



QUARTERLY ACTIVITIES REPORT

FOR QUARTER ENDED 31 December 2015

HIGHLIGHTS

EXPLORATION

- Preliminary assessment of assay results from shallow air-core drilling completed
- Moderate uranium anomalism (>50x background) detected **over 2km** strike length at BT1 prospect. This anomalism enhances the prospectivity of the BT-1 and BT-8 target areas
- Beatrice Prospect returns moderately anomalous to medium grade uranium mineralisation (**up to 796ppm U3O8**) in the regolith zone extending 100m south of outcropping mineralisation
- First pass reconnaissance drilling returns anomalous uranium (>100ppm U3O8) and anomalous uranium decay products at BT9
- Substantial radiogenic and lead isotope anomalies have now been identified on the Beatrice Project area (R&D program) and will be further analysed in the coming quarter

CORPORATE

- Founding Director and CEO, Robert Sowerby, stands down but remains involved in a part-time capacity focusing on Indigenous and Community Relations and the Company's Research and Development program
- Subsequent to 31 December 2015, the Company advised Cameco Australia Pty Ltd (Cameco) that it had completed the Stage 2 Contribution requirements for the Beatrice Joint Venture. This ends the sole funding period for Alligator unless Cameco elects to be diluted
- Two non-executive directors completed subscription (post approval by shareholders) for additional ordinary shares at the Rights Issue price totalling \$110,000

Alligator Energy

ABN 79140575604

Suite 3
36 Agnes Street
Fortitude Valley, QLD 4006

Ph: (07) 3852 4712

Fax: (07) 3852 5684

ASX Code: AGE

Number of Shares:
353.9M Ordinary Shares
8.0M Unlisted Options

Board of Directors:

Mr John Main
(Exec Chairman)

Mr Paul Dickson
(Non Exec. Director)

Mr Peter McIntyre
(Non Exec. Director)

Mr Andrew Vigar
(Non Exec. Director)

Mr Greg Hall
(Non Exec. Director)

EXPLORATION

Beatrice Project

During the quarter Alligator Energy (ASX: AGE) received final assay results from the shallow air-core drilling program undertaken in 2015 (ASX Announcement 15 December 2015). This program comprised 87 holes for 2,257 metres and was undertaken in three target areas, BT-4, Beatrice Prospect and BT-1 (Figure 1). Some reconnaissance drilling was undertaken at BT-9. Drill spacing was generally broad and designed to identify the response from a large (>100Mlb U3O8) deposit. Air-core drilling is a shallow drilling technique used primarily for first pass testing of an area for mineralization and geochemical anomalies in the weathered bedrock/regolith zone. Holes were drilled through cover material and the soft weathered bedrock/regolith “to refusal” when hard, fresh bedrock was encountered.

Uranium is a mobile element in the oxidized weathering zone. It is readily leached and remobilized throughout the weathered bedrock/regolith zone. This results in a bigger and more easily detected “footprint” that can be traced back to the primary mineralisation. It is anticipated that diamond drilling would then be used to test the fresh bedrock beneath any large, coherent zone of strong uranium or decay elements identified in the weathered bedrock/regolith, in particular where this extends beneath the sandstone cover.

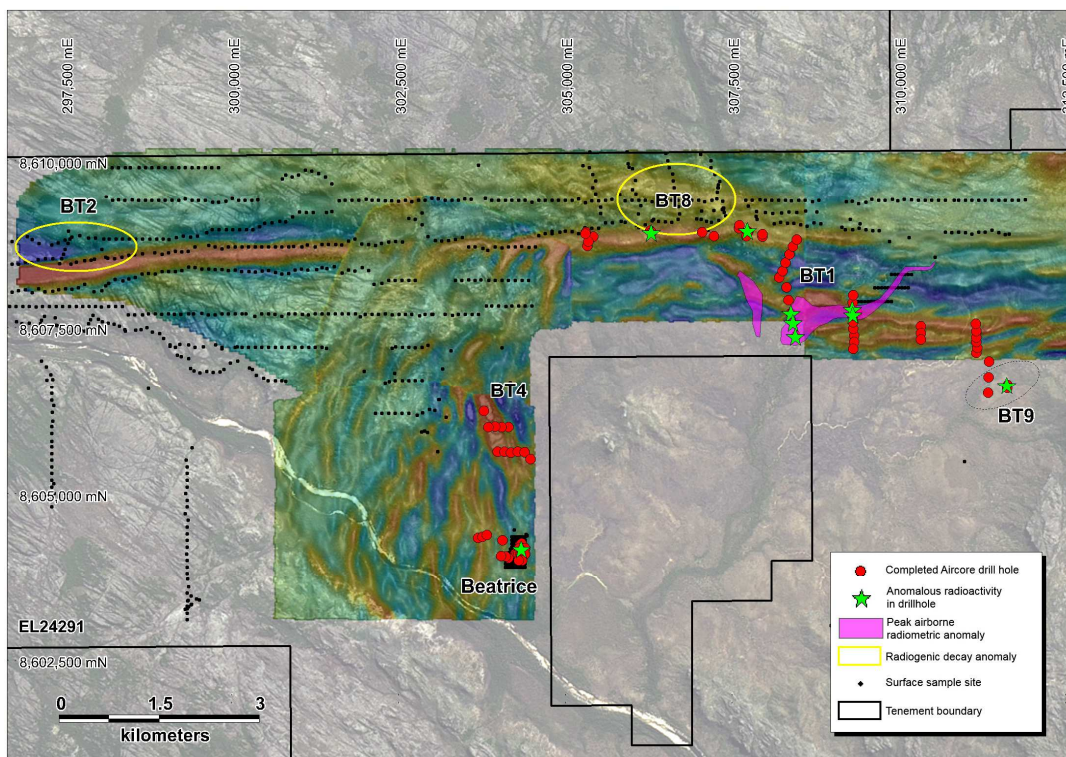


Figure 1: Drill collar locations at BT-4, BT-1, BT9 and Beatrice prospects.

BT-1

At BT-1 drill holes were about 100 metres apart on lines approximately 1,000 metres apart.

Preliminary assessment of results:

Moderate uranium anomalism, more than 50 times background and greater than 50ppm U3O8, is evident in two drill holes (BTA15-074 and BTA15-081) located adjacent to the Beatrice Fault zone. These holes are separated by 1km. A broader zone of regolith anomalism defined by uranium assays 10 - 50 times background (10-50ppm U3O8) extends for more than 2km along the Beatrice fault (Figure 2).

Strong uranium decay element anomalism was identified over a strike length in excess of 2km coincident with this uranium anomaly and is open along strike. The associated radiogenic groundwater emanating from the Beatrice Fault mark this area of anomalous uranium and uranium decay products as a significant regional feature requiring further assessment.

The source of the uranium and its decay products may be from within the Beatrice Fault or from a large mineralized zone under the Kombolgie sandstone immediately north of the Beatrice Fault.

Further assessment of the uranium decay elements results will be undertaken in early 2016. Alligator considers that the techniques under development using uranium radiogenic isotope geochemistry have the potential to discriminate between responses of major uranium mineralisation and “false” anomalies

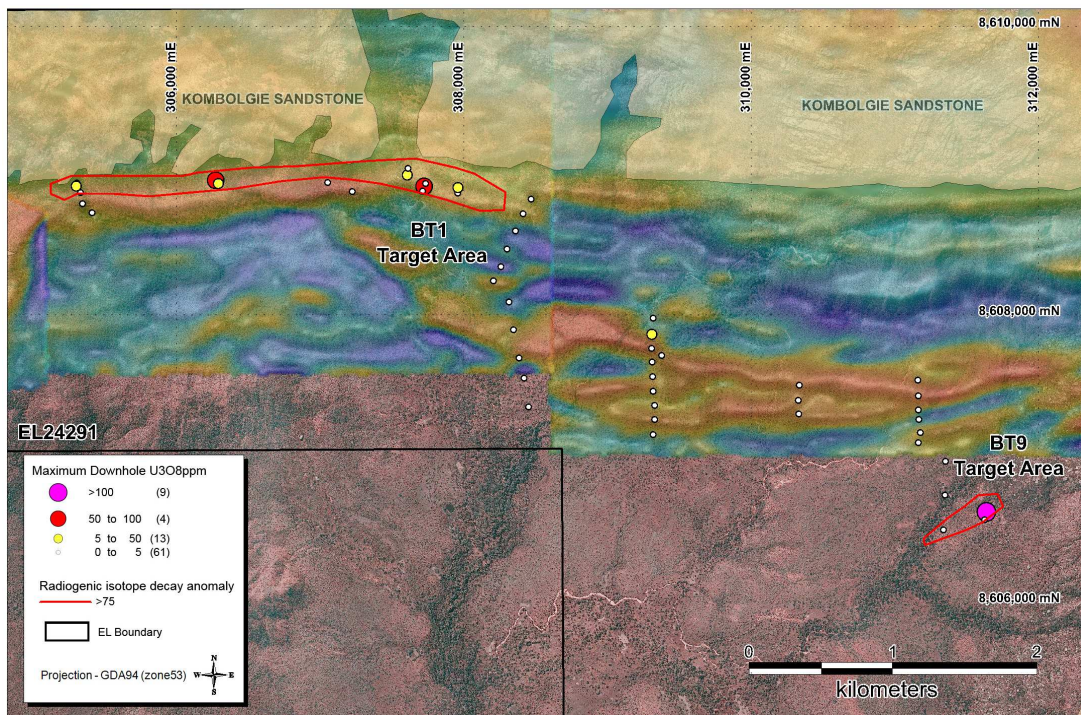


Figure 2: BT1 and BT9 drill collars coloured by maximum downhole U3O8 value on SAM conductivity background (MMC1VD)

Beatrice Prospect

The aircore drilling program was designed to test for southerly extensions of known high grade uranium mineralisation at surface. The target was defined by a coincident SAM conductor response and uranium in soil samples extending several hundred metres south from the outcropping mineralization. Moderate uranium anomalism up to medium grade mineralisation was intersected in holes BTA15-013 (1m@222ppm U₃O₈), BTA15-014 (7m@311ppm U₃O₈), BTA15-015 (2m@598ppm U₃O₈), BTA15-016 (2m@358ppm U₃O₈), and BTA15-019(1m@218ppm U₃O₈) (Figure 3).

Preliminary Assessment of Results:

Anomalism was primarily confined to the upper part of the regolith profile. This probably reflects secondary dispersion from the outcropping mineralisation rather than the response from mineralisation extending under the scree south of the exposed uranium.

Surface sampling, mapping and pitting undertaken around the known uranium outcrop showed it to be a narrow, 5-10m wide, 150m long, north-easterly trending zone of mineralisation (>1,000ppm U₃O₈) with a peak value of 9,491ppm U₃O₈. The mineralisation appears to be best developed at the intersection of this north east trending structure and the north-south trending SAM conductor. Sulphur analyses of drill samples indicate the SAM conductor is probably caused by sulphide in north-south trending zones. The intersections of these zones with the NE trending structure fault zone is considered to be the locus of mineralisation. The results from the drilling preclude the presence of a large (>100Mlb U₃O₈) uranium deposit at Beatrice and no further work is warranted.

However, additional small, high grade pods of uranium mineralisation may exist in the area. The north east structure that hosts the Beatrice mineralisation is part of a broader structural zone that extends for over 20kms. The intersection of this structure with other SAM conductors are evident and may represent targets for this style of mineralisation.

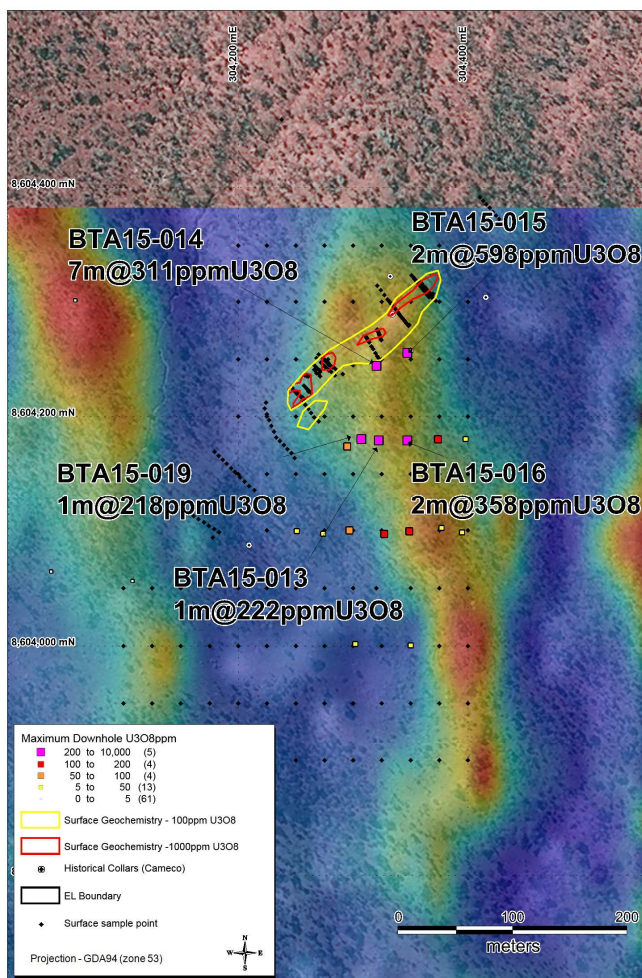


Figure 3: Beatrice prospect showing 2015 drill collars coloured by maximum downhole U₃O₈ value, and the extent of the north east trending surface mineralisation - on SAM conductivity background.

BT-4

Eleven shallow (maximum depth 34 metres) holes were drilled at BT4 on three traverse lines to test a strong and well-defined but alluvium covered SAM conductor target. Drilling showed a fault zone and alteration accurately matched the location and extent of the SAM feature but no significant uranium was encountered. The rock types encountered were not considered optimal hosts for uranium mineralisation. More favourable host rocks are now interpreted to exist to the north of the area drilled. The BT-4 target is considered tested and no follow work is planned (refer ASX release 22nd September 2015).

Reconnaissance drill testing- BT-9

The BT-9 prospect, located south east from BT1 was identified during the 2015 field season as a zone of very high uranium decay elements in sandstone. First pass reconnaissance drilling was undertaken late in the field season.

Laboratory assays showed up to 134ppm U3O8ppm and very high values of uranium decay elements in schistose host rocks of the Cahill Formation. These are very encouraging results. The uranium decay element target remains unclosed and has not been covered by a SAM survey.

The 2015 aircore drilling program completed the testing of targets in the exposed basement.

Tin Camp Creek Project

During the quarter the Company continued its program of sampling and analyzing samples of Kombolgie sandstone for uranium decay isotopes on this project area. See R&D section below for more detail.

Mamadawerre JV Project

No substantial work was undertaken on the Mamadawerre JV Project area during the December quarter.

The Joint Venture agreement with Cameco Australia Pty Ltd (Cameco) required the Company to meet a further \$2 million (after the Initial Obligation Period) in eligible expenditure by 31 December 2015 in order to earn a 40% interest in EL 24992. This expenditure threshold has not been met and Cameco has agreed to an extension to 29 February 2016 in order to allow for the parties to consider the alternatives for the Joint Venture.

Research and Development

Alligator's R&D program is focused on developing innovative techniques for identifying and targeting covered and fully preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone. In particular, investigations and experimentation is being undertaken on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetics (SAM) Geophysical techniques.

AGE continued with analysis of radiogenic isotopes of sandstone and groundwater during the quarter. substantial radiogenic and lead isotope anomalies have now been identified on the Beatrice Project area. These anomalies occur adjacent to the Beatrice Fault. A series of radiogenic isotope anomalies has now been identified between Mintaka on the TCC project area through to BT-2 on the Beatrice JV project area, a distance of over 30km. AGE is now investigating the nature of this anomalous structure. Understanding the pathways that mobile radiogenic isotopes move through the Kombolgie Sandstone cover is now a priority objective of the R&D program to determine the significance of anomalies.

New methods for processing SAM/TFEM geophysical data have also being investigated during the quarter. Preliminary trials have been undertaken to develop 3d inversions of the TFEM data sets.

During the quarter the Company worked with its advisors to prepare the 2015 R&D Offset claim which was then lodged with AusIndustry in January 2016.

CORPORATE

Founding Director & CEO Resignation

Rob Sowerby, CEO and one of the founding directors of Alligator Energy, gave notice that he would cease full time employment with the company effective 31 December 2015. He will however remain with the company in a part time capacity and will be responsible for refining the application and interpretation of uranium decay geochemical techniques and SAM geophysical techniques as well as for ongoing engagement with Arnhem Land stakeholders.

Rob, has been instrumental in developing the company's strategy and techniques for discovering large unconformity style uranium deposits under the sandstone in the Alligator Rivers Uranium Province and for developing relationships with Traditional Owners and other stakeholders in Arnhem Land.

Rob also stood down as a director after the AGM on 20 November, 2015.

As an interim measure, John Main has agreed to accept the role of Executive Chairman for no additional compensation. In addition it was agreed that the Board will assume the CEO's personnel, investor relations and funding roles while Peter Moorhouse, Senior Geologist, will assume responsibility for all exploration management duties.

Beatrice Project- Stage 2 Contribution

Alligator completed its Stage 2 sole funding contribution of a cumulative amount of \$2million and subsequent to 31 December 2015 advised Cameco accordingly. Cameco is currently in the process of confirming that AGE has met the expenditure commitments and complied with the terms of the Farm-in and Joint Venture Agreement. A Joint Venture Meeting will be scheduled to agree a future exploration program and funding plan and to develop a budget for 2016. Once a budget has been approved, Cameco may elect to contribute cash-calls at their 49% interest or agree to be diluted.

Fund Raising

Two non-executive directors, Peter McIntyre and Greg Hall, obtained shareholder approval at the AGM (ASX Announcement 20 November 2015) to take up 2.75 million shares (\$110,000) in the 2015 Rights Issue shortfall. The shares were issued in December 2015 after receipt of the subscription funds.

Unlisted Option Expiry

During the Quarter, 6.25m unlisted options to acquire fully paid ordinary shares in the Company at an exercise price of 20 cents per share expired without being exercised. These options had been issued to parties associated with the listing of the Company on the ASX (ASX Announcement 25 November 2015)

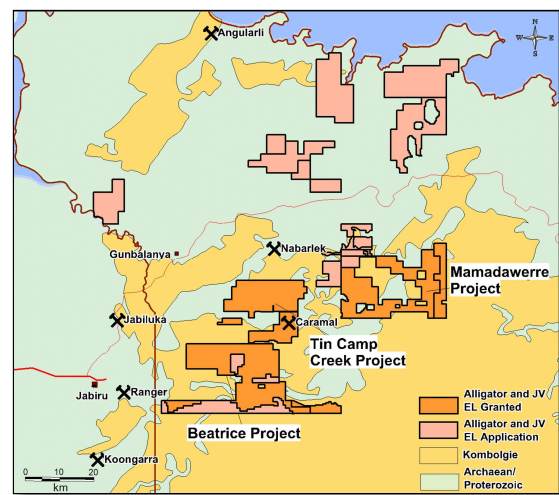
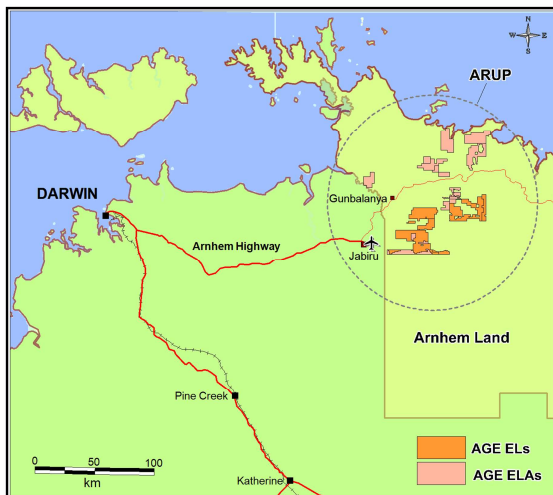
Competent Person's Statement

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 was CEO and Director of Alligator Energy Ltd until December 2015, 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.

About Alligator Energy

Alligator Energy Ltd is an Australian, ASX listed, exploration company with uranium exploration tenements in the world class Alligator Rivers Uranium Province in Arnhem Land, Northern Territory. The Alligator Rivers Uranium Province hosts nearly 1 billion pounds of high grade uranium resources and past production, including the Ranger Mine and Jabiluka. Since listing in February 2011, the company has completed in excess of 15,000m of drilling, defined a maiden high grade, JORC compliant resource at Caramal (6.5Mlb U3O8 at 3100ppm U3O8) and discovered new mineralization at Mintaka and Orion East. High Grade mineralization also occurs at the historic South Horn and Gorrunghar prospect which remain only partially tested.

The company has in excess of 1000km² of Exploration Licence applications and is also in Joint Venture with Cameco Australia Pty Ltd for the Mamadawerre Project and Beatrice Project, also within the Alligator Rivers Uranium Province.



Project Location Diagrams and Exploration Licences

FOR FURTHER INFORMATION, PLEASE CONTACT

Mr John Main
Executive Chairman

Ian Howarth
Collins Street Media
0407 822 319
ian@collinsstreetmedia.com.au

Alligator Energy Ltd
Email: info@alligatorenergy.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

ALLIGATOR ENERGY LTD

ABN

79 140 575 604

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,225)	(2,495)
(b) development	-	-
(c) production	-	-
(d) administration	(260)	(475)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/ received- R&D	-	-
1.7 Other (provide details if material)	-	-
	(1,480)	(2,955)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(8)	(38)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Security Deposits	-	-
	(8)	(38)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(1,488)	(2,993)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,488)	(2,993)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	121	1,708
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Capital Raising Costs	-	(41)
	Net financing cash flows	121	1,667
	Net increase (decrease) in cash held	(1,367)	(1,326)
1.20	Cash at beginning of quarter/year to date	2,404	2,363
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,037	1,037

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	100
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, salaries and superannuation totalled \$100k before amounts then used to subscribe for ordinary shares in the Company under the Directors' Fee Plan approved at the AGM on 20 November 2015 which totalled \$10.5k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	201
4.2 Development	-
4.3 Production	-
4.4 Administration	172
Total	373

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	137	479
5.2 Deposits at call	900	1,925
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,037	2,404

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	NIL			
6.2 Interests in mining tenements acquired or increased	NIL			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>	NIL	NIL		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	350,896,873	350,896,873		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	269,231 39,427,183 -	269,231 39,427,183 -	3.9 cents 4.0 cents	3.9 cents 4.0 cents
7.5 *Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	700,000	-	\$0.15	7 Mar 2017
	1,000,000	-	\$0.00	2 May 2017
	2,205,882	-	\$0.00	26 Nov 2017
	2,035,648	-	\$0.00	31 Jan 2016
	2,035,648	-	\$0.00	21 April 2018
7.8 Issued during quarter	-	-		
	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	NIL	NIL		
7.12 Unsecured notes <i>(totals only)</i>	NIL	NIL		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Mike Meintjes
Company Secretary
29 January 2016

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.