure is made, notice of the requirement shall be provided by the Executive to the Company at least seven (7) calendar days in advance of the disclosure.

(3) The Executive acknowledges that the Confidential Information referred to in subsection (1) could be used to the detriment of the Company. Accordingly, the Executive undertakes not to disclose same to any third party either during the term of his employment (except as may be necessary in the proper discharge of the Executive's services

under this Agreement), or after the termination of this Agreement (whether such termination is occasioned by the Executive or by the Company, with or without cause, or by mutual agreement), except with the written permission of the Board of Directors. Any unauthorized disclosure of any such information during the life of this Agreement shall justify the immediate termination of the Executive and this Agreement.

9. Injunctive Relief

(1) The Executive acknowledges that in addition to any and all rights that may be available to the Company under this Agreement or otherwise, the Company shall be entitled to injunctive relief in order to protect the Company's rights and property as set out in sections 6, 7 and 8 of this Agreement.

(2) The Executive understands and agrees that the Company has a material interest in preserving the information, systems and relationships that have been developed or that it shall develop against impairment by the competitive activities of an employee or former employee. Accordingly, they agree that the restrictions and covenants contained in sections 6, 7 and 8 are of the essence of this Agreement and constitute a material inducement to the Company to enter into this Agreement , and that the Company would not enter into this agreement absent such an inducement. Furthermore, the existence of any claim or cause of action by the Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defence to the enforcement by the Company of the covenants or restrictions provided in Sections 6, 7 and 8 provided, however, that if any provision shall be held to be illegal, invalid or unenforceable in any jurisdiction, the decision shall not affect any other covenant or provision of this Agreement or the application of any other covenant or provision.

10. Termination of Agreement

(1) The Parties understand and agree that this Agreement may be terminated as follows:

(a) by the Executive, at any time, for any reason, giving the Company three (3) months written notice, to terminate the Agreement;

(b) by the Company, at any time, for any reason, giving the Executive eighteen (18) months written notice or a single lump sum payment in lieu thereof equivalent to his average annual income over the preceding three calendar years calculated by reference to his total compensation in that period including cash bonuses but not allocations of share equities. Under no circumstances will the Executive receive less than his entitlement under the *Employment Standards Act, 2000*, as amended.

(c) by the Company, in its absolute discretion, without any notice or payment in lieu thereof for "cause". For the purposes of this Agreement, "cause" includes the following:

(i) any material breach of the provisions of this Agreement, including the failure or refusal of the Executive to perform his duties and responsibilities either at all or at a level or standard required by the Company,
(ii) any conduct of the Executive which tends to bring the Executive or the Company into disrepute, including any act of dishonesty that amounts to cause at common law or that otherwise materially affects the business or business relationships of the Company,
(iii) the commission of an act of bankruptcy, insolvency, or other similar proceeding or action by the Executive, or compounding with his creditors generally, and
(iv) the conviction of the Executive of a criminal offence and, in particular, for any crime involving moral turpitude, fraud or misrepresentation,

but failure by the Company to rely on the provision of this clause in any given instance or instances, shall not constitute a precedent or be deemed a waiver of its rights.

(2) If during the term of this Agreement, there is a "change of control" and, within twelve (12) month of the change of control,

(a) the Company gives notice of its intention to terminate the employment of the Executive for any reason other than cause, or

(b) a "triggering event" occurs and the Executive elects to terminate this Agreement,

the Executive shall be paid a cash payment equal to three (3) times the total compensation including bonuses paid for his

Services in the immediate previous chronological year of 365 days.

(c) For purposes of this provision, a change of control shall have the following meanings:

(i) the acquisition, directly or indirectly, by any entity, person or group of persons acting jointly or in concert, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such entity, person or group of persons acting jointly or in concert, constitutes for the first time in the aggregate 40% or more of the outstanding common shares of the Company, or

(ii) the removal, by resolution of the shareholders of the Company, of more than 40% of the then incumbent Board of Directors, or the election of more than 40% of the Board who were not incumbent directors at the time immediately preceding such election; or

(iii) the consummation of a sale of all or substantially all of the assets of the Company; or

(iv) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as the matters set out in subparagraphs (a) to (c) above: and

(d) A triggering event shall have the following meanings:

(i) an assignment to the Executive of duties that are inconsistent with the Services which would result in a significant diminution of the Executive's position; or

(ii) a negative change to the Executive's title; or

(iii) a material reduction of the Executive's salary.

(3) The Agreement shall be automatically terminated upon the death or incapacity of the Executive with the same compensation being paid to him or his estate, as the case may be, as is payable under subparagraph (1)(b) of this section. For purposes of this Agreement, "incapacity" shall be an instance in which the Executive, as a result of sickness, accident or other mental or physical disability is unable to perform the Services for a period of more than six (6) consecutive months and, in the reasonable opinion of the Company, based on medical evidence, it is unlikely that he will be capable of providing the Services in the foreseeable future. In the event of incapacity, the Company will provide the Executive with his entitlements under the *Employment Standards Act, 2000*, as amended.

(4) On termination of this Agreement, the Executive shall immediately resign all offices held (including directorships, if any) with the Company and, save as provided in this Agreement, the Executive shall not be entitled to receive any payment or compensation for loss of office or otherwise by reason of the resignation. If the Executive fails to resign, as mentioned, the Company is irrevocably authorized to appoint some other person in the Executive's name and on his behalf to sign any documents or do any things necessary or requisite to give effect to such resignation.

(5) The Executive shall sign a full and final release of all claims and potential claims against the Company as a condition of the payments contemplated in subsection (10)(1)(b) and (3) above that exceed his entitlements under the *Employment Standards Act, 2000*, as amended.

11. Company's Property

The Executive acknowledges that all items of any and every nature or kind created or used by the Executive under this Agreement, or furnished by the Company to the Executive, and all equipment, automobiles, credit cards, books, records, reports, files, diskettes, manuals, literature, Confidential Information or other materials, shall remain and be considered the exclusive property of the Company at all times and shall be forthwith surrendered to the Company, in good condition at the time the Agreement is terminated.

12. Assignment of Rights

The rights which accrue to the Company under this Agreement shall pass to its successors or assigns. The rights of the Executive under this Agreement are not assignable or transferable in any manner.

13. Survival

The obligations under Sections 6, 7, 8 and 9 shall survive the termination of this Agreement.

14. Notices

(1) Any notice required or permitted to be given to the Executive shall be sufficiently given if delivered to the Executive personally or if mailed by registered mail to the Executive at the address last known to the Company, or if delivered to either of them via email or facsimile.

(2) Any notice required or permitted to be given to the Company shall be sufficiently given if mailed by registered mail to the Company's head office at its address last known to the Executive, or if delivered to the Company via email or facsimile.

15. Severability

In the event that any provision or part of this Agreement shall be deemed void or invalid by a court of competent jurisdiction, the remaining provisions or parts shall be and remain in full force and effect.

16. Entire Agreement

This document constitutes the entire agreement between the Executive and the Company relating to the employment of the Executive by the Company and any and all previous agreements, written or oral, express or implied, between them, if any, relating thereto, are terminated and cancelled and each of the Parties releases and forever discharges the other of and from all manner of actions, causes of action, claims and demands whatsoever, under or in respect of any such previous agreement.

17. Modification of Agreement

Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void.

18. Headings

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

19. Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

20. Currency

All dollar amounts referred to in this Agreement are expressed in Canadian funds unless otherwise specifically provided.

21. Acknowledgment

The Executive acknowledges that:

(a) he has read and understood this Agreement,

(b) he has been given an opportunity to obtain independent legal advice concerning this Agreement and the provisions hereof and the interpretation and effect of this Agreement, and by signing this Agreement represents and warrants that he has either obtained advice or voluntarily waived the opportunity to receive same, and

(c) he has entered into this Agreement voluntarily.

IN WITNESS WHEREOF this Agreement has been executed by the Parties to it, on the day, month and year first written.

SIGNED AND DELIVERED by Craig S. Sherba in the presence of:	)	
_____	)	
Name	)	/S/ Craig Scherba
	)	Craig S. Scherba
_____	)	

Address)
)
)
_____)
Occupation)

The seal of ENERGIZER RESOURCES INC.)
was hereunto affixed in the presence of:)
)
/S/ John Sanderson)
Authorized Signatory: John P. Sanderson)
Chairperson, Board of Directors) SEAL
)
/S/ Dalton Larson)
Authorized Signatory: Dalton L. Larson)
Chairperson, Compensation Committee)

Exhibit 10.5

Employment Agreement with Brent Nykoliation

EMPLOYMENT AGREEMENT

THIS AGREEMENT made effective as of the 1st day of January, 2017

BETWEEN:

ENERGIZER RESOURCES INC.
a corporation duly incorporated under the laws
of the State of Minnesota, United States of America

(the "Company")

AND:

BRENT A. NYKOLIATION,
a businessman residing at
151 Fallingbrook Road
Toronto, Ontario,
Canada M1N 2V1

(the "Executive")

WHEREAS:

1. The Company is engaged in the acquisition, exploration, development, mining and marketing of graphite and related businesses primarily focused on the development of the Molo Graphite Project consisting of a commercially minable graphite deposit situated in the African country of Madagascar.

2. The Executive was appointed as the Senior Vice President Corporate Development of the Company in October 2007.

3. The Parties have agreed to formalize their legal relationship by entering into this employment agreement for their mutual benefit, and in particular, to officially appoint the Executive as Senior Vice President Corporate Development of the Company setting out the duties and responsibilities to be assigned to him and the terms and conditions under which it will be done.

THIS AGREEMENT WITNESSES that the Parties have agreed that the terms and conditions of the relationship shall be as follows:

1. Engagement

(1) The Company hereby agrees to employ the Executive as Senior Vice President Corporate Development of the Company to provide the Services set out in Section 3 of this Agreement and the Executive accepts the appointment to exercise all the usual powers and authority of a person in such a position. In performing the Services, the Executive shall ensure that:

(a) the Services are performed professionally in a timely manner and he shall use his best efforts to achieve the goals and objectives set by the Company from time to time;

(b) the Executive shall exercise care, diligence and skill and follow accepted industry practices in the performance of the Services.

(2) The Services may be performed at the offices of the Company or the residence of the Executive or other office established by the Company from time to time. In the event the Executive utilizes the offices of the Company, it shall provide the Executive with access to furnished office space, telephone and telephone answering services, computers, fax machines, photocopying machines and other such equipment and secretarial and administrative assistance as he shall reasonably require.

(3) The Executive agrees to devote his full time and attention to the business affairs of the Company and its subsidiaries and affiliates and to provide such Services. He acknowledges that this Agreement including, without

limitation, the restrictions in Sections 6, 7 and 8 herein are binding on him, both during and after his employment and the term of this Agreement.

2. Term

The Agreement shall commence with effect from the date set upon its approval by the Compensation Committee of the Board of Directors and shall continue indefinitely until earlier terminated in accordance with the provisions of Section 10 of this Agreement.

3. Services

(1) The Executive shall report to and be subject to the authority of the President and Chief Executive Officer of the Company and the general control and direction of the Board of Directors. In his capacity as Senior Vice President Corporate Development, he shall be generally responsible for developing objectives and strategies in support of business and development goals and the preparation and implementation of business development action plans for targeted markets, with particular responsibility for communications management and investor relations.

(2) While he shall generally be responsible for the management of the business development function of the Company and exercise the authority typical of an executive officer in a position of Senior Vice President Corporate Development, without limiting the generality of the foregoing, he shall be required to perform the following duties and responsibilities (the "Services"):

(a) management of the business development function of the Company;
(b) identify and evaluate business development opportunities;
(c) perform and manage research in support of customer and investor relations;
(d) prepare and implement business development action plans for targeted markets consistent with the Company's financial objectives and strategic plans;
(e) communicate and promote positive relationships, with the potential investors, shareholders, customers and other stakeholders including financial institutions, governments, aboriginals, local community groups and non-governmental organizations, and develop and implement a communication policy consistent with that purpose;
(f) assist in the identification, development and leverage of senior political and business relationships supporting the attainment of the goals of the Company;
(g) develop plans and assist in the implementation of raising capital and promoting the Company to potential investors, lenders and shareholders;
(h) communicate with the public and media on events affecting the Company as they occur;
(i) conduct periodic meetings and audits to assess the degree of achievement of specified tactical and strategic goals; and
(j) attend appropriate corporate meetings and report on areas of responsibility as requested by senior management.

4. Compensation

(1) The fixed compensation payable for the Services of the Executive shall be paid to him at regular intervals in accordance with the policies of the Company as established from time to time but not less than monthly, commencing at the rate of one hundred and eighty thousand ($180,000.00) Dollars per annum, subject to periodic adjustments as may be agreed by the Parties less applicable deductions and withholdings.

(2) In addition, the Executive is eligible for performance bonuses by the Company upon the achievement of certain milestones and objectives as determined by the Compensation Committee of the Company's Board of Directors in its discretion.

(3) Without limiting the generality of the foregoing, periodic bonuses shall also be paid in the amounts stated hereafter upon the achievement and completion of the following milestones:

Milestones	Bonus
(a) Closing of definitive offtake agreement(s)	
Full Phase 1 production	$25,000.00
(b) Commencement of mining and commissioning of processing plant (after 6 mos)	$50,000.00

5. Benefits

(1) *Expenses*. It is understood and agreed that the Executive will incur personal expenses in connection with the provision of the Services under this Agreement. The Company shall reimburse him for any reasonable expenses incurred relating to the business of the Company provided that he shall provide to the Company an itemized written account and receipts acceptable to the Company within a reasonable period after they have been incurred.

(2) *Benefit plans*. The Executive shall be eligible to enrol in all benefit plans (the "Employee Benefits") which the Company generally provides to its managers, employees and contractors separately or together including medical, hospital, dental, extended health care benefits and life insurance. The premium costs of such benefits shall be paid entirely by the Company, provided that whether before or after commencement of coverage the Company reserves the right to unilaterally revise the terms of the Employee Benefits or to eliminate any or all Employee Benefits altogether in its sole discretion. Benefits shall be provided in accordance with the formal plan documents or policies and any issues with respect to entitlement or payment of benefits will be governed by the terms of such documents or policies establishing the benefit in issue.

(3) *Vacation Time.* The Executive shall be entitled to unpaid annual vacation time of up to five (5) weeks in each calendar year provided that no more than two (2) weeks shall be taken concurrently, unless otherwise agreed in writing. Such vacation time may be taken only at such times as the Executive and the Company shall mutually determine, having regard to the requirements of the operations of the Company from time to time; and provided further that such vacation time may be taken only within the year of entitlement thereto and may not be accumulated from year to year unless, otherwise approved by two members of the Board of Directors.

(4) *Stock and Stock Options*. The Executive shall be entitled to stock and stock options in recognition of his Services as may be awarded from time to time by the Board of Directors at its sole discretion.

6. Non-competition

(1) Subject to other express terms of this Agreement, the Executive agrees with and for the benefit of the Company that for a period of one (1) year from the date of termination of this Agreement, (whether such termination is occasioned by the Executive or by the Company with or without cause, or by mutual agreement), the Executive shall not for any reason, directly or indirectly, either as an individual, or as a partner or joint venturer, or as principal, consultant, agent, shareholder, officer or director, of any person, business, firm, association, syndicate, company, organization or corporation, or in any other manner (such person, business, etc., being hereinafter respectively and collectively referred to as an "Entity"), carry on, be engaged in, concerned with, interested in, advise, lend money to, guarantee the debts or obligations of, or permit his name or any part of it to be used or employed by any Entity or person concerned with or engaged in or interested in a business which is the same as or competitive with the business of the Company, including, without limitation any business relating to the development of or mining of graphite or the marketing of graphite products that are competitive with those of the Company, within Canada or the geographical area circumscribed by a radius of Five Hundred (500) miles in any direction from the Molo Graphite Project.

(2) It is specifically agreed that the restrictions in subsection (1) shall not apply in a manner that would restrict the Executive from taking a job in a business strictly as an employee, which is substantially the same or competitive with the business of the Company that does not involve managerial duties of any nature provided that, in that event, the Executive shall still continue to be bound by sections 7 and section 8 of this Agreement except that the restrictions in subsection (1) shall not prevent the Executive from owning up to 5% of the issued and outstanding voting securities of a publicly-traded entity that engages in a business which is the same as or competitive with the business of the Company so long as the Executive does not participate in the management of that entity and only if the Executive holds those securities as a passive investor.

7. Non-solicitation

The Executive agrees with and for the benefit of the Company that for a period of one (1) year from the date of termination of this Agreement, (whether such termination is occasioned by the Executive or by the Company with or without cause, or by mutual agreement), the Executive shall not, for any reason, directly or indirectly, either as an individual, or as a partner or joint venturer, or as an employee, principal, consultant, agent, shareholder, officer or director, of any Entity, solicit or accept business with respect to the development of or mining of graphite or to the marketing of graphite products that are competitive with those of the Company, from any of the Company's customers or agents, actual or potential, with whom the Company has an established relationship, wherever situate.

8. Confidential Information

(1) The Executive acknowledges that as Senior Vice President Corporate Development and in any other position that he may hold, he will acquire information about certain matters and things which are confidential to the Company, which information is the exclusive property of the Company, including but not limited to:

(a) corporate strategies, technologies and mining methodologies;

(b) properties owned but not developed into mines or prospects or potential mines that shall be at any time under active consideration by the Company;

(c) customers or potential customers and sales policies, techniques and concepts;

(d) trade secrets; and

(e) confidential information concerning the corporate structure and organization, business operations or financial condition or affairs of the Company.

(collectively called the "Confidential Information").

(2) All Confidential Information obtained by the Executive in the course of the term of this Agreement shall remain the exclusive and confidential property of the Company. For greater certainty, Confidential Information shall not include (i) information that is available to the public or in the public domain, being readily accessible to the public in written publications, at the time of disclosure or use; (ii) the general skills and experience gained by the Executive during the period services are provided to the Company; and (iii) information the disclosure of which is required by law, regulation, governmental authority or a court of competent jurisdiction, provided that before disclosure is made, notice of the requirement shall be provided by the Executive to the Company at least seven (7) calendar days in advance of the disclosure.

(3) The Executive acknowledges that the Confidential Information referred to in subsection (1) could be used to the detriment of the Company. Accordingly, the Executive undertakes not to disclose same to any third party either during the term of his employment (except as may be necessary in the proper discharge of the Executive's services under this Agreement), or after the termination of this Agreement (whether such termination is occasioned by the Executive or by the Company, with or without cause, or by mutual agreement), except with the written permission of the Board of Directors. Any unauthorized disclosure of any such information during the life of this Agreement shall justify the immediate termination of the executive and this Agreement.

9. Injunctive Relief

(1) The Executive acknowledges that in addition to any and all rights that may be available to the Company under this Agreement or otherwise, the Company shall be entitled to injunctive relief in order to protect the Company's rights and property as set out in sections 6, 7 and 8 of this Agreement.

(2) The Executive understands and agrees that the Company has a material interest in preserving the information, systems and relationships that have been developed or that it shall develop against impairment by the competitive activities of an employee or former employee. Accordingly, they agree that the restrictions and covenants contained in sections 6, 7 and 8 are of the essence of this Agreement and constitute a material inducement to the Company to enter into this Agreement and that the Company would not enter into this agreement absent such an inducement. Furthermore, the existence of any claim or cause of action by the Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defence to the enforcement by the Company of the covenants or restrictions provided in Sections 6, 7 and 8 provided, however, that if any provision shall be held to be illegal, invalid or unenforceable in any jurisdiction, the decision shall not affect any other covenant or provision of this Agreement or the application of any other covenant or provision.

10. Termination of Agreement

(1) The Parties understand and agree that this Agreement may be terminated as follows:

(a) by the Executive, at any time, for any reason, giving the Company three (3) months written notice, to terminate the Agreement;

(b) by the Company, at any time, for any reason, giving the Executive eighteen (18) months written notice or a single lump sum payment in lieu thereof equivalent to his average annual income over the

preceding three calendar years calculated by reference to his total compensation in that period including cash bonuses but not allocations of share equities. Under no circumstances will the Executive receive less than his entitlement under the *Employment Standards Act, 2000*, as amended.

(c) by the Company, in its absolute discretion, without any notice or payment in lieu thereof for "cause". For the purposes of this Agreement, "cause" includes the following:

(i) any material breach of the provisions of this Agreement, including the failure or refusal of the Executive to perform his duties and responsibilities either at all or at a level or standard required by the Company,
(ii) any conduct of the Executive which tends to bring the Executive or the Company into disrepute, including any act of dishonesty that amounts to cause at common law or that otherwise materially affects the business or business relationships of the Company,
(iii) the commission of an act of bankruptcy, insolvency, or other similar proceeding or action by the Executive, or compounding with his creditors generally, and
(iv) the conviction of the Executive of a criminal offence and, in particular, for any crime involving moral turpitude, fraud or misrepresentation,

but failure by the Company to rely on the provision of this clause in any given instance or instances, shall not constitute a precedent or be deemed a waiver of its rights.

(2) If during the term of this Agreement, there is a "change of control" and, within twelve (12) months of the change of control,

(a) the Company gives notice of its intention to terminate the employment of the Executive for any reason other than cause, or

(b) a "triggering event" occurs and the Executive elects to terminate this Agreement,

the Executive shall be paid a cash payment equal to three (3) times the total compensation including bonuses paid for his Services in the immediately previous chronological year of 365 days.

(c) For purposes of this Agreement, a change of control shall have the following meanings:

(i) the acquisition, directly or indirectly, by any entity, person or group of persons acting jointly or in concert, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such entity, person or group of persons acting jointly or in concert, constitutes for the first time in the aggregate 40% or more of the outstanding common shares of the Company, or

(ii) the removal, by resolution of the shareholders of the Company, of more than 40% of the then incumbent Board of Directors, or the election of more than 40% of the Board who were not incumbent directors at the time immediately preceding such election; or

(iii) the consummation of a sale of all or substantially all of the assets of the Company; or

(iv) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as the matters set out in subparagraphs (a) to (c) above; and

(d) A triggering event shall have the following meanings:

(i) an assignment to the Executive of duties that are inconsistent with the Services which would result in a significant diminution of the Executive's position; or

(ii) a negative change to the Executive's title; or

(iii) a material reduction of the Executive's salary.

(3) The Agreement shall be automatically terminated upon the death or incapacity of the Executive with the same compensation being paid to him or his estate, as the case may be, as is payable under subparagraph (1)(b) of this section. For purposes of this Agreement, "incapacity" shall be an instance in which the Executive, as a result of sickness, accident or other mental or physical disability is unable to perform the Services for a period of more than six (6)

consecutive months and, in the reasonable opinion of the Company, based on medical evidence, it is unlikely that he will be capable of providing the Services with the foreseeable future. In the event of incapacity, the Company will provide the Executive with his entitlements under the *Employment Standards Act, 2000*, as amended.

(4) On termination of this Agreement, the Executive shall immediately resign all offices held (including directorships, if any) with the Company and, save as provided in this Agreement, the Executive shall not be entitled to receive any payment or compensation for loss of office or otherwise by reason of the resignation. If the Executive fails to resign, as mentioned, the Company is irrevocably authorized to appoint some other person in the Executive's name and on his behalf to sign any documents or do any things necessary or requisite to give effect to such resignation.

(5) The Executive shall sign a full and final release of all claims and potential claims against the Company as a condition of the payments contemplated in subsection (10)(1)(b) and (3) above that exceed his entitlements under the *Employment Standards Act, 2000*, as amended.

11. Company's Property

The Executive acknowledges that all items of any and every nature or kind created or used by the Executive under this Agreement, or furnished by the Company to the Executive, and all equipment, automobiles, credit cards, books, records, reports, files, diskettes, manuals, literature, Confidential Information or other materials, shall remain and be considered the exclusive property of the Company at all times and shall be forthwith surrendered to the Company, in good condition at the time the Agreement is terminated.

12. Assignment of Rights

The rights which accrue to the Company under this Agreement shall pass to its successors or assigns. The rights of the Executive under this Agreement are not assignable or transferable in any manner.

13. Survival

The obligations under Sections 6, 7, 8 and 9 shall survive the termination of this Agreement.

14. Notices

(1) Any notice required or permitted to be given to the Executive shall be sufficiently given if delivered to the Executive personally or if mailed by registered mail to the Executive at the address last known to the Company, or if delivered to either of them via email or facsimile.

(2) Any notice required or permitted to be given to the Company shall be sufficiently given if mailed by registered mail to the Company's head office at its address last known to the Executive, or if delivered to the Company via email or facsimile.

15. Severability

In the event that any provision or part of this Agreement shall be deemed void or invalid by a court of competent jurisdiction, the remaining provisions or parts shall be and remain in full force and effect.

16. Entire Agreement

This document constitutes the entire agreement between the Executive and the Company relating to the employment of the Executive by the Company and any and all previous agreements, written or oral, express or implied, between them, if any, relating thereto, are terminated and cancelled and each of the Parties releases and forever discharges the other of and from all manner of actions, causes of action, claims and demands whatsoever, under or in respect of any such previous agreement.

17. Modification of Agreement

Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void.

18. Headings

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

19. Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

20. Currency

All dollar amounts referred to in this Agreement are expressed in Canadian funds unless otherwise specifically provided.

21. Acknowledgment

The Executive acknowledges that:

(a) he has read and understood this Agreement,

(b) he has been given an opportunity to obtain independent legal advice concerning this Agreement and the provisions hereof and the interpretation and effect of this Agreement, and by signing this Agreement represents and warrants that he has either obtained advice or voluntarily waived the opportunity to receive same, and

(c) he has entered into this Agreement voluntarily.

IN WITNESS WHEREOF this Agreement has been executed by the Parties to it, on the day, month and year first written.

SIGNED AND DELIVERED)
by Brent A. Nykoliation in the presence of:)
)
_____)
Name) /S/ Brent Nykoliation
) Brent Nykoliation
_____)
Address)
)
_____)
Occupation)

The seal of ENERGIZER RESOURCES INC.)
was hereunto affixed in the presence of:)
)
/S/ John Sanderson)
Authorized Signatory: John P. Sanderson)
Chairperson, Board of Directors) SEAL
)
/S/ Dalton Larson)
Authorized Signatory: Dalton L. Larson)
Chairperson, Compensation Committee)

Exhibit 10.6

Management Consulting Agreement with Marc Johnson

CONSULTING AGREEMENT

THIS AGREEMENT made effective as of the 1st day of January, 2017

BETWEEN:

ENERGIZER RESOURCES INC.
a corporation duly incorporated under the laws
of the State of Minnesota, United States of America
with headquarters at 1001 – 145 Wellington Street West
Toronto, Ontario M5J 1H8

(the "Company")

AND:

MDJ CAPITAL INC.
a corporation duly incorporated under the laws
of Ontario with an address at PH04-59 East Liberty Street,
Toronto, Ontario M6K 3R1

(the "Contractor")

WHEREAS:

1. The Company is engaged in the acquisition, exploration, development, mining and marketing of graphite and related businesses primarily focused on the development of the Molo Graphite Project consisting of a commercially minable graphite deposit situated in the African country of Madagascar;

2. The Contractor was established to provide financial management services including reporting, planning and analysis, budgeting, internal controls, working capital and managing accounting staff primarily to mining and related companies. Accordingly, it employs or retains management and technical consulting experts, including Marc Johnson (the "Executive") for that purpose.

3. The Executive was appointed as the Chief Financial Officer of the Company under a previous independent contractor agreement between the same parties dated effective October 15, 2015.

4. The Parties have agreed to modify their legal relationship by entering into this consulting agreement for their mutual benefit, and in particular, to continue to make the Executive available to the Company in his role as Chief Financial Officer setting out the duties and responsibilities to be assigned to him and the terms and conditions under which it will be done.

THIS AGREEMENT WITNESSES that the Parties have agreed that the terms and conditions of the relationship shall be as follows:

1. Engagement

(1) The Company hereby agrees to retain the Contractor as an independent contractor to provide the Services set out in Section 3 of this Agreement and the Contractor accepts the engagement and agrees that it shall make the Executive available at all times during the term of this Agreement to act as the Chief Financial Officer of the Company with all the usual powers and authority of a person in such a position. In performing the Services, the Contractor shall ensure that:

(c) the Services are performed in a reasonably timely manner and at the reasonably professional standard using his best efforts to achieve the goals and objectives set by the Company from time to time;

(d) the Services are performed during such periods of time as the Company may reasonably require having due regard for such other commitments made by the Contractor for the Services of the Executive, giving due priority where possible to the requirements of this Agreement; and

(e) the Executive shall exercise the care, diligence and skill that a reasonably prudent person would exercise in the conduct of their business and affairs in comparable circumstances and generally follow accepted industry practices in the performance of the Services.

(2) Although the work of the Executive may be carried out at many different locations, including the mine site, he will primarily be based in the offices of the Company in Toronto, Ontario or the residence of the Executive or other office established by the Company from time to time.

(3) The Executive agrees to assist the Contractor in providing the Services and acknowledges that this Agreement, including, without limitation, the restrictions in Sections 7, 8, 9 and 10 are binding on him, both during and after his engagement by the Contractor and the terms and conditions of this Agreement.

(4) Subject to the foregoing, the Contractor shall have full discretion as to the manner in which it provides the Services, provided always that it shall allocate such time as may be necessary for the Executive to provide them as may be required by the Company. The particular amount of time may vary from day to day or week to week, it being understood that the Contractor may also make the Executive available to provide consulting services to other entities or persons. In that event, the Consultant agrees that such other consulting services shall not conflict with the business and affairs of the Company, its subsidiaries and affiliates.

2. Term

The Agreement shall be effective upon execution and shall continue indefinitely until earlier terminated in accordance with the provisions of Section 11 of this Agreement.

3. Services

(1) The Executive shall report to and be subject to the authority of the President and Chief Executive Officer of the Company and the general control and direction of the Board of Directors. In his capacity as Chief Financial Officer, he shall be generally responsible for planning, implementing, managing and controlling all financially related activities of the Company including accounting, budgeting, job costing and analysis, risk management and the development and implementation of financial and operational strategies.

(2) While he shall generally be responsible for the management of the financial affairs of the Company and shall exercise the authority typical of an executive officer in a position of Chief Financial Officer and Corporate Secretary, without limiting the generality of the foregoing, he shall perform the following duties and responsibilities (the "Services"):

1. Planning

1.1 Assist in formulating the Company's future direction and supporting tactical initiatives;
1.2 Monitor and direct the implementation of strategic business plans;
1.3 Develop financial and tax strategies;
1.4 Manage working capital, debt levels and budgeting processes; and
1.5 Develop performance measures that support the Company's strategic direction.

2. Operations

2.1 Attend management meetings and participate in key decisions as a member of the executive management team;
2.2 Maintain in-depth relations with all members of the management team;
2.3 Manage the accounting, tax and treasury functions including all accounting, financial reporting, tax and regulatory requirements including coordinate, review and finalize monthly management reports and cash forecasts; and
2.4 Oversee the Company's financial transactions processing systems; and
2.5 Supervise all acquisition due diligence and assist in the negotiation of joint venture initiatives, mergers & acquisitions.

3. Financial Information

3.1 Oversee internal controls and the preparation and issuance of all financial information;
3.2 Review and finalize corporate income tax, payroll and all other applicable filings;
3.3 Review and approve all required disclosures and filings with securities regulators including drafting and finalizing the consolidated financial statements; and
3.4 Report financial results to the Board of Directors and Audit Committee.

4. Risk Management

4.1 Manage and mitigate, to the extent practical, the Company's risk profile including the establishment of appropriate financial control policies and mechanisms;
4.2 Monitor all open legal issues involving Company finance matters;
4.3 Construct and monitor reliable control systems;
4.4 Maintain appropriate insurance coverage;
4.5 Ensure that record keeping meets the requirements of auditors and government agencies and provide appropriate CFO certifications;
4.6 Report risk issues to the Audit Committee of the Board of Directors;
4.7 Coordinate audits and maintain relations with external auditors and investigate their findings and recommendations; and
4.8 Oversee the implementation and monitor compliance with governance policies and controls throughout the organization.

5. Funding

5.1 Monitor cash balances and cash forecasts;
5.2 Participate in investor roadshows, site visits and otherwise assist in arranging debt and equity financing;
5.3 Invest funds; and
5.4 Maintain relationships with the investment and banking communities.

6. Corporate Secretary

6.1 Ensure the integrity of the governance framework of the Company, compliance with statutory and regulatory requirements and assist other senior executive managers to maintain an efficient records and administrative structure;
6.2 Advise and assist senior executive managers and the Board of Directors on proper corporate governance principles, the conduct of the business, conflicts of interest and the preparation and interpretation of financial reports; and
6.3 Assist the Audit Committee and liaise with external auditors, lawyers, tax advisers, bankers and other finance officials.

7. Other Duties and Responsibilities

7.1 Carry out all other reasonable duties and responsibilities as the CEO and the Board of Directors may require from time to time.

(3) The Company shall be entitled to unilaterally change the Services, title, duties, responsibilities, authority and reporting relationships of the Executive from time to time as it considers appropriate. The Parties agree that any such change or changes shall not constitute a constructive dismissal or a fundamental change or affect the validity of this Agreement so long as the Contractor shall continue to be paid the compensation required by this Agreement.

4. Independent Contractor Status

(1) In performing the Services, the Contractor shall function as an independent contractor and shall not act or be an agent or employee of the Company. Nor shall anything in this Agreement be construed to create a partnership, joint venture or any other relationship between the Parties or as giving either Party any of the rights or subjecting either Party to any of the liabilities of an agent, partner, employer or employee of the other. The Contractor shall employ the Executive and make him available to the Company on a non-exclusive basis upon the terms provided by this Agreement.

(2) The Contractor agrees to register for and include a goods and services or value added tax registration number on all invoices, as may be required, and shall report and pay all taxes, employment insurance, pension plan or similar payments as are required by law in any applicable jurisdiction. The Executive shall not be entitled to paid vacation time or sick leave from the Company. The Company shall not be required to make any contributions for any employer benefits in respect of the Executive except that the Executive shall be eligible for any benefit programs offered by the Company that apply to the Company's contractors, if any, but shall not be eligible for any of benefit program that is available to employees only.

(3) Without limiting the generality of the foregoing, the Contractor shall:

(a) be responsible to report to the proper authorities and pay all taxes, employment insurance contributions, pension plan contributions, employer health taxes, workers' compensation premiums,

goods and services or value added taxes for which the Contractor may be liable at law in any applicable jurisdiction in respect of any payments made by the Company to the Contractor under the terms of this Agreement;

(b) where required by legislation in any applicable jurisdiction, register for coverage and maintain all contributions and assessments required on an up-to-date basis, paying all of them as required; and
(c) indemnify and save the Company and its directors, officers and employees harmless from all liabilities, damages, fines, interest or penalties which any of them may incur arising out of or relating to any failure by the Contractor to make any payment, withholdings, deductions or remittances as may be required by law in any applicable jurisdiction to be made by it in respect of the Executive.

(4) Without limiting the generality of the foregoing, the Company shall:
(a) indemnify and save the Contractor and Executive harmless from all legal actions, liabilities, damages, fines, interest or penalties which any of them may incur arising out of or relating to the provision of the Services to the Company and in the Executive's capacity as an officer of the Company; and
(b) obtain and maintain standard directors and officers (D&O) insurance while the Executive acts as Chief Financial Officer of the Company.

5. Compensation

(1) The fixed compensation payable for the Services of the Executive shall be paid to the Contractor at regular intervals in accordance with the policies of the Company as established from time to time but not less than monthly, commencing at the rate of one hundred and eighty thousand ($180,000.00) Dollars per annum, subject to periodic adjustments as may be agreed by the Parties, less applicable deductions and withholdings.

(2) In addition, the Contractor is eligible for performance bonuses by the Company upon the achievement of certain performance objectives by the Executive as may be determined by the Compensation Committee of the Company's Board of Directors in its discretion from time to time.

(3) Without limiting the generality of the foregoing, periodic bonuses shall also be paid in the amounts stated hereafter upon the achievement and completion of the following milestones:

Milestones	Bonus
(a) Share consolidation completed	$5,000.00
(b) Redomicile Project to Non-USA jurisdiction	$20,000.00
(c) Commencement of mining and commissioning of processing plant (after 6 mos.)	$50,000.00

6. Benefits

(1) *Expenses*. It is understood and agreed that the Contractor will incur expenses in connection with the provision of the Services under this Agreement. The Company shall reimburse any reasonable expenses incurred relating to the business of the Company provided that the Contractor shall provide to the Company an itemized written account and receipts acceptable to the Company within a reasonable period after they have been incurred.

(2) *Benefit plans*. The Executive shall be eligible to enrol in all benefit plans (the "Employee Benefits") which the Company generally provides to its managers, employees and contractors separately or together including medical, hospital, dental, extended health care benefits and life insurance. The premium costs of such benefits shall be paid entirely by the Company, provided that whether before or after commencement of coverage the Company reserves the right to unilaterally revise the terms of the Employee Benefits or to eliminate any or all Employee Benefits altogether in its sole discretion. Benefits shall be provided in accordance with the formal plan documents or policies and any issues with respect to entitlement or payment of benefits will be governed by the terms of such documents or policies establishing the benefit in issue.

(3) *Vacation Time.* The Executive shall be entitled to unpaid annual vacation time of up to five (5) weeks in each calendar year provided that no more than two (2) weeks shall be taken concurrently, unless otherwise agreed in writing. Such vacation time may be taken only at such times as the Executive and the Company shall mutually determine, having regard to the requirements of the operations of the Company from time to time; and provided further that such vacation time may be taken only within the year of entitlement thereto and may not be accumulated from year to year unless, otherwise approved by two members of the Board of Directors.

(4) *Stock and Stock Options*. The Executive shall be entitled to stock and stock options in recognition of his Services as may be awarded from time to time by the Board of Directors at its sole discretion.

7. Non-competition

(1) Subject to other express terms of this Agreement, the Contractor agrees with and for the benefit of the Company that for a period of one (1) year from the date of termination of this Agreement, (whether such termination is occasioned by the Contractor or by the Company with or without cause, or by mutual agreement), neither the Contractor nor the Executive shall for any reason, directly or indirectly, either as an individual, or as a partner or joint venturer, or as consultant, principal, agent, shareholder, officer or director, of any person, business, firm, association, syndicate, company, organization or corporation, or in any other manner (such person, business, etc., being hereinafter respectively and collectively referred to as an "Entity"), carry on, be engaged in, concerned with, interested in, advise, lend money to, guarantee the debts or obligations of, or permit its name or any part of it to be used or employed by any Entity or person concerned with or engaged in or interested in a business which is the same as or competitive with the business of the Company, including, without limitation any business relating to the development of or mining of graphite or the marketing of graphite products that are competitive with those of the Company, within Canada or the geographical area circumscribed by a radius of Five Hundred (500) miles in any direction from the Molo Graphite Project.

(2) It is specifically agreed that the restrictions in subsection (1) shall not apply in a manner that would restrict the Executive from taking a job in a business strictly as an employee, which is substantially the same or competitive with the business of the Company that does not involve managerial duties of any nature provided that, in that event, the Contractor and Executive shall still continue to be bound by sections 8, 9 and 10, of this Agreement except that the restrictions in subsection (1) shall not prevent the Executive from owning up to 5% of the issued and outstanding voting securities of a publicly-traded entity that engages in a business which is the same as or competitive with the business of the Company so long as the Executive does not participate in the management of that entity and only if the Executive holds those securities as a passive investor.

8. Non-solicitation

The Contractor agrees with and for the benefit of the Company that for a period of one (1) year from the date of termination of this Agreement, (whether such termination is occasioned by the Contractor or by the Company with or without cause, or by mutual agreement), neither it nor the Executive shall, for any reason, directly or indirectly, either as an individual, or as a partner or joint venturer, or as an employee, principal, consultant, agent, shareholder, officer or director, of any Entity, solicit or accept business with respect to the development of or mining of graphite or to the marketing of graphite products that are competitive with those of the Company, from any of the Company's customers or agents, actual or potential, with whom the Company has an established relationship, wherever situate.

9. Confidential Information

(1) The Contractor acknowledges on behalf of the Executive that as Chief Financial Officer and in any other position that he may hold, he will acquire information about certain matters and things which are confidential to the Company, which information is the exclusive property of the Company, including but not limited to:

(a) corporate strategies, technologies and mining methodologies;
(b) properties owned but not developed into mines or prospects or potential mines that shall be at any time under active consideration by the Company;
(c) customers or potential customers and sales policies, techniques and concepts;
(d) trade secrets; and
(e) confidential information concerning the corporate structure and organization, business operations or financial condition or affairs of the Company.

(collectively called the "Confidential Information").

(2) All Confidential Information obtained by the Executive in the course of the term of this Agreement shall remain the exclusive and confidential property of the Company. For greater certainty, Confidential Information shall not include (i) information that is available to the public or in the public domain, being readily accessible to the public in written publications, at the time of disclosure or use; (ii) the general skills and experience gained by the Executive during the period that services are provided to the Company; and (iii) information the disclosure of which is required by law, regulation, governmental authority or a court of competent jurisdiction, provided that before disclosure is made, notice of the requirement shall be provided by the Executive to the Company at least seven (7) calendar days in advance of the disclosure.

(3) The Contractor acknowledges on behalf of the Executive that the Confidential Information referred to in subsection (1) could be used to the detriment of the Company. Accordingly, they undertake not to disclose same to any third party either during the term of his employment (except as may be necessary in the proper discharge of the Executive's Services under this Agreement), or after the termination of this Agreement (whether such termination is

occasioned by them or by the Company, with or without cause, or by mutual agreement), except with the written permission of the Board of Directors. Any unauthorized disclosure of any such information during the life of this Agreement shall justify the immediate termination of the Executive and this Agreement.

10. Injunctive Relief

(1) The Contractor acknowledges that in addition to any and all rights that may be available to the Company under this Agreement or otherwise, the Company shall be entitled to injunctive relief in order to protect the Company's rights and property as set out in sections 7, 8 and 9 of this Agreement.

(2) The Contractor and Executive understand and agree that the Company has a material interest in preserving the information, systems and relationships that have been developed or that it shall develop against impairment by the competitive activities of either or both of them. Accordingly, they agree that the restrictions and covenants contained in Sections 7, 8 and 9 are of the essence of this Agreement and constitute a material inducement to the Company to enter into this Agreement and that the Company would not enter into this agreement absent such an inducement. Furthermore, the existence of any claim or cause of action by the Contractor or Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defence to the enforcement by the Company of the covenants or restrictions provided in Sections 7, 8 and 9 provided, however, that if any provision shall be held to be illegal, invalid or unenforceable in any jurisdiction, the decision shall not affect any other covenant or provision of this Agreement or the application of any other covenant or provision.

11. Termination of Agreement

(1) The Parties understand and agree that this Agreement may be terminated as follows:

(d) by the Contractor, at any time, for any reason, giving the Company three (3) months written notice, to terminate the Agreement;

(e) by the Company, at any time, for any reason, giving the Contractor eighteen (18) months written notice or a single lump sum payment in lieu thereof equivalent to its average annual compensation over the preceding three calendar years calculated by reference to its total compensation in that period including cash bonuses but not allocations of share equities.

(f) by the Company, in its absolute discretion, without any notice or payment in lieu thereof for "cause". For the purposes of this Agreement, "cause" includes the following:

(i) any material breach of the provisions of this Agreement, including the failure or refusal of the Executive to perform his duties and responsibilities either at all or at a level or standard required by the Company,
(ii) any conduct of the Executive which tends to bring the Executive or the Company into disrepute, including any act of dishonesty that amounts to cause at common law or that otherwise materially affects the business or business relationships of the Company,
(iii) the commission of an act of bankruptcy, insolvency, or other similar proceeding or action by the Contractor or Executive, or compounding with their creditors generally, and
(iv) the conviction of the Executive of a criminal offence and, in particular, for any crime involving moral turpitude, fraud or misrepresentation,

but failure by the Company to rely on the provision of this clause in any given instance or instances, shall not constitute a precedent or be deemed a waiver of its rights.

(2) If during the term of this Agreement, there is a "change of control" and, within twelve (12) months of the change of control,

(a) the Company gives notice of its intention to terminate this Agreement for any reason other than cause, or
(b) a "triggering event" occurs and the Contractor elects to terminate this Agreement,

the Contractor shall be paid a cash payment equal to three (3) times the total compensation including bonuses paid for its Services in the immediately previous chronological year of 365 days.

(c) For purposes of this Agreement, a change of control shall have the following meanings:

(v) the acquisition, directly or indirectly, by any entity, person or group of persons acting jointly or in concert, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such entity, person or group of persons acting jointly or in concert, constitutes for the first time in the aggregate 40% or more of the outstanding common shares of the Company, or

(vi) the removal, by resolution of the shareholders of the Company, of more than 40% of the then incumbent Board of Directors, or the election of more than 40% of the Board who were not incumbent directors at the time immediately preceding such election; or

(vii) the consummation of a sale of all or substantially all of the assets of the Company; or

(viii) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as the matters set out in subparagraphs (i) to (iii) above; and

(d) A triggering event shall have the following meanings:

(i) an assignment to the Executive of duties that are inconsistent with the Services which would result in a significant diminution of the Executive's position; or

(ii) a negative change to the Executive's title; or

(iii) a material reduction in the compensation paid for the Services rendered by the Executive.

(3) The Agreement shall be automatically terminated upon the death or incapacity of the Executive with the same compensation being paid to him or his estate, as the case may be, as is payable under subparagraph (1)(b) of this section. For purposes of this Agreement, "incapacity" shall be an instance in which the Executive, as a result of sickness, accident or other mental or physical disability is unable to perform the Services for a period of more than six (6) consecutive months and, in the reasonable opinion of the Company, based on medical evidence, it is unlikely that he will be capable of providing the Services with the foreseeable future

(4) On termination of this Agreement, the Executive shall immediately resign all offices held (including directorships, if any) with the Company and, save as provided in this Agreement, the Executive shall not be entitled to receive any payment or compensation for loss of office or otherwise by reason of the resignation. If the Executive fails to resign, as mentioned, the Company is irrevocably authorized to appoint some other person in the Executive's name and on his behalf to sign any documents or do any things necessary or requisite to give effect to such resignation.

12. Company's Property

The Contractor acknowledges that all items of any and every nature or kind created or used by the Executive under this Agreement, or furnished by the Company to the Executive, and all equipment, automobiles, credit cards, books, records, reports, files, diskettes, manuals, literature, Confidential Information or other materials, shall remain and be considered the exclusive property of the Company at all times and shall be forthwith surrendered to the Company, in good condition at the time the Agreement is terminated.

13. Assignment of Rights

The rights which accrue to the Company under this Agreement shall pass to its successors or assigns. The rights of the Contractor under this Agreement are not assignable or transferable in any manner.

14. Survival

The obligations under sections 7, 8, 9 and 10 shall survive the termination of this Agreement.

15. Notices

(1) Any notice required or permitted to be given to the Contractor shall be sufficiently given if delivered to the Executive personally or if mailed by registered mail to the Executive at the address last known to the Company, or if delivered to either of them via email or facsimile.

(2) Any notice required or permitted to be given to the Company shall be sufficiently given if mailed by registered mail to the Company's head office at its address last known to the Executive, or if delivered to the Company via email or facsimile.

16. Severability

In the event that any provision or part of this Agreement shall be deemed void or invalid by a court of competent jurisdiction, the remaining provisions or parts shall be and remain in full force and effect.

17. Entire Agreement

This document constitutes the entire agreement between the Contractor and the Company relating to the engagement of the Executive by the Company and any and all previous agreements, written or oral, express or implied, between them, if any, relating thereto, are terminated and cancelled and each of the Parties releases and forever discharges the other of and from all manner of actions, causes of action, claims and demands whatsoever, under or in respect of any such previous agreement.

18. Modification of Agreement

Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void.

19. Headings

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

20. Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

21. Currency

All dollar amounts referred to in this Agreement are expressed in Canadian funds unless otherwise specifically provided.

22. Acknowledgment

The Contractor acknowledges that:

(d) the Executive has read and understood this Agreement,
(e) both the Contractor and the Executive have been given an opportunity to obtain independent legal advice concerning this Agreement and the provisions hereof and the interpretation and effect of this Agreement, and by signing this Agreement represents and warrants that they have either obtained advice or voluntarily waived the opportunity to receive same, and
(f) it has entered into this Agreement voluntarily.

IN WITNESS WHEREOF this Agreement has been executed by the Parties to it, on the day, month and year first written.

The seal of MDJ CAPITAL INC. was)
hereunto affixed in the presence of)
)
)
_____)
Name) SEAL
)
_____)
Address)
)
_____)
Occupation)

The seal of ENERGIZER RESOURCES INC.)
was hereunto affixed in the presence of:)
)
/S/ John Sanderson)
Authorized Signatory: John P. Sanderson)
Chairperson, Board of Directors) SEAL
)

/S/ Dalton Larson)
Authorized Signatory: Dalton L. Larson)
Chairperson, Compensation Committee)

Acknowledged and agreed by the Executive:

/S/ Marc Johnson
Marc D. Johnson, CFA

Exhibit 10.7

Management Consulting Agreement with Robin Borley

CONSULTING AGREEMENT

THIS AGREEMENT made effective as of the 1st day of January, 2017

BETWEEN:

ENERGIZER RESOURCES INC.
a corporation duly incorporated under the laws
of the State of Minnesota, United States of America
with headquarters at 1001 – 145 Wellington Street West
Toronto, Ontario M5J 1H8

(the "Company")

AND:

TRADESOON 985 PTY. LTD,
a corporation duly incorporated under the laws
of South Africa with an office at
1007 Waterfall Country Estate
Bingini Crescent, Midrand
Johannesburg, South Africa

(the "Contractor")

WHEREAS:

1. The Company is engaged in the acquisition, exploration, development, mining and marketing of graphite and related businesses primarily focused on the development of the Molo Graphite Project consisting of a commercially minable graphite deposit situated in the African country of Madagascar;

2. The Contractor was established to provide management and technical consulting services primarily to mining and related companies in Africa. Accordingly, it employs or retains management and technical consulting experts, including Robin Borley, (the "Executive") for that purpose.

3. The Executive was appointed as the Senior Vice President of Mine Development for the Company under a previous independent contractor agreement between some of the same parties dated effective December 1, 2013.

4. The Parties have agreed to modify their legal relationship by entering into this consulting agreement for their mutual benefit, and in particular, to continue to make the Executive available to the Company in his role as Senior Vice President of Mine Development setting out the duties and responsibilities to be assigned to him and the terms and conditions under which it will be done.

THIS AGREEMENT WITNESSES that the Parties have agreed that the terms and conditions of the relationship shall be as follows:

1. Engagement

(1) The Company hereby agrees to retain the Contractor as an independent contractor to provide the Services set out in Section 3 of this Agreement and the Contractor accepts the engagement and agrees that it shall make the Executive available at all times during the term of this Agreement to act as the Senior Vice President of Mine Development of the Company with all the usual powers and authority of a person in such a position. In performing the Services, the Contractor shall ensure that:

(f) the Services are performed in a reasonably timely manner and at the reasonably professional standard using his best efforts to achieve the goals and objectives set by the Company from time to time;

(g) the Services are performed during such periods of time as the Company may reasonably require having due regard for such other commitments made by the Contractor for the Services of the Executive, giving due priority where possible to the requirements of this Agreement; and

(h) the Executive shall exercise the care, diligence and skill that a reasonably prudent person would exercise in the conduct of their business and affairs in comparable circumstances and generally follow accepted industry practices in the performance of the Services.

(2) Although the work of the Executive may be carried out at many different locations, including the mine site, he will primarily be based in the offices of the Consultant in Johannesburg, South Africa or the residence of the Executive or other office established by the Company from time to time. For that purpose, the Consultant shall be paid an allowance in lieu of furnished office space of four hundred (USD $400.00) dollars per month.

(3) The Executive agrees to assist the Contractor in providing the Services and acknowledges that this Agreement, including without limitation, the restrictions in Sections 7, 8, 9 and 10 are binding on him, both during and after his engagement by the Contractor and the terms of this Agreement.

(4) Subject to the foregoing, the Contractor shall have full discretion as to the manner in which it provides the Services, provided always that it shall allocate such time as may be necessary for the Executive to provide them as may be required by the Company. The particular amount of time may vary from day to day or week to week, it being understood that the Contractor may also make the Executive available to provide consulting services to other entities or persons. In that event, the Consultant agrees that such other consulting services shall not conflict with the business and affairs of the Company, its subsidiaries and affiliates.

2. Term

The Agreement shall upon execution and shall continue indefinitely until earlier terminated in accordance with the provisions of Section 11 of this Agreement.

3. Services

(1) The Executive shall report to and be subject to the authority of the President and Chief Executive Officer of the Company and the general control and direction of the Board of Directors. In his capacity as Senior Vice President of Mine Development, he shall be generally responsible for the development of the Company's flagship Molo Graphite Project including the oversight of the design, construction and commissioning phases as well as the initial years of operation.

(2) While he shall generally be responsible for the management of the mine development function of the Company and exercise the authority typical of an executive officer in a position of Senior Vice President Mine Development, without limiting the generality of the foregoing, he shall be required to perform the following duties and responsibilities (the "Services"):

(k) management of the mine development function of the Company including oversight of the design, construction and commissioning including the initial years of the operation of the Molo Graphite Project;
(l) identify and evaluate new and emerging technologies and their potential application to the Molo Project;
(m) create and execute work plans and revise as appropriate to meet changing needs and requirements;
(n) identify resources needed and assign individual responsibilities;
(o) responsibility for enforcement of health, safety, environmental and regulatory standards, quality assurance procedures and exposure to risk;
(p) development of permitting, environmental, engineering and exploration programs as required and generally assist in obtaining all related authorities, licenses and permits;
(q) maintain positive working relationships with indigenous populations and local communities and communicate effectively with diverse range of contractors and employees from different cultures;
(r) monitor and approve work of EPCM and other contractors on Project for conformity to design and specification standards and manage project budget including analysis of capital project progress;
(s) oversee and manage mine and plant facilities upon commissioning to ensure effective and profitable operations;
(t) manage day to day operational aspects of the Molo Project including mining, processing and logistics; and
(u) provide input to leverage global contacts in the mining and finance communities to facilitate mine project financing and assist Company to secure strategic and off-take partners.

4. Independent Contractor Status

(1) In performing the Services, the Contractor shall function as an independent contractor and shall not act or be an agent or employee of the Company. Nor shall anything in this Agreement be construed to create a partnership, joint venture or any other relationship between the Parties or as giving either Party any of the rights or subjecting either Party to any of the liabilities of an agent, partner, employer or employee of the other. The Contractor shall employ the Executive and make him available to the Company upon the terms provided by this Agreement.

(2) The Contractor agrees to register for and include a goods and services or value added tax registration number on all invoices, as may be required, and shall report and pay all taxes, employment insurance, pension plan or similar payments as are required by law in any applicable jurisdiction. The Executive shall not be entitled to paid vacation time or sick leave from the Company. The Company shall not be required to make any contributions for any employer benefits in respect of the Executive except that the Executive shall be eligible for any benefit programs offered by the Company that apply to the Company's contractors, if any, but shall not be eligible for any of benefit program that is available to employees only.

(3) Without limiting the generality of the foregoing, the Contractor shall:

(d) be responsible to report to the proper authorities and pay all taxes, employment insurance contributions, pension plan contributions, employer health taxes, workers' compensation premiums, goods and services or value added taxes for which the Contractor may be liable at law in any applicable jurisdiction in respect of any payments made by the Company to the Contractor under the terms of this Agreement;

(e) where required by the Workplace Safety & Insurance Act or similar legislation in any applicable jurisdiction, register for coverage and maintain all contributions and assessments required on an up-to-date basis, paying all of them as required; and

(f) indemnify and save the Company and its directors, officers and employees harmless from all liabilities, damages, fines, interest or penalties which any of them may incur arising out of or relating to any breach by the Contractor of this Agreement (including negligent performance of the Services) or any failure by the Contractor to make any payment, withholdings, deductions or remittances as may be required by law in any applicable jurisdiction to be made by it or any losses, damages, interest, penalties, assessments, arrears, source deductions or withholdings and other claims suffered or incurred by the Company arising out of any determination or redetermination of the Contractor's status as an independent contractor for any purpose.

5. Compensation

(1) The fixed compensation payable for the Services of the Executive shall be paid to the Contractor at regular intervals in accordance with the policies of the Company as established from time to time but not less than monthly, commencing at the rate of one hundred and ninety-two thousand (USD $192,000.00) Dollars per annum, subject to periodic adjustments as may be agreed by the Parties, less applicable deductions and withholdings.

(2) In addition, the Contractor is eligible for performance bonuses by the Company upon the achievement of certain milestones and performance objectives by the Executive as may be determined by the Compensation Committee of the Company's Board of Directors in its discretion from time to time.

(3) Without limiting the generality of the foregoing, periodic bonuses shall also be paid in the amounts stated hereafter upon the achievement and completion of the following milestone:

Milestones	Bonus
(a) Execution and implementation of valid Mining (Exploitation) Permit	$5,000.00
(b) Start of Plant Construction (initiation of procurement fabrication and siteworks)	$10,000.00
(c) Commencement of mining and commissioning of processing plant (after 6 mos.)	$50,000.00

6. Benefits

(1) *Expenses*. It is understood and agreed that the Executive will incur personal expenses in connection with the provision of the Services under this Agreement. The Company shall reimburse him for any reasonable expenses incurred relating to the business of the Company provided that he shall provide to the Company an itemized written account and receipts acceptable to the Company within a reasonable period after they have been incurred.

(2) *Benefit plans*. The Executive shall be eligible to enrol in all benefit plans (the "Employee Benefits") which the Company generally provides to its managers, employees and contractors separately or together including medical, hospital, dental, extended health care benefits and life insurance. The premium costs of such benefits shall be paid entirely by the Company, provided that whether before or after commencement of coverage the Company reserves the right to unilaterally revise the terms of the Employee Benefits or to eliminate any or all Employee Benefits altogether in its sole discretion. Benefits shall be provided in accordance with the formal plan documents or policies and any issues with respect to entitlement or payment of benefits will be governed by the terms of such documents or policies establishing the benefit in issue.

(3) *Vacation Time.* The Executive shall be entitled to unpaid annual vacation time of up to five (5) weeks in each calendar year provided that no more than two (2) weeks shall be taken concurrently, unless otherwise agreed in writing. Such vacation time may be taken only at such times as the Executive and the Company shall mutually determine, having regard to the requirements of the operations of the Company from time to time; and provided further that such vacation time may be taken only within the year of entitlement thereto and may not be accumulated from year to year unless, otherwise approved by two members of the Board of Directors.

(4) *Stock and Stock Options*. The Executive shall be entitled to stock and stock options in recognition of his Services as may be awarded from time to time by the Board of Directors at its sole discretion.

7. Non-competition

(1) Subject to other express terms of this Agreement, the Contractor agrees with and for the benefit of the Company that for a period of one (1) year from the date of termination of this Agreement, (whether such termination is occasioned by the Contractor or by the Company with or without cause, or by mutual agreement), neither the Contractor nor the Executive shall for any reason, directly or indirectly, either as an individual, or as a partner or joint venturer, or as consultant, principal, agent, shareholder, officer or director, of any person, business, firm, association, syndicate, company, organization or corporation, or in any other manner (such person, business, etc., being hereinafter respectively and collectively referred to as an "Entity"), carry on, be engaged in, concerned with, interested in, advise, lend money to, guarantee the debts or obligations of, or permit its name or any part of it to be used or employed by any Entity or person concerned with or engaged in or interested in a business which is the same as or competitive with the business of the Company, including, without limitation any business relating to the development of or mining of graphite or the marketing of graphite products that are competitive with those of the Company, within Canada or the geographical area circumscribed by a radius of Five Hundred (500) miles in any direction from the Molo Graphite Project.

(2) It is specifically agreed that the restrictions in subsection (1) shall not apply in a manner that would restrict the Executive from taking a job in a business strictly as an employee, which is substantially the same or competitive with the business of the Company that does not involve managerial duties of any nature provided that, in that event, the Contractor and Executive shall still continue to be bound by sections 8, 9 and 10, of this Agreement except that the restrictions in subsection (1) shall not prevent the Executive from owning up to 5% of the issued and outstanding voting securities of a publicly-traded entity that engages in a business which is the same as or competitive with the business of the Company so long as the Executive does not participate in the management of that entity and only if the Executive holds those securities as a passive investor.

8. Non-solicitation

The Contractor agrees with and for the benefit of the Company that for a period of one (1) year from the date of termination of this Agreement, (whether such termination is occasioned by the Contractor or by the Company with or without cause, or by mutual agreement), neither it nor the Executive shall, for any reason, directly or indirectly, either as an individual, or as a partner or joint venturer, or as an employee, principal, consultant, agent, shareholder, officer or director, of any Entity, solicit or accept business with respect to the development of or mining of graphite or to the marketing of graphite products that are competitive with those of the Company, from any of the Company's customers or agents, actual or potential, with whom the Company has an established relationship, wherever situate.

9. Confidential Information

(1) The Contractor acknowledges on behalf of the Executive that as Senior Vice President Corporate Development and in any other position that he may hold, he will acquire information about certain matters and things

which are confidential to the Company, which information is the exclusive property of the Company, including but not limited to:

(f) corporate strategies, technologies and mining methodologies;
(g) properties owned but not developed into mines or prospects or potential mines that shall be at any time under active consideration by the Company;
(h) customers or potential customers and sales policies, techniques and concepts;
(i) trade secrets; and
(j) confidential information concerning the corporate structure and organization, business operations or financial condition or affairs of the Company.

(collectively called the "Confidential Information").

(2) All Confidential Information obtained by the Executive in the course of the term of this Agreement shall remain the exclusive and confidential property of the Company. For greater certainty, Confidential Information shall not include (i) information that is available to the public or in the public domain, being readily accessible to the public in written publications, at the time of disclosure or use; (ii) the general skills and experience gained by the Executive during the period services are provided to the Company; and (iii) information the disclosure of which is required by law, regulation, governmental authority or a court of competent jurisdiction, provided that before disclosure is made, notice of the requirement shall be provided by the Executive to the Company at least seven (7) calendar days in advance of the disclosure.

(3) The Contractor acknowledges on behalf of the Executive that the Confidential Information referred to in subsection (1) could be used to the detriment of the Company. Accordingly, they undertake not to disclose same to any third party either during the term of his employment (except as may be necessary in the proper discharge of the Executive's services under this Agreement), or after the termination of this Agreement (whether such termination is occasioned by them or by the Company, with or without cause, or by mutual agreement), except with the written permission of the Board of Directors. Any unauthorized disclosure of any such information during the life of this Agreement shall justify the immediate termination of the executive and this Agreement.

10. Injunctive Relief

(1) The Contractor acknowledges that in addition to any and all rights that may be available to the Company under this Agreement or otherwise, the Company shall be entitled to injunctive relief in order to protect the Company's rights and property as set out in sections 7, 8 and 9 of this Agreement.

(2) The Contractor and Executive understand and agree that the Company has a material interest in preserving the information, systems and relationships that have been developed or that it shall develop against impairment by the competitive activities of either or both of them. Accordingly, they agree that the restrictions and covenants contained in sections 7, 8 and 9 are of the essence of this Agreement and constitute a material inducement to the Company to enter into this Agreement and that the Company would not enter into this agreement absent such an inducement. Furthermore, the existence of any claim or cause of action by the Contractor or Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defence to the enforcement by the Company of the covenants or restrictions provided in sections 7, 8 and 9 provided, however, that if any provision shall be held to be illegal, invalid or unenforceable in any jurisdiction, the decision shall not affect any other covenant or provision of this Agreement or the application of any other covenant or provision.

11. Termination of Agreement

(1) The Parties understand and agree that this Agreement may be terminated as follows:

(g) by the Contractor, at any time, for any reason, giving the Company three (3) months written notice, to terminate the Agreement;
(h) by the Company, at any time, for any reason, giving the Contractor eighteen (18) months written notice or a single lump sum payment in lieu thereof equivalent to its average annual compensation over the preceding three calendar years calculated by reference to its total compensation in that period including cash bonuses but not allocations of share equities.
(i) by the Company, in its absolute discretion, without any notice or payment in lieu thereof for "cause". For the purposes of this Agreement, "cause" includes the following:

(i) any material breach of the provisions of this Agreement, including the failure or refusal of the Executive to perform his duties and responsibilities either at all or at a level or standard required

by the Company,

(ii) any conduct of the Executive which tends to bring the Executive or the Company into disrepute, including any act of dishonesty that amounts to cause at common law or that otherwise materially affects the business or business relationships of the Company,

(iii) the commission of an act of bankruptcy, insolvency, or other similar proceeding or action by the Contractor or Executive, or compounding with their creditors generally, and

(iv) the conviction of the Executive of a criminal offence and, in particular, for any crime involving moral turpitude, fraud or misrepresentation,

but failure by the Company to rely on the provision of this clause in any given instance or instances, shall not constitute a precedent or be deemed a waiver of its rights.

(2) If during the term of this Agreement, there is a "change of control" and, within twelve (12) months of the change of control,

(a) the Company gives notice of its intention to terminate this Agreement for any reason other than cause, or

(b) a "triggering event" occurs and the Contractor elects to terminate this Agreement,

the Contractor shall be paid a cash payment equal to three (3) times the total compensation including bonuses paid for its Services in the immediately previous chronological year of 365 days.

(c) For purposes of this Agreement, a change of control shall have the following meanings:

(ix) the acquisition, directly or indirectly, by any entity, person or group of persons acting jointly or in concert, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such entity, person or group of persons acting jointly or in concert, constitutes for the first time in the aggregate 40% or more of the outstanding common shares of the Company, or

(x) the removal, by resolution of the shareholders of the Company, of more than 40% of the then incumbent Board of Directors, or the election of more than 40% of the Board who were not incumbent directors at the time immediately preceding such election; or

(xi) the consummation of a sale of all or substantially all of the assets of the Company; or

(xii) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as the matters set out in subparagraphs (i) to (iii) above; and

(d) A triggering event shall have the following meanings:

(i) an assignment to the Executive of duties that are inconsistent with the Services which would result in a significant diminution of the Executive's position; or

(ii) a negative change to the Executive's title; or

(iii) a material reduction in the compensation paid for the Services rendered by the Executive.

(3) The Agreement shall be automatically terminated upon the death or incapacity of the Executive with the same compensation being paid to him or his estate, as the case may be, as is payable under subparagraph (1)(b) of this section. For purposes of this Agreement, "incapacity" shall be an instance in which the Executive, as a result of sickness, accident or other mental or physical disability is unable to perform the Services for a period of more than six (6) consecutive months and, in the reasonable opinion of the Company, based on medical evidence, it is unlikely that he will be capable of providing the Services with the foreseeable future

(4) On termination of this Agreement, the Executive shall immediately resign all offices held (including directorships, if any) with the Company and, save as provided in this Agreement, the Executive shall not be entitled to receive any payment or compensation for loss of office or otherwise by reason of the resignation. If the Executive fails to resign, as mentioned, the Company is irrevocably authorized to appoint some other person in the Executive's name and on his behalf to sign any documents or do any things necessary or requisite to give effect to such resignation.

12. Company's Property

The Contractor acknowledges that all items of any and every nature or kind created or used by the Executive under this Agreement, or furnished by the Company to the Executive, and all equipment, automobiles, credit cards, books, records, reports, files, diskettes, manuals, literature, Confidential Information or other materials, shall remain and be considered the exclusive property of the Company at all times and shall be forthwith surrendered to the Company, in good condition at the time the Agreement is terminated.

13. Assignment of Rights

The rights which accrue to the Company under this Agreement shall pass to its successors or assigns. The rights of the Contractor under this Agreement are not assignable or transferable in any manner.

14. Survival

The obligations under sections 7, 8, 9 and 10 shall survive the termination of this Agreement.

15. Notices

(1) Any notice required or permitted to be given to the Contractor shall be sufficiently given if delivered to the Executive personally or if mailed by registered mail to the Executive at the address last known to the Company, or if delivered to either of them via email or facsimile.

(2) Any notice required or permitted to be given to the Company shall be sufficiently given if mailed by registered mail to the Company's head office at its address last known to the Executive, or if delivered to the Company via email or facsimile.

16. Severability

In the event that any provision or part of this Agreement shall be deemed void or invalid by a court of competent jurisdiction, the remaining provisions or parts shall be and remain in full force and effect.

17. Entire Agreement

This document constitutes the entire agreement between the Contractor and the Company relating to the engagement of the Executive by the Company and any and all previous agreements, written or oral, express or implied, between them, if any, relating thereto, are terminated and cancelled and each of the Parties releases and forever discharges the other of and from all manner of actions, causes of action, claims and demands whatsoever, under or in respect of any such previous agreement.

18. Modification of Agreement

Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void.

19. Headings

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

20. Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

21. Currency

All dollar amounts referred to in this Agreement are expressed in Canadian funds unless otherwise specifically provided.

22. Acknowledgment

The Contractor acknowledges that:

(g) the Executive has read and understood this Agreement,
(h) both the Contractor and the Executive have been given an opportunity to obtain independent legal advice concerning this Agreement and the provisions hereof and the interpretation and effect of this Agreement, and by signing this Agreement represents and warrants that they have either obtained advice or voluntarily waived the opportunity to receive same, and
(i) it has entered into this Agreement voluntarily.

IN WITNESS WHEREOF this Agreement has been executed by the Parties to it, on the day, month and year first written.

The seal of TRADESOON 985 PTY LTD. was hereunto affixed in the presence of)

_____
Signature)

_____
Name and Occupation)

_____
Address)

SEAL

The seal of ENERGIZER RESOURCES INC. was hereunto affixed in the presence of:)

/S/ John Sanderson
Authorized Signatory: John P. Sanderson
Chairperson, Board of Directors)

SEAL

/S/ Dalton Larson
Authorized Signatory: Dalton L. Larson
Chairperson, Compensation Committee)

Acknowledged and agreed by the Executive:

/S/ Robin Borley
Robin Borley

Exhibit 21

Subsidiaries

1. 2391938 Ontario Inc., an Ontario, Canada subsidiary.
2. Energizer (Mauritius) Ltd. ("ERMAU"), a Mauritius subsidiary.
    a. Energizer Madagascar Sarl. ("ERMAD"), a Madagascar subsidiary of ERMAU.
3. THB Ventures Ltd. ("THB"), a Mauritius subsidiary of ERMAU.
    a. Energizer Minerals Sarl. ("ERMIN"), a Madagascar subsidiary of THB.
4. Madagascar-ERG Joint Venture (Mauritius) Ltd. ("ERGJVM"), a Mauritius subsidiary of ERMAU.
    a. ERG (Madagascar) Sarl. ("ERGMAD"), a Madagascar subsidiary of ERGJVM.

Exhibit 31.1

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

I, Craig Scherba, certify that:

1. I have reviewed this annual report on Form 10-K of NextSource Materials Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 27, 2017
By: /s/ Craig Scherba
Craig Scherba
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

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

I, Marc Johnson, certify that:

1. I have reviewed this annual report on Form 10-K of NextSource Materials Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 27, 2017
By: /s/ Marc Johnson
Marc Johnson
Chief Financial Officer
(principal accounting officer)

Exhibit 32.1

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

In connection with the quarterly report on Form 10-Q of NextSource Materials Inc. (the "Company") for the period ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Craig Scherba, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: September 27, 2017

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

Exhibit 32.2

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

In connection with the quarterly report on Form 10-Q of NextSource Materials Inc. (the "Company") for the period ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc Johnson, Chief Financial Officer (Principal Accounting Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: September 27, 2017

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