



# QUARTERLY ACTIVITIES REPORT

FOR QUARTER ENDED 31 December 2016

## HIGHLIGHTS

### EXPLORATION

- Increased prospectivity and confidence in TCC4 drill target.
- Uranium pathfinder anomalies at TCC1, TCC2 and TCC14 upgraded.
- Interpretation of basement geology identifies two new highly prospective target areas at BT5 and BT7.
- New tenement application (ELA31480 Nabarlek North) lodged within world class Alligator Rivers Uranium Province.
- Uranium spot price increase of ~30% through December 2016 and January 2017, as Kazakhstan announces production cuts.

### CORPORATE

- Strong support received from shareholders for the non-renounceable rights issue. Gross proceeds of \$899,840 inclusive of underwriting commitments were raised.
- ATO accepts Alligator application for the 2017 Exploration Development Incentive (EDI) scheme (a distribution to shareholders of approximately \$660,000 expected to occur before 30 June 2017).
- New Opportunities Team established with mandate to seek business opportunities including in other commodities.
- R&D Offset claim for the 2016 tax year lodged with the ATO in December 2016 (net receipt of approximately \$230k is expected).
- Alligator's Annual General Meeting occurred on 18 November 2016 with all resolutions passed.

Alligator Energy

ABN 79140575604

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36 Agnes Street  
Fortitude Valley, QLD 4006

Ph: (07) 3852 4712

Fax: (07) 3852 5684

ASX Code: AGE

Number of Shares:

452.7M Ordinary Shares  
45M Listed Options  
8.4M 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

## Overview

In 2016 Alligator completed its sixth year of active exploration within the Alligator Rivers Uranium Province.

Target TCC4 remains Alligator's outstanding target, and is drill ready. BT12 is also a top quality and very large geochemical anomaly requiring a geophysical survey to refine drill targets. Through continued commitment to its research and development (R&D) program Alligator is further refining the ability to pinpoint and discriminate potential uranium deposits. Improvements in both uranium decay isotope (pathfinder) geochemistry and geophysical survey understanding has resulted in re-ranking targets TCC1, TCC2, TCC14, to high potential justifying further sandstone sampling and analyses.

An interpretation of basement stratigraphy and structure beneath the overlying Kombolgie Sandstone was completed during the Quarter. This allows clearer identification of basement settings deemed suitable for unconformity uranium deposits and a greater focus on these prospects as a result. Two areas, BT5 and BT7 in the Beatrice tenement, have been singled out for reconnaissance sandstone sampling and uranium pathfinder element analyses. Conversely the prospectivity of EL27250 (Beatrice East – 100% AGE) was downgraded and was relinquished during Quarter.

Additionally following regional interpretations, an exploration application (ELA 31480 - Nabarlek North) was lodged over an area of highlighted interest, just over 5km north of the historic Nabarlek uranium mine site. Alligator's uranium pathfinder and geophysical R&D techniques would be highly suited to exploration across this tenure if granted.

## Beatrice and TCC Projects

Alligator is actively exploring both the Tin Camp Creek (TCC) and Beatrice (BT) tenements. Figure 1 below shows current targets and prospective areas.

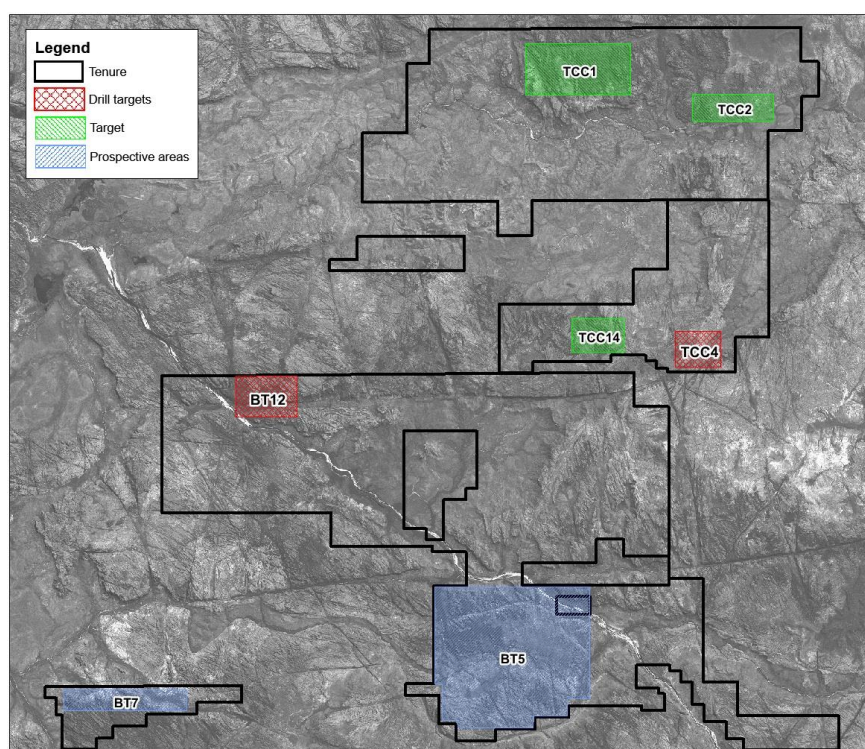


Figure 1: AGE targets across BT and TCC tenure.

**TCC4: An outstanding untested drill ready target**

TCC4 located within the Tin Camp Creek tenement remains the standout target. Coincident high levels of uranium pathfinder elements, SAM conductors, preferred Cahill Formation basement and large fault structures make this a “high-conviction” unconformity uranium deposit target. See Figure 2 below. Alligator has excellent geochemical and geophysical data for the prospect, which is at a drill ready state.

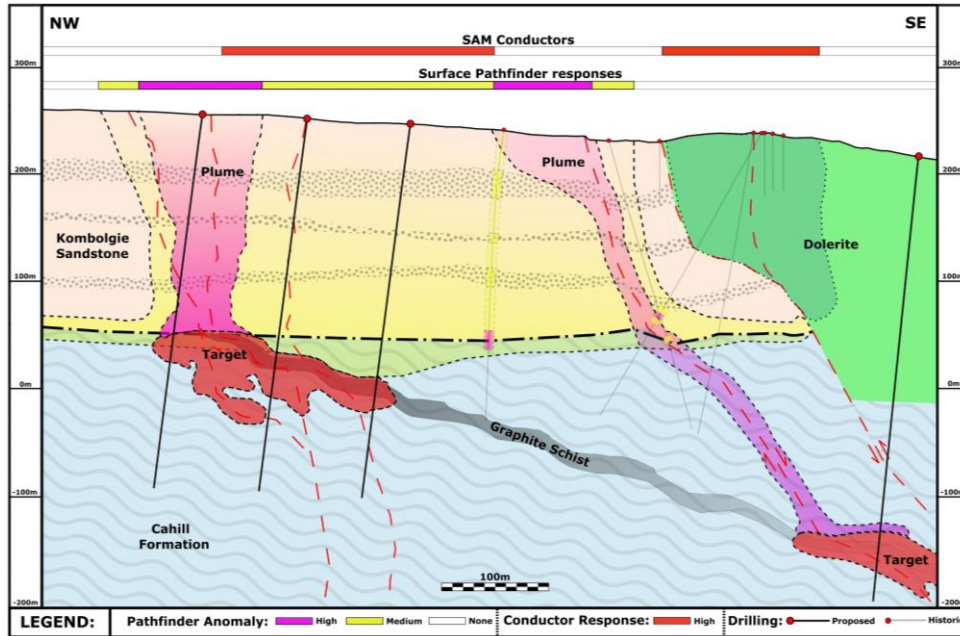


Figure 2: TCC4 Stylized cross section showing drill targets

**BT12: The largest uranium pathfinder anomaly in the Province requiring geophysical exploration**

BT12 is located within the Beatrice tenement. Mapping and geophysics show preferred Cahill Formation forming stratigraphy south of the Beatrice Fault and extending north under overlying Komolgie Sandstone. This places preferred basement stratigraphy directly below very large and very strong uranium pathfinder anomalies at BT12. (Figure 3).

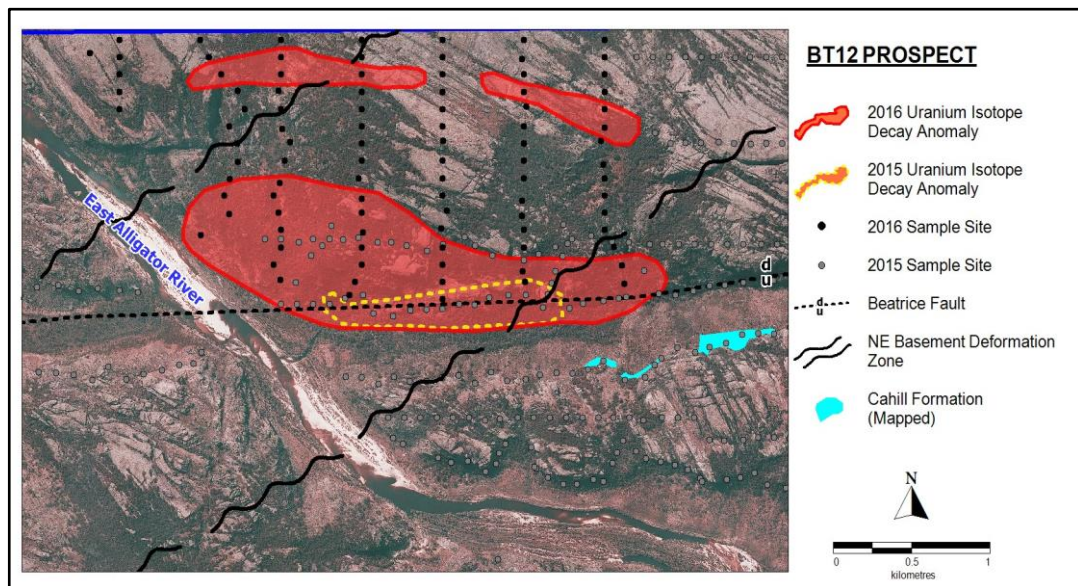


Figure 3: Pb 207/206 ratio results at BT12

## New Target Areas at BT5, BT6 and BT7

The basement geological interpretation highlighted BT7 and the BT5/6 areas to be significantly prospective justifying sampling and analyzing the overlying Kombolgie Sandstone for uranium pathfinder elements in 2017. BT7 is located just 12.5km south-east of the Ranger uranium mine. Both have the sought after preferred rock types and large regional structures.

## Improvement in uranium isotope analysis techniques demands further sampling at TCC1, TCC2 and TCC14

Through Alligator's continued R&D program it has been able to improve analysis techniques for uranium pathfinder elements and interpretation of these results. Following a review of all existing geochemistry from previous surface sandstone sampling programs, several targets have now been re-ranked. Previous results from sampling at TCC1, TCC2 and TCC14 have been deemed very encouraging but inconclusive. Follow-up sampling is now planned in 2017 to fully define and refine the pathfinder features at these targets.

## ELA31480 – Nabarlek North Application

During December 2016, Alligator lodged an exploration licence application (ELA 31480) for the Nabarlek North project area.

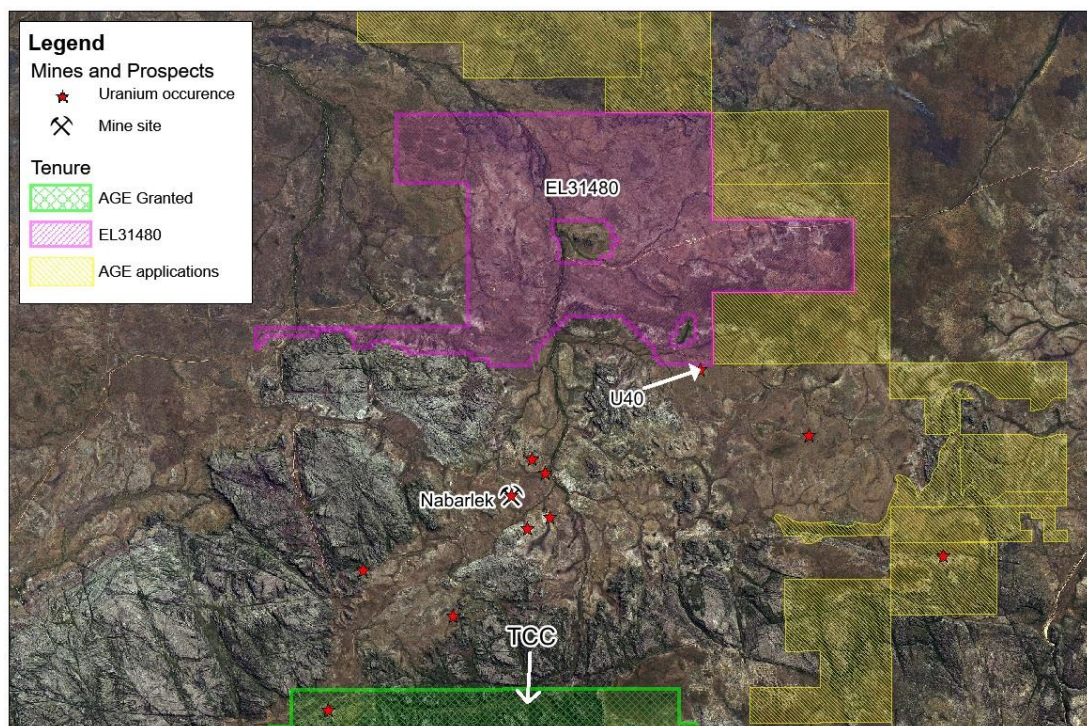


Figure 4: Location of new application EL31480 highlighted magenta.

The tenement lies proximal to Alligator's main TCC tenement and is adjoined by several other Alligator exploration licence applications. The area is located just over 5km north of the historic Nabarlek Uranium mine. The application area is also adjacent to the U40 prospect area that has reported drilling intersections of 6.8m at 6.71% U<sub>3</sub>O<sub>8</sub>, 8.3m at 2.12% Cu and 3.1m at 6.89g/t Au in the Quarry Fault. This Fault runs through the application area. Alligator's basement geological interpretation shows the application area to be highly prospective for both structurally-controlled and unconformity uranium deposits.

This exploration licence application is further demonstration of Alligator's commitment and long term strategy to explore for large uranium deposits within the Alligator Rivers Province. There is however no guarantee of having ELA31480 granted or gaining approval for exploration.

## Uranium Market

Since late November 2016 the uranium spot price has been increasing, and many market commentators are stating that they believe the bottom of the uranium cycle has passed. The price reached a low of US\$17-75 per lb at the end of November, and during Jan 2017 reached as high as US\$24 per lb. In particular, in Jan 2017 the largest uranium producer in the world, KazAtomProm, announced a 10% cut in uranium production for 2017 which quickly increased market interest. Associated with a large forward uncovered uranium demand curve, reducing mine production, and renewed interest in nuclear power, this saw uranium company share prices lift globally.

AGE has a strong belief that the continuing build of new reactors globally, and the reduced mine production from a low spot price, will see the uranium price and market improve over the medium term.

## CORPORATE

### Non- Renounceable Rights Issue

On 18 November 2016 the Company announced a 1:4 non-renounceable Rights Issue at \$0.01 per Share plus 1 attaching option for every 2 new Shares with an exercise price of \$0.021 per Share, to raise up to \$899,840 before issue costs;

Pursuant to the Offer the Company received valid applications to subscribe for entitlements totalling 41,898,495 New Shares (\$418,984.95) and valid applications for Additional Shares totalling 72,873,652 New Shares (\$728,736.52).

In accordance with section 1.11 of the Prospectus, the Company worked with the Joint Underwriters to determine an equitable scale back of the excess applications. The scale back was correlated with the relative size of each shareholder's entitlement under the Offer. The scale back resulted in a reduction in the acceptance of applications for Additional Shares by 52,365,043 New Shares (\$523,650).

Accordingly, the final results of the Offer before taking account of the joint underwriting obligations were as follows:

Total number of New Shares offered under the Offer	89,984,027 Shares
Total number of New Shares to be allotted to eligible shareholders under the Offer	62,407,104 Shares
Shortfall	27,576,923 Shares

The 27,576,923 Shortfall Shares were taken up by the Joint Underwriters pursuant to the terms of the Joint Underwriting Agreement. The Shortfall as allocated under the agreement resulted in Taylor Collison Limited (or its nominees) subscribing for 9,344,066 New Shares and Macallum Group Limited 18,232,857 New Shares.

The Company applied for and was granted approval by the ASX to have the free attached options listed. Consequently 44,992,049 options with an exercise price of \$0.021 and an expiry date of 22 December 2019 are now traded under the code AGE0.

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## Exploration Development Incentive

Alligator has been advised by the Australian Taxation Office (ATO) that its application to participate in the EDI has been accepted with a modulation factor of 1.00.

One hundred per cent of the company's 2016 exploration expenditure has been deemed eligible to participate in the Exploration Development Incentive scheme.

Australian resident shareholders that are issued with exploration credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Non-residents receiving credits will not be able to use them.

The Board of Alligator expects to be able to distribute approximately \$660,000 (at the 30% tax rate) in exploration credits to shareholders prior to 30 June 2017.

## New Opportunities Team

The Directors are committed to maintaining the Company's interests in the Alligator Rivers Uranium Province whilst actively seeking other business opportunities including in other commodities. In this regard, the Company has allocated \$100,000 of the recent capital raising to the evaluation of other business opportunities.

The Company has commenced the process of actively evaluating other business opportunities and will also be actively seeking introductions through the networks immediately available to it through its Directors and also with Macallum Group. The Company has entered into a binding memorandum of understanding with Macallum Group whereby Macallum Group has agreed that any projects identified by Macallum Group that would be a suitable fit for the Company will be introduced to the Company as a priority.

A New Opportunities Team with an agreed Terms of Reference was established in late December 2016. The Team will meet at least monthly with regular progress reporting back to the Board. The Team comprises two independent directors, the Exploration Manager, an external geological consultant, and an external business advisor. Authority is in place to engage suitable advisors on an as needs basis to assist with the evaluation of new business opportunities.

## R&D Tax Offset Claim

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, investigation and experimentation is being undertaken on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetics (SAM) geophysical techniques.

In December 2016 an R&D Tax Offset Claim was prepared and lodged with assistance from the Company's R&D tax consultants. The Company has calculated the claim, net of associated compilation expenses, to be approximately \$230,000 and anticipates receipt in the first quarter of 2017.

## Director Fee Plan

Shareholder approval was obtained at the 2016 AGM for a Director Fee Plan for non-executive directors. The Plan allows for fully paid ordinary shares in the Company to be issued in lieu of cash remuneration for the provision of director services. Approval was also obtained from Shareholders to issue shares to non-executive directors in lieu of outstanding director fees at the

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date of the AGM.

The Directors believe that the benefit of the Director Fee Plan to Shareholders is the conservation of cash for use towards exploration activities, as well as aligning their interest with those of the Company and the Shareholders.

On 30 December 2016 the Company issued 2,815,990 fully paid ordinary shares to Directors (or their nominees) under the terms of the Director Fee Plan approved by shareholders on 18 November 2016. The share issue related to accrued fees for the March, June and September 2016 quarters.

## Competent Person's Statement

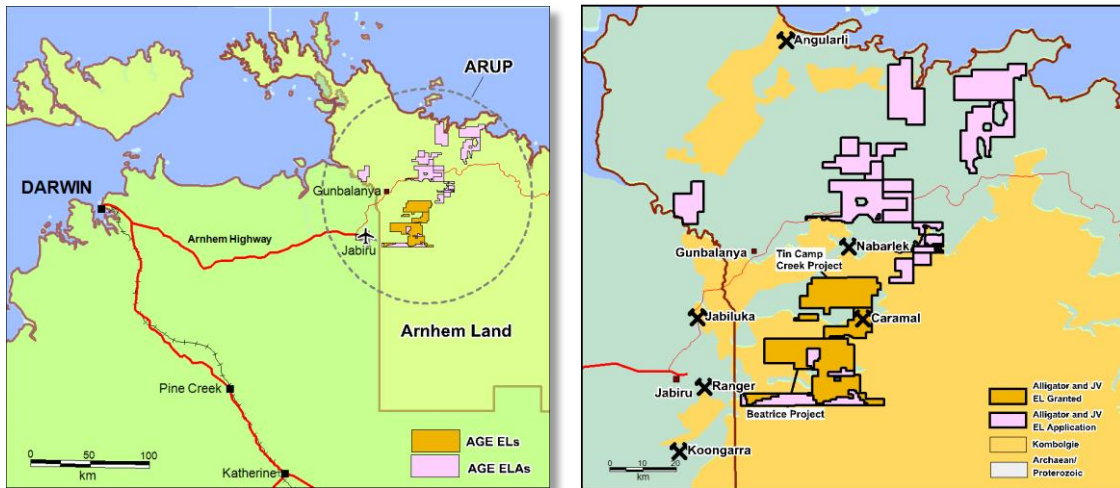
Information in this report is based on current and historic Exploration Results compiled by Mr Andrew Peter Moorhouse who is a Member of the Australasian Institute of Geoscientists. Mr Moorhouse is an employee of Alligator Energy Limited, and has sufficient experience which is relevant to the style of 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 Moorhouse 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 contains nearly 1 billion pounds of high grade uranium resources, including past production from the Ranger Mine and the undeveloped Jabiluka deposit. The company's Tin Camp Creek and Beatrice tenements form the focus of its exploration but the company also assesses other opportunities as they arise. The exploration target is a deposit containing no less than 100 million pounds of uranium preserved beneath covering sandstone.

The company is researching and developing novel uranium decay isotope geochemical techniques and has modified and is applying airborne geophysical techniques with the objective of detecting such concealed targets. From its 2014 and 2015 field work the company has identified new targets which are being analysed ahead of a decision to drill test. The previously drilled Caramal (6.5Mlb U<sub>3</sub>O<sub>8</sub> at 3100ppm U<sub>3</sub>O<sub>8</sub>) and Beatrice deposits represent eroded remnants of once much larger deposits.

The company has in excess of 1000km<sup>2</sup> of Exploration Licence applications awaiting grant within the Alligator Rivers Uranium Province.



*Project Location Diagrams and Exploration Licences*

### FOR FURTHER INFORMATION, PLEASE CONTACT

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Alligator Energy Ltd  
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## Appendix 5B

# Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

### Name of entity

Alligator Energy Limited

### ABN

79 140 575 604

### Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(111)	(465)
(b) development	-	-
(c) production	-	-
(d) staff costs	(20)	(71)
(e) administration and corporate costs	(147)	(248)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(277)</b>	<b>(780)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (tenement security (bonds)/refunds)	15	(5)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>15</b>	<b>(5)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	900	900
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(89)	(89)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>811</b>	<b>811</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	341	864
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(277)	(780)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	15	(5)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	811	811
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>890</b>	<b>890</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	810	91
5.2 Call deposits	80	250
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>890</b>	<b>341</b>

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	13
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1 explanation - Director fee payments in cash and superannuation contributions  
Note: Director Fee Plan Shares issued during the quarter treated as a non-cash item totalled \$38k

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(166)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(57)
9.5 Administration and corporate costs	(91)
9.6 Other (R&D fees)	(30)
<b>9.7 Total estimated cash outflows</b>	<b>(344)</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL27250	Exploration Licence	100%	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Date: 31 January 2017

Print name:

M C Meintjes

**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.