



# ALLIGATOR ENERGY LTD

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## NON-RENOUNCEABLE RIGHTS ISSUE AND DRILLING PROGRAM

### Highlights

- Alligator (ASX:AGE) announces a 1:4 non-renounceable rights issue at \$0.04 per share to raise up to approximately \$3million
- Macallum Group Limited (MGL) indicates its intention to take up its entitlement under the rights issue.
- Drilling of three priority targets on the Beatrice Project area confirmed.

The Board of Alligator Energy Limited has approved a non-renounceable rights issue to raise approximately \$3 million capital raising.

The cash raised will partially fund drilling of high priority targets identified at the Beatrice and Tin Camp Creek project areas in the Alligator Rivers Uranium Province in the Northern Territory, Australia (ASX Announcement 5 August 2015).

The non-renounceable rights issue to eligible shareholders, is on the basis of 1 new share for every 4 shares currently held at an issue price of \$0.04 per share to raise up to approximately \$3,114,697 (before costs).

While the Offer is not underwritten, the Macallum Group Limited (**MGL**), which has a 19.87% substantial shareholding in Alligator (and has held in excess of 19% for a period of six months), has advised the Company that it intends to take up its entitlement under the Offer to the fullest extent possible under the provisions of the Corporations Act.

The majority of directors who hold shares in the Company have indicated their intention to support for the Rights Issue.

The Board advises that it reserves the right to place any shortfall under the Rights Issue to shareholders or other investors.

### Rights Issue

Assuming no existing options on issue in the Company are exercised, approximately 77,867,423 new Shares will be offered under the Rights Issue (**Entitlement Shares**). The Rights Issue will be available to all registered shareholders who hold shares at 7 pm Brisbane time on Thursday 27

August 2015 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**). Shares issued pursuant to the Rights Issue will rank equally with all shares on issue.

Option holders need to exercise their options and be a registered holder of shares on the Record Date if they wish to participate in the Rights Issue.

In accordance with the ASX Listing Rules and the *Corporations Act 2001 (Cth)* (**Corporations Act**), Alligator has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Rights Issue to those shareholders.

### **Use of Funds**

The purpose of the Rights Issue is to raise up to approximately \$ 3,114,697, excluding the costs of the Rights Issue.

The capital raised from the Rights Issue will be used in part to fund the drilling and further evaluation of the high priority targets identified at the Beatrice and Tin Camp Creek Project areas in the Alligator Rivers Uranium Province including:

- a) undertaking the drilling of three priority target areas up to a total of 3,500 metres of aircore drilling at the Beatrice Project area;
- b) further evaluate targets identified on AGE's project areas during 2016 and fulfil all exploration expenditure commitments in the region;
- c) investigate and advance business development opportunities for the Company;
- d) provide working capital to the Company generally; and
- e) the costs of the Rights Issue.

For full details of the proposed use of funds raised, see the Offer Document dated 21 August 2015 and released to the ASX on the same date.

### **Drilling Program**

In early August 2015, Alligator announced the completion of the target identification program over the Beatrice and Tin Camp Creek Project areas.

A number of targets have been identified from SAM geophysics surveys and surface geochemical techniques incorporating the use of radiogenic isotope analysis. Three priority targets are to be drilled during the remainder of the 2015 field season comprising a total of up to 3,500 metres of air-core drilling (**See Figure 1**). Deeper diamond drilling may be undertaken to follow up high grade mineralisation identified by the air-core drilling.

*Summary descriptions of the target areas are provided below.*

#### **(i) Beatrice Prospect**

Historical drilling by QML (1971) and Cameco (2009) has identified high grade uranium mineralisation including 19m@3,626ppm (0.36%) U3O8. Geophysical and soil geochemistry results from Alligator's 2015 exploration program has identified coincident SAM and Uranium/Lead isotope anomalies trending to the south of known mineralisation under sand cover. These anomalies are untested by drilling. A program of 15 air-core drill holes will be completed over this target to initially test approximately 300 metres of strike length. The objective of drilling is to directly test for extensions to high grade mineralisation. Depending on the results of shallow drilling, initial testing by deeper diamond core drilling will be undertaken.

#### **(ii) BT-4 Target**

The **BT-4** target is located approximately 2 km along the strike of a major N-S structure from the Beatrice Prospect. BT-4 is defined by a prominent SAM anomaly defined during the 2015 survey. The target area is covered by sand deposits. The target area is associated with a similar structural setting as the Beatrice Prospect, however the recent SAM survey indicates a greater level of structural

dislocation and stronger conductivities possibly indicating stronger alteration of basement rocks. This target area has not been previously drill tested. Alligator will initially drill 15-20 shallow air-core drill holes along three traverses to test approximately 1,000 metres of strike length. Further infill drilling may be undertaken depending on results from the initial phase of drilling.

**(iii) BT-1 Target**

The **BT-1** target area is characterised by a prominent SAM anomaly, potentially indicating the presence of strongly altered rocks, and strong radiometric anomalies in soil and in nearby groundwater springs. This strongly radiogenic area is located at the intersection of major structural zones which are considered by Alligator to be highly favourable for uranium deposition. Alligator plans to drill 30-35 air-core drill holes in the BT-1 target area along 4 traverse lines. Further infill drilling may be undertaken dependent on the results of the initial program.

**(iv) Other targets**

A number of additional high quality targets are emerging from the results of recent geophysical and geochemical surveys on the Beatrice JV and Tin Camp Creek Project areas. These include the TCC-4 and BT-8 target areas. Further surface work and processing of geophysical data is being undertaken to refine the BT-8 target. Laboratory results from extensive surface geochemical sampling in the broader Beatrice Project area are also expected in the coming month. These results may define further high priority targets for follow up in the 2016 drilling program. These target areas occur where Kombolgie Sandstone cover is present. Testing of these deeper Kombolgie covered areas will only occur after further analysis and will be conducted as a diamond core drilling program. The shallower targets at BT-1, BT-4 and Beatrice Prospect are consequently the priority for the remainder of 2015.

As announced to the market on 20 August 2015, the Company has achieved the Stage 1 Farm-in interest under the Beatrice Farm-in & Joint Venture and is proceeding to register the 51% interest in the underlying tenements with the Department of Mines and Energy in the Northern Territory.

**Objectives of Drilling**

The objective of initial drilling at **BT-1** and **BT-4** will be, as a minimum, to define strong alteration and anomalous uranium (>200ppm U3O8) and/or pathfinder elements indicative of the presence of a significant mineralising system, justifying further infill and deeper drilling to define potential high grade zones within this system.

At **Beatrice Prospect**, the objective of drilling will be to intersect and define the extent of high grade mineralisation (>1000ppm U3O8).

**Timetable**

A proposed timetable for the Rights Issue is set out in the table below:

<b>Event</b>	<b>Proposed date</b>
Announce Rights Issue to ASX	Friday 21 August 2015
Lodge Offer document and Section 708AA notice with the ASX	Friday 21 August 2015
Notice to security holders with Appendix 3B information	24 August 2015
Shares commence trading ex-rights	Tuesday 25 August 2015
Record date for Rights Issue	Thursday 27 August 2015 7pm Brisbane time
Despatch offer document and entitlement and acceptance form to eligible shareholders and announce that dispatch has been completed	Tuesday 1 September 2015
Rights issue opens	Tuesday 1 September 2015 9am Brisbane time
Last day to extend the Closing Date	10 September 2015

<b>Event</b>	<b>Proposed date</b>
Rights issue closes	Tuesday 15 September 2015 5pm Brisbane time
Notify ASX of under subscriptions	Friday 18 September 2015
Issue of new shares	Tuesday 22 September 2015
Despatch of shareholder statements for shares issued under rights issue Normal trading of rights issue shares on ASX commences	Wednesday 23 September 2015

This timetable is indicative only and may be subject to change arising from the requirements of the Corporations Act and the ASX Listing Rules.

The Rights Issue is being made without a disclosure document, in accordance with section 708AA of the Corporations Act. Alligator will prepare and send the Offer Document with the Rights Issue offer to all Eligible Shareholders on 1 September 2015, as set out in the timetable above.

If all shareholders take up their entitlement under the Rights Issue, the Rights Issue will have no effect on the control of Alligator. However, the proportional shareholdings of shareholders who are not residents in Australia and New Zealand, may be diluted as those shareholders are not entitled to participate in the Rights Issue. Additionally, if an Eligible Shareholder does not take up their entitlement in full there may be a dilutionary effect on that shareholder's proportionate shareholding.

### **Cleansing Notice**

Pursuant to section 708AA(7) of the Corporations Act, Alligator provides notice of the following:

- (a) Alligator will offer the Entitlement Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
- (b) Alligator is providing this notice under section 708AA(2)(f) of the Corporations Act.
- (c) As at the date of this notice, Alligator has complied with:
  - (1) the provisions of Chapter 2M of the Corporations Act as they apply to Alligator; and
  - (2) section 674 of the Corporations Act.
- (d) As at the date of this notice there is no information:
  - (1) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (2) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of Alligator; or
    - (B) the rights and liabilities attaching to the New Shares

### **Further information**

The Company anticipates that approximately 77,867,423 Entitlement Shares will be issued (this number may have to be increased by a further 2,237,500 Entitlement Shares if existing option holders exercise their vested options and are registered shareholders by the Record Date). The Entitlement Shares will be issued for \$0.04 each.

Upon completion of the Rights Issue, and assuming it is fully subscribed and that existing options are not exercised, the issued capital of Alligator will comprise approximately 389,337,113 shares and

16,227,178 unlisted options exercisable (for those that have vested) at between \$0.015 and \$0.25 each.

The Entitlement Shares will rank equally in all respects with Alligator's existing shares. If an Eligible Shareholder's entitlement results in a fraction of an Entitlement Share, the entitlement will be rounded up to the nearest whole number.

Trading in the Entitlement Shares is expected to commence on or about 23 September 2015.

Entitlements not taken up may become available as Additional Shares. Eligible Shareholders may, in addition to their Entitlements, apply for New Shares over and above their Entitlement at the Offer Price regardless of the size of their present holding. The Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall of New Shares in their discretion and to conduct a placement of the remaining Shortfall so as to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will as a consequence of taking up their Entitlement and being issued any Additional Shares or Shortfall hold a relevant interest of more than 19.99% of all of the Shares in the Company after this Issue. Any Shortfall will be issued within 3 months after the Closing Date at an issue price being not less than the Rights Issue price of \$0.04.

### **Participating in the Rights Issue**

The Board recommends the Rights Issue to shareholders. However, before making a decision whether to apply for Rights Issue Shares, Eligible Shareholders should read the Offer Document carefully and in its entirety when they receive it. For further information on your Entitlement, please contact your professional advisor or the Company's share registry, Security Transfer Registrars Pty Ltd.

Yours faithfully

Alligator Energy Limited

A handwritten signature in black ink on a light blue background. The signature reads "John V. Main." with a period at the end. The signature is written in a cursive style.

John Main  
Chairman

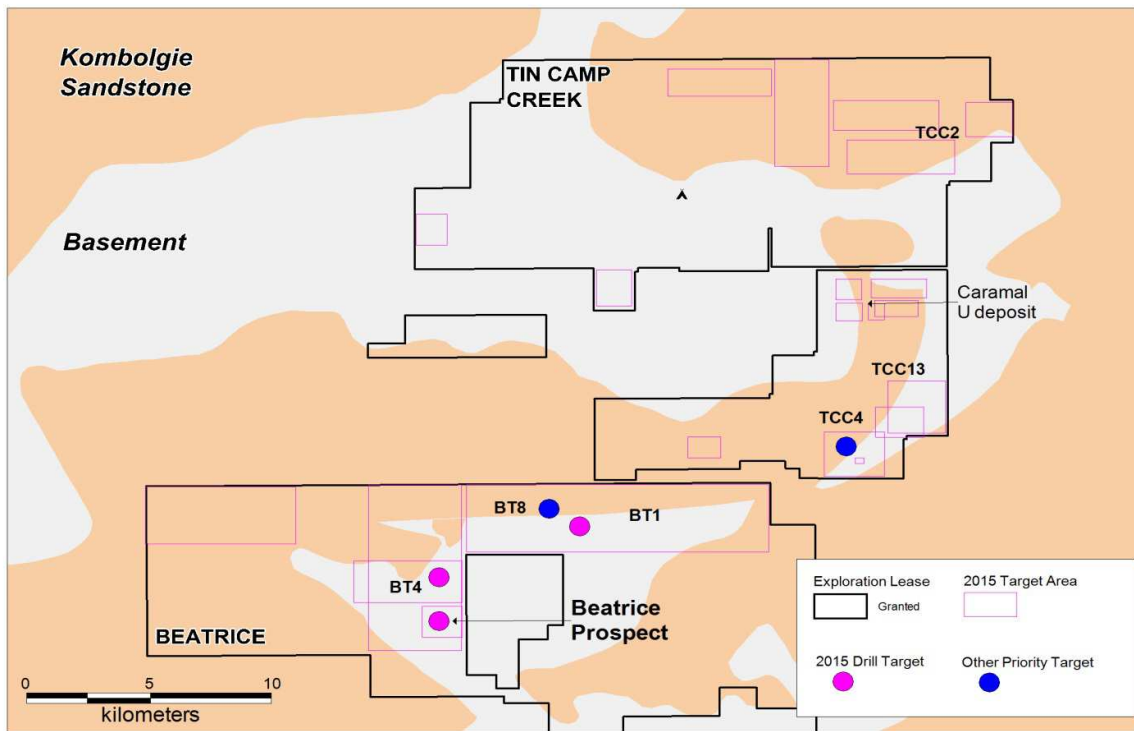


Figure 1: Beatrice Project Area High Priority Drill Targets

**Competent Person's Statement**

Information in this report is based on current and historic Exploration Results compiled by Mr Rob Sowerby who is a Member of the Australasian Institute of Geoscientists. Mr Sowerby is CEO and Director of Alligator Energy Ltd, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sowerby consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.