ASX RELEASE - 20 January 2012

Malagasy Minerals Industrial Minerals JV with Canada's Energizer Resources Inc
POTENTIAL GRAPHITE CAMP DISCOVERY

Malagasy Minerals Limited ("Malagasy") **(ASX: MGY)** advises that its Joint Venture Partner Energizer Resources Inc of Canada has made a release to the Toronto Stock Exchange as detailed below.

Pursuant to the Joint Venture Agreement announced on 15 December 2011, Malagasy and Energizer have formed a joint venture company owned 75% by Energizer and 25% by Malagasy with the right to explore for a group of defined industrial minerals including vanadium and graphite within specifically defined permits covering approximately 40 per cent of Malagasy's prospective tenement holding in southern Madagascar.

Malagasy's interest in the joint venture will be free-carried until Energizer delivers a BFS. If Energizer or the joint venture company delivers a BFS on any discovery, Malagasy will have the right to contribute to development and mining operations in accordance with its 25% interest in the joint venture or may elect to dilute its interest. If Malagasy elects to dilute its joint venture interest to below 10%, then Malagasy's interest will convert to a 2% net smelter return royalty.

Malagasy also holds 7.5 million shares in Energizer.

Energizer Resources Inc. (TSX: EGZ) (OTCBB: ENZR) (FWB: YE5) ("Energizer" or the "Company") is pleased to announce preliminary results from exploration programs on its Green Giant, and Malagasy Minerals Limited ("Malagasy") (ASX: MGY) Joint Venture (JV) properties in Madagascar. Drill core assays received to date from the Phase I exploration program, have yielded intersections assaying up to 7.46% carbon (C) over 61.4 metres in length. Multiple graphitic zones discovered during the course of the Phase II exploration indicate the Company has begun to outline a new graphite camp. Highlights of the Phase I and II exploration programs are as follows, with a summary of drill core assays provided at the conclusion of this release:

Phase I Exploration – Green Giant Property

- Identification of multiple flake graphite zones on Green Giant property
- Drill core assay results ranging as high as 21.0% C
- All Drill Holes intersected graphite with the most significant being FOND-01 which intersected 7.46% C over 61.46m
- Grab sample assays ranging up to 21.3% C

Phase II Exploration – Green Giant Property

- Identification of multiple graphitic trends on JV property
- The 21 km vanadium trend found on the Green Giant property has now been increased by an additional 30 km on the JV property
- Molo zone identified on the JV property, which features structurally 'thickened' graphite zones

Phase I Exploration

Graphite Identified in Manga Vanadium Deposit Presents Dual Opportunity

The mineralization delineated in the Company's NI43-101 compliant vanadium resource was found in two types of rocks, silicates and oxides. Petrographic descriptions undertaken on thin sections of selected rocks submitted for metallurgical analysis to Mintek of South Africa, identified 17.17% modal graphite from the silicate composite and 15.87% modal graphite from the oxide composite samples. As vanadium and graphite are considered to be strategic minerals, the Company will position itself to deliver a dual offering of strategic minerals from a single source for energy storage, as well as steel and other innovative products.

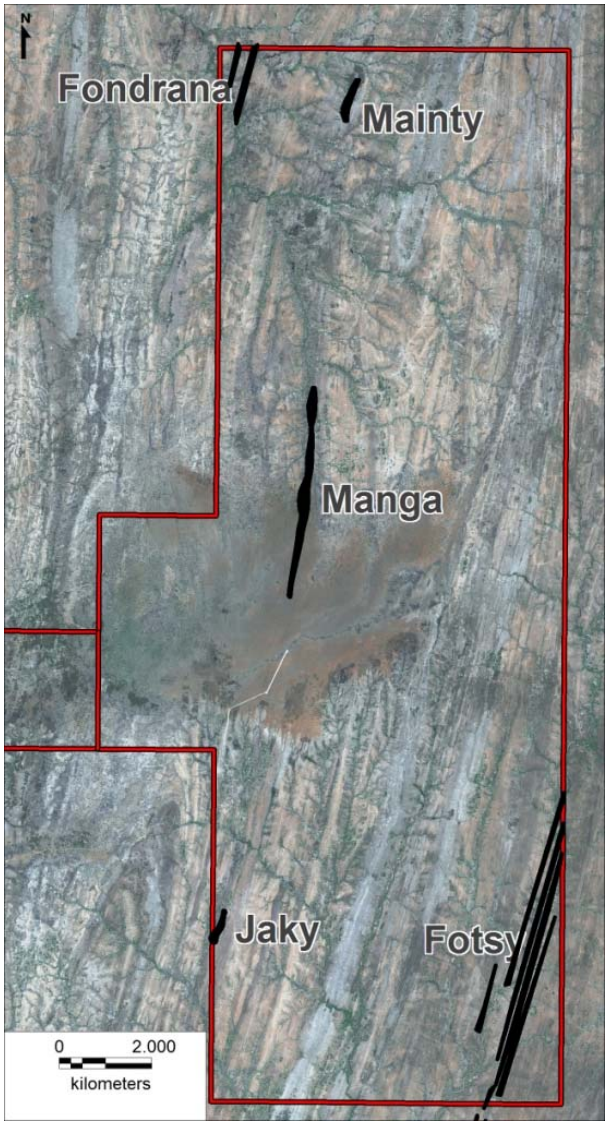
Three additional composite samples were submitted to Mintek at the conclusion of the 2010 exploration program. Mintek reported analyses of these samples to Energizer in December, 2010 and January, 2011. The QEMSCAN [1] analysis of these head samples quantified a graphite composition of 4.09%, while the head chemical analysis quantified a graphitic carbon content of 3.87%.

[1]*For the QEMSCAN analysis, graphite impregnated polished epoxy grain mounts were prepared and analyzed using Particle Map Analysis (PMA) which provides a statistically robust population of mineral identification based on X-ray chemistry of minerals and modal abundance. Chemical assay values were determined by Mintek using LECO CS200 and Eltra CS2000 analyzers.*

5 Graphite Zones Identified to date on Green Giant Property

The identification of graphite as a potential credit to the Company's NI 43-101 compliant vanadium resources led Company geologists to conduct a reconnaissance exploration program (Phase I program) on the Property in September, 2011, with the goal of delineating new graphitic trends, and comparing them to those associated with vanadium mineralization.

During the course of the Phase I program, surficial graphitic trends were identified on the Green Giant Property. These graphite trends were visually determined to be of both higher carbon content, and larger flake size than those associated with the NI 43-101 compliant vanadium resource mineralization. Based on these field observations, the Company initiated an exploration program which included 10 diamond drill holes (totalling 1157.5 metres), 16 trenches (totalling 1912 metres), and 132 grab samples collected over two newly identified prospective graphitic units, named the Fondrana and Fotsy zones, bringing the total number of Graphite Zones on the Property to 5.



Phase II Exploration

Based on the promising results of the Phase I program, the Company launched the Phase II exploration program in November, 2011. The objective of the program was to enhance exploration efforts on the Green Giant property through further drill testing of graphitic trends on the Green Giant Property and to apply geophysical techniques to delineate graphite mineralization. The signing of the JV agreement with Malagasy in November, 2011 for the exploration and development of industrial minerals, prompted additional reconnaissance exploration to ascertain the industrial mineral potential of the joint venture property.

Geophysical Tools Employed to Identify Multiple Graphite Mineralization Trends

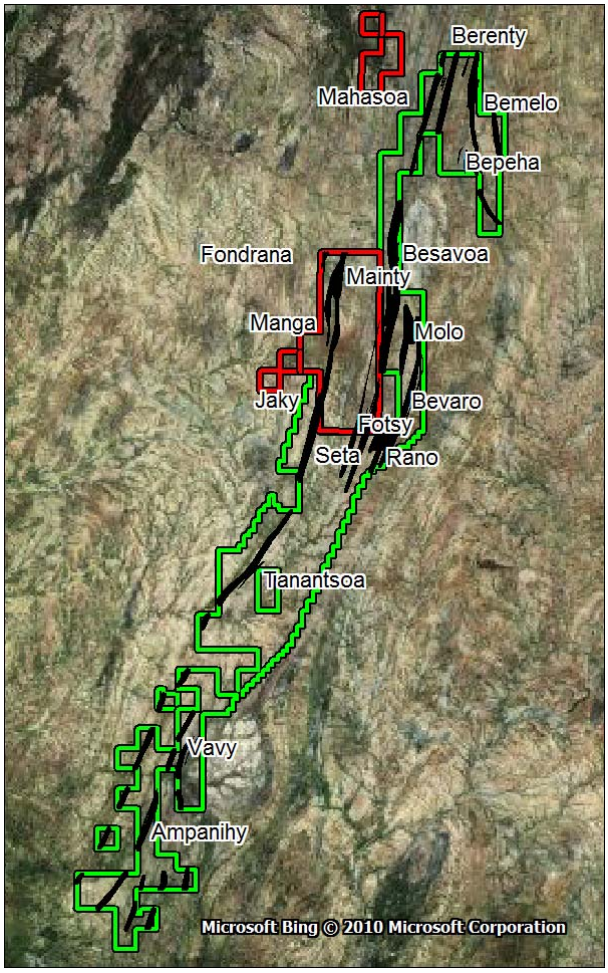
Over the course of exploration activities on the Green Giant property, Energizer completed a DIGHEM EM/Magnetic Airborne survey (in 2007 by Fugro Airborne Surveys Limited), and an AeroTEM IV Time Domain Airborne Electromagnetic survey (in 2011 by Aeroquest Limited). Company geophysicists have utilized these geophysical surveys to identify multiple graphitic trends on the Green Giant property. With the acquisition of additional airborne geophysical data (Geotech VTEM survey) flown over the JV property provided by Malagasy, Company geologists have further delineated the known graphitic trends.

Potential Flake Graphite Camp

During the course of the Phase I and II exploration programs, multiple graphitic or graphitic-vanadium trends were identified with the aid of airborne geophysics, and subsequently verified with ground prospecting, and delineated with the use of an EM31-MK2 (EM31) instrument. In total, 12 new graphite trends have been identified over the JV property. This brings the total number of graphite trends identified to date over the Green Giant and JV properties to 17, with a cumulative strike length in excess of 320 km. These observations have validated the Company's belief that southern Madagascar has the potential to host a potential flake graphite camp.

The graphite trends identified to date are named as follows:

Berenty, Bemelo, Mahasoa, Bepeha, Besavoa, Fondrana, Mainty, Manga, Molo, Bevaro, Jaky, Fotsy, Rano, Seta, Tanantsoa, Vavy, Ampanihy



Multiple Graphitic Horizons Identified Within Each Zone With EM31

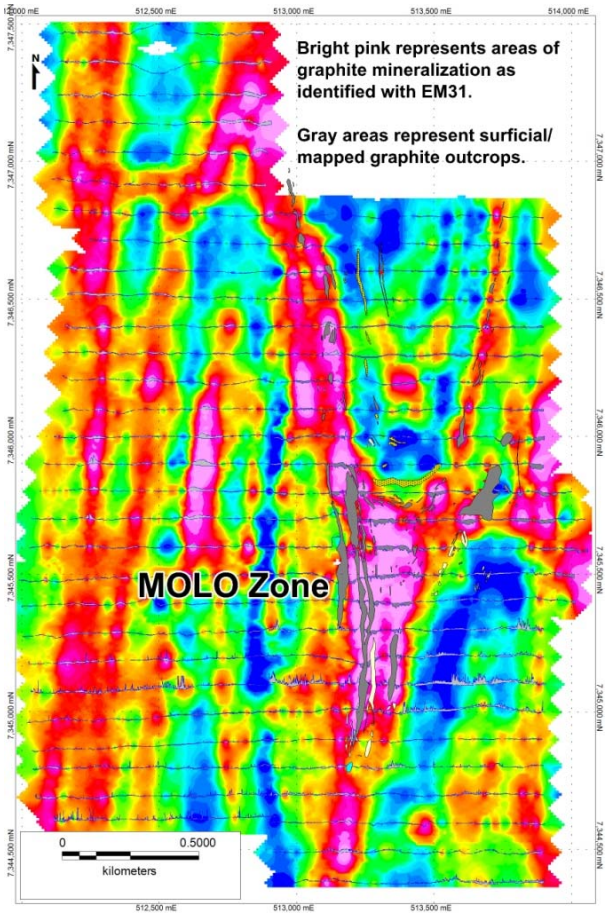
Field observations indicated that each graphitic zone identified, was comprised of multiple 'stacked' graphitic horizons. This observation was validated by surveying a number of the zones in detail with an EM31 ground conductivity instrument. In total, 160.5 line kilometres of EM31 surveying was completed over 5 target areas, the Fondrana, Fotsy, Molo, Seta, and Besavoa targets.

The EM31 geophysical tool was invaluable in delineating the extents of the graphitic zones, as well as their continuity. The EM31 has the capability to also identify multiple graphitic horizons within each zone. As an example, the Fotsy zone has a delineated strike length of 6 kilometres, but the EM31 identified at least 4 separate graphite horizons within the zone, for an aggregate strike length of 24 kilometres. The table below summarizes the graphite strike length analysis as determined by EM31 testing over 5 zones:

Structurally ‘Thickened’ Graphite Zone Identified

Our geoscientists have identified a graphitic zone consisting of multi-folded graphitic strata with a surficially exposed strike length of over 2 kilometres. This zone, called Molo, is characterized by resistant ridges of graphitic schist, and abundant graphitic schist float, with fracture-lined vanadium mineralization yielding field XRF values as high as 0.7% V2O5. Geologic mapping has revealed the individual graphitic ridges to be between 20 and 150 metres in width within this zone. EM31 surveys indicate the graphite mineralization is pervasive in the area, and that the mineralization is not always exposed. Wide-spaced drilling of 6 diamond drill holes conducted over a strike length of 1.2 kilometres, intersected graphitic mineralization to a vertical depth of 75 metres with down-hole thicknesses between 60 and 150 metres in width. Graphite mineralization intersected in drill core was open along strike, and at depth.

Craig Scherba, Vice President of Exploration commented, “The graphitic zones we have identified in the Molo zone are exposed at surface, and appear to have a graphitic carbon content as high, if not higher than anything else we have seen on the properties. The integration of airborne geophysics, coupled with EM31 ground surveying, diamond drill intercepts and our geologic understanding of the area, indicate that an aggressive exploration program is warranted for the area”.



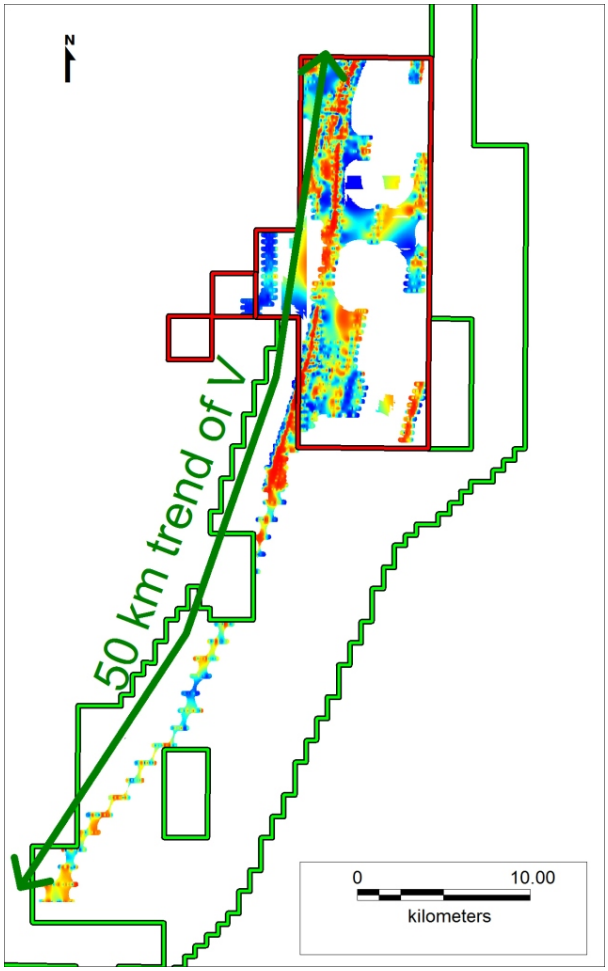
Zone	Zone Length (km)	Number of Graphite Horizons	Aggregate EM31 Measured Strike Length (km)
Besavoa	3	4	12
Fondrana	1	3	3
Fotsy	6	4	24

Molo	2	5	10
Seta	1.6	2	3.2
Totals	13.6	18	52.2

Vanadium Trend Extended On To JV Property by 30 km

The 21 km vanadium trend found on the Green Giant property has now been increased by an additional 30 km on the Malagasy JV property. This trend was delineated through the analysis of soil samples with a hand-held XRF analyzer at 25 metre station intervals, and 200 metre line spacing. XRF analysis was an invaluable tool in delineating the original Green Giant vanadium trend, and enables the Company to make 'real-time' exploration decisions based on field results.

In the course of XRF soil analysis on the JV property, a 1.6 kilometre outcrop of graphitic schist, named the Seta zone, was identified adjacent to the vanadium trend. Geologic mapping in the area indicates that this zone is sub-horizontal, and roughly 20 metres in thickness.



Analytical Results

Exploration activities during the course of the Phase I program included 10 diamond drill holes (totalling 1157.5 metres) 16 trenches (totalling 1912 metres), and 132 grab samples. An additional 19 diamond drill holes (totalling 2701 metres) and 518 grab samples were completed during the course of the Phase II exploration program. All samples collected during the exploration programs were submitted for graphitic carbon analysis.

To date, only one quarter of drill hole assays, and one fifth of grab sample assays have been received. No trench sample analyses have been received. Of the samples received, diamond drill core assays as high as 21.0% carbon, and grab samples as high as 21.3% carbon have been received, with the most significant intersection being 7.46% carbon over 61.4 metres down-hole length. A summary table of the significant drill hole intercepts is provided below. For a complete assay list, please click here

Hole ID	From (m)	To (m)	Intersection	Hole ID	From (m)	To (m)	Intersection
FOND-01	17.1	78.5	61.4m @ 7.46%C	*including*	19.4	27	7.6m @ 14.79 %C
				including	32	39	7.0m @ 7.22 %C
				including	57.5	61	3.5m @ 9.95 %C
				including	62.5	77	14.5m @ 10.86 %C
				Including	72.8	74	1.2m @ 21.0%
FOTSY-01	43	45.5	2.5m @ 8.10 %C				
FOTSY-01	51.8	62	10.2m @ 4.41%C	*including*	51.8	54.5	2.7m @ 5.12 %C
				including	57.5	59	1.5m @ 6.20 %C
FOTSY-01	94.5	101.2	6.7m @ 4.3%C				
FOTSY-02	10.8	15.11	4.3m @ 6.22 %C				
FOTSY-02	23.93	34.7	10.77m @ 6.19%C	*including*	23.93	25.2	1.3m @ 6.45 %C
				including	26.55	33.4	6.8m @ 7.45 %C
				including	40.15	42.25	2.1m @ 5.95 %C
				including	96.82	98	1.2m @ 6.03 %C
				including	99.5	101	1.5m @ 5.91 %C
FOTSY-03	21.5	31	9.5m @ 5.27%C	*including*	21.5	22.5	1.0m @ 5.04 %C

				including	24.35	28	3.6m @ 7.30 %C
				including	29.5	31	1.5m @ 5.78 %C
FOTSY-04	33.42	35	1.6m @ 5.37 %C				
FOTSY-04	52	55	3.0m @ 7.91 %C				
FOTSY-05	11	12	1.0m @ 5.66 %C				
FOTSY-05	23.25	33	9.8m @ 12.02 %C				
FOTSY-05	43	48	5.0m @ 4.28%C	*including*	43	44	1.0m @ 5.48 %C
				including	47	48	1.0m @ 5.19 %C
FOTSY-05	54	63	9.0m @ 6.73%C	*including*	54	58.5	4.5m @ 8.48 %C
				including	60.15	62.35	2.2m @ 7.26 %C
FOTSY-05	73.5	80.5	7.0m @ 6.8%C	*including*	76.25	80	3.8m @ 9.54 %C
FOTSY-06	8	34	26.0m @ 4.12%C	*including*	8	11.5	3.5m @ 5.28 %C
				including	19.5	24.75	5.3m @ 5.28 %C
				including	30.5	34	3.5m @ 6.42 %C

Next Steps

It would be appropriate at this time to comment on time lines related to receipt of assays, and the need for metallurgical analysis to fully outline the type and quality of the graphite on the properties. The Company believes that after receiving assays it is both prudent and necessary to wait for the metallurgical analysis to fully inform the market of the potential of the graphite identified to-date, but it should be noted that the Company is comfortable in identifying the graphite as flake based on visual observation and cursory testing. The Company will endeavour to expedite the metallurgical process throughout its exploration programs.

About Graphite

Graphite and diamonds are the only two naturally formed polymers of carbon - graphite is a two-dimensional crystal structure, whereas diamonds are a three dimensional structure.

Graphite is an excellent conductor of heat and electricity, and has the highest natural strength and stiffness of any material. It maintains its strength and stability to temperatures in excess of 3,600°C and is very resistant to chemical attack. At the same time it is one of the lightest of all reinforcing agents and has high natural lubricity.

The U.S., who is a 100% importer of graphite, has joined China and the European Union in classifying graphite as a critical strategic material.

Graphite Markets

New & Emerging Uses for Graphite

- **Electronic Consumer Goods**: Millions of flexible graphite “heat spreaders” are used in consumer electronics such as flat panel displays, notebook computers, laptops, tablets, LED lighting and smart phones such as Apple’s iPhone®. This provides excellent cooling for the electronic components as it reduces “hot spot” temperatures while boosting power which results in extended product life and improved performance.

- **Lithium-ion Batteries:** Graphite is an essential component in these batteries which typically require 11 to 13 times more graphite than lithium. Since these batteries are smaller, lighter and more powerful than traditional batteries there is currently a large shift to Li-ion batteries for consumer electronics and hand-held tools. This is also the product of choice for both hybrid electric vehicles (HEVs) and full electric vehicles (EVs) where the batteries are much larger and the potential demand is substantial.

- **Green Energy Storage:** Significantly more graphite is used as a component in fuel cells and Vanadium Redox Flow Batteries (VRFBs) which are utilized to store energy derived from green initiatives such as solar and wind.

- **Pebble Bed Nuclear Reactors (“PBNR’s”):** Graphite is now being used in PBNR’s which are small, modular nuclear reactors. The fuel is uranium dioxide which is encapsulated with graphite and forms pebbles the size of tennis balls. They have significantly lower capital and operating costs and cool naturally when shut down thus greatly improving the operating safety factor.

- **Graphene:** This new miracle material is beginning to gain worldwide attention and many in the scientific community speculate that it could revolutionize the world we live in. It has remarkable optical, mechanical and electrical properties which make it substantially stronger than steel and at the same time is highly elastic. One research report in Science Daily simply stated that graphene is, “ the thinnest and strongest material ever discovered.”

- Infrared defence and stealth bomber technology

Traditional Uses for Graphite

- **Steel Industry:** Primary demand is tied to the steel industry where it is used as a liner for ladles and crucibles, as a refractory material and as an additive to the steel making process.

- **Automotive Sector:** Graphite is used in brake linings, gaskets, and clutch materials.
- **General:** Graphite is used in lubricants, fire retardants and as a reinforcement in plastics

Tight Supply

- World production of graphite is about 1.1 million tonnes tonnes per year (Mtpy), which is almost as large as the nickel market (1.3 Mtpy), and more than 50 times the size of the lithium or rare earth markets
- 60%-70% of the world's graphite supply is amorphous (fine or powder) and is used for traditional purposes such as automotive and steel making
- 30%-40% is flake, which is essential for producing batteries, specifically lithium-ion, and for use in consumer electronics
- China currently produces around 75% of the world's graphite or about 800,000 tonnes of the estimated 1.1Mt produced in calendar 2010
- This year, the British Geological Survey listed graphite, along with antimony and rare earths, as most at risk of global supply disruption. Graphite had a relative supply risk index of 7, compared with 8.5 for antimony, the highest value on the index

The China Factor

- Despite producing 75% of the world's graphite, most of its resources are lower grade amorphous
- China is now the biggest importer of graphite and has closed state-owned enterprises this year to preserve its graphite resources
- It has imposed a 20% export duty plus a 17% VAT, and instituted an export licensing system to ensure supply to China's domestic economy

Robust Demand

- Annual graphite demand is expected to increase by over 50% from 1.1 million tonnes to 1.5 million tonnes by 2020 based on the steel market alone
- Demand from batteries and high-tech applications are projected to be dramatic. Lithium-ion batteries are projected to more than double the demand for graphite to about 2.6 million tonnes by 2020
- Industry analysts predict the discovery of Graphene will be a major driver of graphite demand

Pricing

- Graphite pricing is determined by two factors - flake size and purity - with the premium product being large flake (+80 mesh), high carbon (+94%) graphite
- Like uranium and vanadium, there is a spot price for graphite that provides an indication of longer-term trends but transactions are primarily based on a direct and intimate relationship between the buyer and seller

The Bottom Line

- China's is creating serious supply concerns for the rest of the world
- New graphite sources will be needed for both traditional and high-tech/clean tech applications

Qualified Person

Craig Scherba, Vice President Exploration, P.Geol., is the qualified person for the technical information provided in this release

Energizer to Exhibit at Cambridge House Investment Conference in Vancouver - Booth 2019

The Company will be exhibiting at the 2012 Cambridge Vancouver Resource Investment Conference on January 22-23, 2012 at the Vancouver Convention Centre West. Energizer welcomes investors to visit Booth 2019, where management will be available to discuss the Green Giant vanadium and graphite project in detail.

About Energizer Resources

Energizer Resources Inc. is a mineral exploration and development company based in Toronto, Canada, which is developing its 100%-owned Green Giant Vanadium and Graphite Project in conjunction with its Madagascar-ERG Joint Venture (Mauritius) Ltd ("JV Co") property. Energizer owns 75% of the industrials minerals rights on the Malagasy Minerals (ASX: MGY) property as outlined in the December 15, 2011 press release. The Green Giant Vanadium deposit in addition with the JV grounds, is one of the largest known vanadium deposits in the world. In addition to the Toronto Stock Exchange (TSX: EGZ), the Company's common shares trade on the U.S. Over-The-Counter Bulletin Board under the symbol, ENZR, and on the Frankfurt Exchange under the symbol, YE5.

For more information please visit our website at

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About Malagasy Minerals

Malagasy listed on the Australian Securities exchange in 2008, following completion of an A$10M initial public offering. The Company was established specifically to pursue the development of mineral resources in Madagascar, the world's fourth largest island, which hosts significant under explored mineral provinces.

Malagasy retains approximately 1,860 sq km of 100%-owned granted mineral exploration tenure and operates three main projects in southern Madagascar: Ampanihy nickel-copper-PGE; Fotadrevo vanadium and Vohibory copper-silver VMS.

Through strategic acquisitions, Malagasy has developed a significant local presence in Madagascar with an experienced work force throughout the group of approximately 50 personnel, the majority of whom are locals.