



ALLIGATOR ENERGY LIMITED

ACN 140 575 604

**31 December 2015
HALF YEAR FINANCIAL REPORT**

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

CONTENTS

	Page
Directors' Report	3
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Financial Statements	14
Directors' Declaration	18
Independent Auditor's Review Report to Members	19
Competent Person's Statement	21

CORPORATE OFFICE
Suite 3, 36 Agnes St
Fortitude Valley, QLD 4006
Tel: (07) 3852 4712
Fax (07) 3852 5684

Postal Address
PO Box 338
Spring Hill, QLD 4004

The information in this report should be read in conjunction with the Annual Report for the year ended 30 June 2015 which is available from the Alligator Energy Limited website:
www.alligatorenergy.com.au

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

The Directors of Alligator Energy Limited (the 'company', 'Alligator') and its controlled entities (the 'Group') present their report, together with the financial statements of the Group, for the half-year ended 31 December 2015.

Directors

The following persons were Directors of Alligator Energy Limited ('Alligator') during the half-year and up to the date of this report, unless stated otherwise:

John Main	Executive Chairman
Paul Dickson	Non-Executive Director
Andrew Vigar	Non-Executive Director
Peter McIntyre	Non-Executive Director
Gregory Hall	Non-Executive Director (appointed 24 July 2015)
Robert Sowerby	CEO and Director (resigned as director on 20 November 2015 and as CEO on 31 December 2015)

Principal activities

The principal activity of the Group is mineral exploration. There has been no significant change in the nature of the Group's activities during the half year.

Dividends

There were no dividends paid to shareholders during the financial period.

Review of operations

(i) **Exploration and R&D activities**

Beatrice Project

During the Half Year, a 3,500 metre shallow geochemical drilling program commenced was conducted at the Beatrice Project area in the Alligator Rivers region of the Northern Territory. The BT-1, BT-4 and Beatrice Prospect target areas were tested. These target areas are covered by shallow alluvial and colluvial sediments. The air-core drilling program was designed to test for anomalous geochemical responses and alteration under these sediments.

In December 2015, the Company received final assay results from the shallow air-core drilling program. This program comprised 87 holes for 2,257 metres and was undertaken in three target areas, BT-4, Beatrice Prospect and BT-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.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

Review of operations (continued)

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.

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.

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).

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 is evident and may represent targets for this style of mineralization.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

Review of operations (continued)

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.

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.

Farm-in and Joint Venture Agreement

The Company has now completed its Stage 1 expenditure obligation in order to earn 51% of the Beatrice uranium project JV. The company is in the process of having the 51% interest registered with the Northern Territory Department of Mines and Energy. Subsequent to the end of the Half Year the Company also completed the Stage 2 Contribution expenditure. This enables the Company to retain the 51% interest in the Project and brings to an end the sole funding period unless Cameco Australia Pty Ltd elects to be diluted.

Tin Camp Creek Project

Radiogenic isotope sampling at TCC 4 in the Tin Camp Creek prospect during the 2014 field season identified an anomaly in the Kombolgie Sandstone. Additional sampling of outcropping sandstone and old reconnaissance drill holes in 2015 has shown the anomalism extends over more than 2,000 metres. A peak response over 1,000 metres long was defined. Further processing of geophysical data from the 2015 SAM survey has defined a coincident anomaly associated with this radiogenic isotope anomaly.

The TCC4 will be considered when defining priority targets for drill testing in 2016.

Mamadawerre Project

No substantive work was undertaken on the Mamadawerre JV Project area during the Half Year.

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.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

Review of operations (continued)

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.

The Company continued with analysis of radiogenic isotopes of sandstone and groundwater during the Half Year. 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 Project area, a distance of over 30km. The Company is 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. Preliminary trials have been undertaken to develop 3D inversions of the TFEM data sets.

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

(ii) **Capital Raising**

On 21 August 2015, the Company announced a 1:4 non-renounceable Rights Issue to existing shareholders at an issue price of 4 cents per share. Acceptances of Entitlements and Additional Shares by shareholders totaled \$1,577,087. This constituted a 51% take-up of the shares offered under the Rights Issue. The Rights Issue closed on 15 September 2015.

Acceptances of Entitlements were received for a total of 36,048,446 New Shares raising \$1,441,938. A number of shareholders who accepted their full Entitlement also applied for Additional Shares under the Offer. Accordingly, 3,378,737 Additional Shares will also be issued raising \$135,149.

Two non-executive directors, Peter McIntyre and Greg Hall, collectively committed to taking up 2.75 million shares (\$110,000) in the Rights Issue shortfall, subject to and conditional on approval of the proposed subscriptions at the AGM as required under the ASX Listing Rules. This approval was granted on 20 November 2015 and the shares were issued in early December 2015.

(iii) **Board of Directors and Management**

Appointment of Greg Hall as Non-Executive Director

On 27 July 2015, the Board appointed Greg Hall as a non-executive director of the Company. Greg joined the Company after more than 27 years' experience as an executive in the resources sector. His experience includes employment with large listed companies such as North, WMC and Rio Tinto as well as listed juniors such as Toro Energy and Hillgrove Resources.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

Review of operations (continued)

Importantly, Greg has a deep understanding of the uranium sector through his role as Marketing Manager for ERA/Rio Tinto Uranium and the evaluation/approval of WA's first fully approved uranium project (as MD and Non-Executive Director) with Toro Energy Ltd. His operational uranium experience also includes roles as Mining Manager at Olympic Dam and Ranger Uranium Mine.

Greg has a Bachelor of Engineering in Mining Engineering and is Past Board and Exco member of the Australian Uranium Association.

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.

(iv) **Financial**

The loss for the consolidated group for the half-year was \$1,218,323 (half-year to 31 December 2014: \$414,155 loss). This loss includes an impairment write down in relation to the capitalised exploration expenditure for the Mamadawerre Project of \$699,072 (see Note 5).

The Company has retained a close focus on corporate overheads during the Half Year and this is evident with cash outflows to suppliers and employees dropping from \$527k for the 2014 Half Year to \$475k in 2015. In this regard shareholders at the AGM once again approved a Directors' Fee Plan for 2015/16 which enables the Company to issue shares in lieu of director fee payments (at the election of directors on a quarterly basis) in order to further conserve cash.

Expenditure on fieldwork and exploration activities during the Half Year totalled \$2,311,176 and related principally to work conducted at the Beatrice Project.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

Matters subsequent to the end of the half year

Subsequent to 31 December 2015, the Company notified Cameco that it had met the Stage 2 sole funding contribution of a cumulative amount of \$2 million. Cameco has confirmed in writing acceptance of the Company meeting this milestone. A Joint Venture Meeting will now be scheduled to agree the 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.

On 27 January 2016, the Company issued 2,045,454 ordinary shares to the directors or their nominees under the terms of the Directors' Fee Plan approved by shareholders on 20 November 2015. This share issue related to \$45,000 in directors' fees for the December 2015 quarter.

On 12 February 2016, the Company advised that it had completed its Stage 2 expenditure obligations in order to retain its 51% of the Beatrice uranium project JV Project. The Company received confirmation from Cameco Australia Pty Ltd Cameco that the obligations under the agreement have been satisfied.

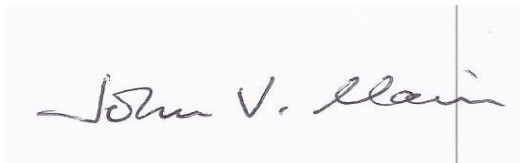
No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect;

- a) The Group's operations in future financial years, or
- b) The results of those operations in future financial years, or
- c) The Group's state of affairs in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

This report is made in accordance with a resolution of Directors.

A handwritten signature in black ink, reading "John V. Main", is written over a light grey rectangular background. A vertical line is drawn to the right of the signature, extending from the top to the bottom of the signature's height.

John Main
Executive Chairman

Brisbane, 22 February 2016

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ALLIGATOR ENERGY LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF HACKETTS

PKF HACKETTS AUDIT



Liam Murphy
Partner

Brisbane, 22 February 2016

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	31 December 2015 \$	31 December 2014 \$
Other income – interest		12,702	39,198
Accounting and audit fees		(13,560)	(8,500)
Consultants and professional fees		(112,982)	(86,540)
Directors’ fees		(118,774)	(98,550)
Employee benefits expense		(89,536)	(61,704)
Share-based payments		(40,201)	(36,567)
Depreciation		(6,227)	(9,688)
Occupancy expenses		(31,018)	(26,082)
Stock exchange and share registry fees		(43,208)	(32,908)
Investor relations		(17,890)	(23,839)
Travel and accommodation expenses		(4,395)	(13,954)
Insurance		(36,207)	(38,389)
Impairment of E&E costs	5	(699,072)	(1,215)
Other expenses		(17,955)	(15,417)
		<hr/>	<hr/>
Loss before income tax		(1,218,323)	(414,155)
Income tax benefit		-	-
		<hr/>	<hr/>
Profit /(loss) for the period		(1,218,323)	(414,155)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income/(loss) for the period		(1,218,323)	(414,155)
		<hr/>	<hr/>
Profit/(loss) attributable to members of the parent entity		(1,218,323)	(414,155)
		<hr/>	<hr/>
Total comprehensive income/(loss) attributable to members of the parent entity		(1,218,323)	(414,155)
		<hr/>	<hr/>
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company		Cents	Cents
Basic profit/(loss) per share		(0.37)	(0.15)
Diluted profit/(loss) per share		(0.37)	(0.15)

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31 December 2015 \$	30 June 2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,036,732	2,363,512
Trade and other receivables		66,123	72,321
Inventory		28,935	51,983
		1,131,790	2,487,816
Total Current Assets			
Non-Current Assets			
Trade and other receivables		237,261	237,261
Property, plant and equipment		234,944	256,373
Exploration expenditure	5	20,439,260	18,827,156
		20,911,465	19,320,790
Total Non-Current Assets			
		22,043,255	21,808,606
Total Assets			
LIABILITIES			
Current Liabilities			
Trade and other payables		150,034	404,148
		150,034	404,148
Total Current Liabilities			
Non-Current Liabilities			
Provisions		159,539	159,539
		159,539	159,539
Total Non-Current Liabilities			
		309,573	563,687
Total Liabilities			
		21,733,682	21,244,919
Net Assets			
EQUITY			
Contributed equity	6	27,680,082	26,013,197
Reserves		83,794	426,817
Accumulated losses		(6,030,194)	(5,195,095)
		21,733,682	21,244,919
Total Equity			

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Contributed equity \$	Options Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2014	22,200,940	458,233	(4,468,554)	18,190,619
Total comprehensive income/(loss) for the period	-	-	(414,155)	(414,155)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense	-	36,567	-	36,567
Options lapsed	-	(48,000)	48,000	-
Issue of ordinary shares	4,042,735	-	-	4,042,735
Capital raising costs	(288,978)	-	-	(288,978)
Balance at 31 December 2014	25,954,697	446,800	(4,834,709)	21,566,788
Balance at 1 July 2015	26,013,197	426,817	(5,195,095)	21,244,919
Total comprehensive income/(loss) for the period	-	-	(1,218,323)	(1,218,323)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense	-	40,201	-	40,201
Options lapsed	-	(383,224)	383,224	-
Issue of ordinary shares	1,708,087	-	-	1,708,087
Capital raising costs	(41,202)	-	-	(41,202)
Balance at 31 December 2015	27,680,082	83,794	(6,030,194)	21,733,682

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 December 2015 \$	31 December 2014 \$
Cash flows from operating activities		
Receipts	-	-
Interest received	15,047	26,379
Payments to suppliers and employees	(475,214)	(527,826)
R&D Tax Offset	-	558,333
NTGS Collaborative Grants Received	-	35,000
	(460,167)	91,886
Cash flows from investing activities		
Payments for exploration expenditure	(2,494,986)	(2,831,818)
(Payments for)/Refunds of security deposits	-	-
(Purchase of) / Proceeds from sale of property, plant and equipment	(38,511)	(81,493)
	(2,533,497)	(2,913,311)
Cash flows from financing activities		
Proceeds on issue of shares	1,708,087	4,042,735
Payment of capital raising costs	(41,203)	(288,978)
	1,666,884	3,753,757
Net increase (decrease) in cash held	(1,326,780)	932,332
Cash at beginning of financial period	2,363,512	2,048,744
	1,036,732	2,981,076

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 1 Summary of significant accounting policies

Basis of preparation of half-year financial statements

These consolidated interim financial statements and notes represent those of Alligator Energy Limited (the Company) and Controlled Entities (the Group). Alligator Energy Limited is a publicly listed company incorporated and domiciled in Australia.

These general purpose interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements are presented in Australian dollars.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2015, together with any public announcements made during the half-year. These interim financial statements were authorised for issue on 22 February 2016.

Accounting Policies

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements, except in relation to the matter discussed below.

Accounting for farm-in costs

Farm-in costs incurred in relation to the Beatrice project have been included in capitalised exploration expenditure as acquisition costs under AASB 6. This practice will continue until the sole funding period has ended.

New and revised accounting requirements applicable to the current half-year reporting period

The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for the current half year. Adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years.

Going Concern

The directors have adopted the going concern assumption when preparing the financial statements. This assumption has been adopted on the basis that the Group is able to continue to raise further capital and/or enter joint ventures. Expenditure budgets have also been curtailed to fit with current cash reserves and the Company currently has limited fixed overheads. The outcome of an R&D Offset claim application for the 2015 tax year is pending and this is expected to bolster the cash reserves available to the Company. On this basis the directors believe that the Group will be able to continue to meet its obligations as and when they fall due over the next twelve months.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 1 Summary of significant accounting policies (continued)

Given the increased level of uncertainty around future funding requirements in the current environment, the greenfield stage of exploration activity and the difficulty in forecasting cash flows for the group and the other matters described above and below, there is significant uncertainty that the Group will realise the carrying value of capitalised exploration expenditure in the normal course of business and at the amounts stated in the financial report. No adjustments have been made relating to the recoverability of capitalised exploration expenditure asset amounts that might be necessary should the Group not raise the necessary funding.

Note 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

The Group has capitalised exploration expenditure of \$20,439,260 (30 June 2015: \$18,827,156). This amount includes costs directly associated with exploration and the purchase of exploration properties. These costs are capitalised as an intangible asset until assessment and/or drilling of the permit is complete and the results have been evaluated. These direct costs include employee remuneration, materials, rentals, camp costs and payments to contractors for services such as drilling and geotech surveys. The expenditure is carried forward until such a time as the area moves into the development phase, is abandoned or sold. Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources and the difficulty in forecasting cash flows to assess the fair value of exploration expenditure there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements. The Directors are of the opinion that the exploration expenditure is recoverable for the amount stated in the financial report.

Provision for site restoration

The Group estimates the cost of rehabilitating disturbances as a result of exploration activity. These estimates are based on the requirements of current legislation, comprise an estimate of the external costs to rehabilitate and are consistent with the amounts reported to the Department of Mines and Energy in the Northern Territory.

Note 3 Segment information

The group operates solely within one business segment, being the mining and exploration industry in Australia.

Note 4 Dividend

No dividend has been paid during the half-year ended 31 December 2015 and none is proposed.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 5 Exploration expenditure

	31 December 2015	30 June 2015
Exploration phase property costs		
Geological, geophysical, drilling and other expenditure – at cost	20,439,260	18,827,156
<hr/>		
The capitalised exploration expenditure carried forward has been determined as follows:		
Opening balance – 1 July	18,827,156	15,622,265
Expenditure incurred or tenements acquired during the period	2,311,176	3,676,964
R&D Tax Offset/ NTGS Collaborative Grant	-	(470,858)
Impairment write down	(699,072)	(1,215)
	<u>20,439,260</u>	<u>18,827,156</u>

The Group assesses whether there are indicators that assets, or group of assets, may be impaired at each reporting date. The following impairment indicators were identified during the half-year:

- minimal expenditure had occurred on the Mamadawerre JV and Mamadawerre East tenements during the Half Year. In addition, the Company has prioritised exploration activity at the Beatrice and TCC Project areas for 2016.
- The Farm-in and Joint Venture Agreement with Cameco is due to expire on 29 February 2016 and the Company has failed to meet its expenditure obligations.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Total impairment charges recognised in the Consolidated Statement of Comprehensive Income for the half year were as follows:

	31 December 2015	31 December 2014
	\$	\$
Capitalised exploration and evaluation expenditure	699,072	-
Impairment charge	<u>699,072</u>	<u>-</u>

During the half-year ended 31 December 2015, Alligator recognised an impairment charge for the total capitalised exploration and evaluation expenditure on the Mamadawerre Project of \$699,072, effectively adjusting the carrying value to a recoverable amount of \$20,439,260.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 6 Equity securities issued

Issues of ordinary share capital during the half year:

Date	Details	Number of shares	Issue Price \$	\$
30 June 2015	Balance	311,200,459		26,013,197
10 July 2015	Director's Fee Plan	269,231	0.039	10,500
22 Sept 2015	Rights Issue	39,427,183	0.04	1,577,087
	Capital raising costs			(41,202)
28 Oct 2015	Directors' Fee Plan	262,500	0.04	10,500
2 Dec 2015	Placement	2,750,000	0.04	110,000
31 Dec 2014	Balance	<u>353,909,373</u>		<u>27,680,082</u>

Note 7 Contingent liabilities

There have been no changes in contingent liabilities since the end of the previous annual reporting period, 30 June 2015.

Note 8 Events occurring after the end of the interim period

Subsequent to 31 December 2015, the Company notified Cameco that it had met the Stage 2 sole funding contribution of a cumulative amount of \$2million. Cameco has confirmed in writing acceptance of the Company meeting this milestone. A Joint Venture Meeting will now be scheduled to agree the 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.

On 27 January 2016, the Company issued 2,045,454 ordinary shares to the directors or their nominees under the terms of the Directors' Fee Plan approved by shareholders on 20 November 2015. This share issue related to \$45,000 in directors' fees for the December 2015 quarter.

On 12 February 2016, the Company advised that it had completed its Stage 2 expenditure obligations in order to retain its 51% of the Beatrice uranium project JV Project. The Company received confirmation from Cameco Australia Pty Ltd Cameco that the obligations under the agreement have been satisfied.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect:

- a) The Group's operations in future financial years, or
- b) The results of those operations in future financial years, or
- c) The Group's state of affairs in future financial years.

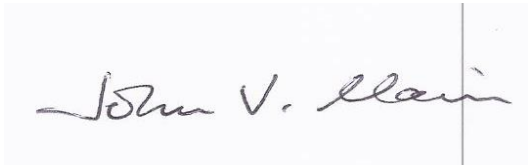
ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 10 to 17 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, reading "John V. Main", is written over a vertical line that serves as a signature separator.

John Main
Executive Chairman

Brisbane, 22 February 2016

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALLIGATOR ENERGY LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alligator Energy Limited ("the Company") and its controlled entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alligator Energy Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alligator Energy Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Inherent Uncertainty regarding capitalised Exploration Expenditure

Without qualification to the review conclusion expressed above, attention is drawn to the following matter:

As a result of the matter described in Note 2 to the financial statements, there is uncertainty as to whether the company will be able to recover the carrying value of exploration expenditure for the amount recorded in the financial report. The ultimate recovery of the carrying value of exploration expenditure, and future exploration expenditure, is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interests in the tenements.

PKF HACKETTS

PKF HACKETTS AUDIT



Liam Murphy
Partner

Brisbane, 22 February 2016

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

COMPETENT PERSON'S STATEMENT

The information included in the Directors' Report in relation to exploration activities during the half year ended 31 December 2015 is extracted from the Quarterly Activities Report for the quarter ended 31 December 2015 and is available to view on the Company's website- www.alligatorenergy.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.