

## 20 April 2018 - Exploration and Acquisition Update

# Alligator consolidates NT uranium projects through acquisition

### Highlights

- Alligator Energy Ltd (AGE) has acquired Cameco Australia Pty Ltd's (Cameco) remaining 41.65% interest in the Beatrice Project tenements
- Alligator now holds 100% of the Beatrice Project, one of the highest quality and priority exploration targets for potential uranium discovery which lies 13 kms east of the Ranger Uranium Mine
- Purchase based on a nominal up-front cost, with a 15 year Cameco buyback option of 40% based on discovery and definition of a JORC resource > 100M pounds U3O8
- The transaction is consistent with AGE's aim to discover new high-grade uranium deposits within the ARUP region, consolidates its regional holding ownership, and maintains the relationship with Cameco
- The uranium market continues to advance towards balance, with completion in March 2018 of the first nuclear plant in the UAE, and continued uranium production cuts at producing operations
- Nuclear power generation globally is now back above where it was just prior to the 2011 Japanese tsunami, nearly all through new plant construction

### Introduction:

Alligator Energy is an experienced exploration group with advanced uranium exploration in the Alligator Rivers Uranium Province (ARUP) of the NT, and rights to earn an interest over nickel and cobalt tenements in the Piedmont region in Italy.

AGE is pleased to advise that it has entered into a binding Sale and Purchase agreement to acquire Cameco's remaining 41.65% interest in the Beatrice Project tenements being EL 24291 and 26796 and exploration licence numbers 26793, 26794 and 26795 applied for under the Mining Act (**Tenements**).

The purchase consideration has been structured with a nominal up-front cost, and the granting of a 15 year option to Cameco (**Cameco Option**) which enables the buy-back into the Project on discovery and definition by AGE of a JORC compliant resource (inferred, indicated and measured) of 100m pounds or more of U3O8.

The Cameco Option involves the right, to be exercised within a six month period of receiving a formal notice, to acquire a 40% interest in a JORC compliant resource with the buyback

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ASX Code: AGE

Number of Shares:  
572 M Ordinary  
Shares  
83 M Listed Options  
6.2 M Unlisted  
Options

Board of Directors:  
Mr John Main  
(Chairman)

Mr Paul Dickson  
(Non Exec. Director)

Mr Peter McIntyre  
(Non Exec. Director)

Mr Andrew Vigar  
(Non Exec. Director)

Mr Greg Hall  
(CEO & Exec.  
Director)

consideration being dependent on the size of the discovery and referenced to the spot price at the time. The spot price used in the formula is capped at what is assessed as a reasonable long-term sustainable uranium price. Upon the option being exercised by Cameco a mining joint venture would be formed.

The Cameco Option arises upon each separate discovery of a JORC compliant resource of 100 million pounds of U3O8 or greater discovered and defined by Alligator on the Tenements at any time up to 15 years from the date of executing a sale agreement.

AGE will assume Cameco's share of the royalty obligations associated with the Tenements being acquired.

The Sale and Purchase Agreement is subject to the customary conditions associated with acquiring exploration title in the Northern Territory, including regulatory and third party approvals.

AGE retains the exploration title surrounding the discovery of a JORC compliant resource of 100m pounds or more of U3O8 that Cameco elects to acquire through exercise their buy-back option.

### Beatrice Project

The Beatrice project tenements lie 13 kms directly east of the Ranger Uranium Mine. AGE's previous geological and geophysical work on the BT12 target in the Beatrice Project points to it having the right structural and stratigraphic characteristics to host similar deposits.

The extensive rock and water geochemistry and isotope sampling work undertaken covering BT12 has identified two distinct anomalous zones each around 2,000m long, and roughly parallel to the Beatrice fault structure (see Figure 1 below). Uranium lead isotope analysis indicates a likely basement-hosted mineralization source beneath the sandstone.

AGE is assessing the most suitable close spaced geophysics techniques to define the optimum location of drilling sites to test the target. All these results together rank BT12 as a high quality target.

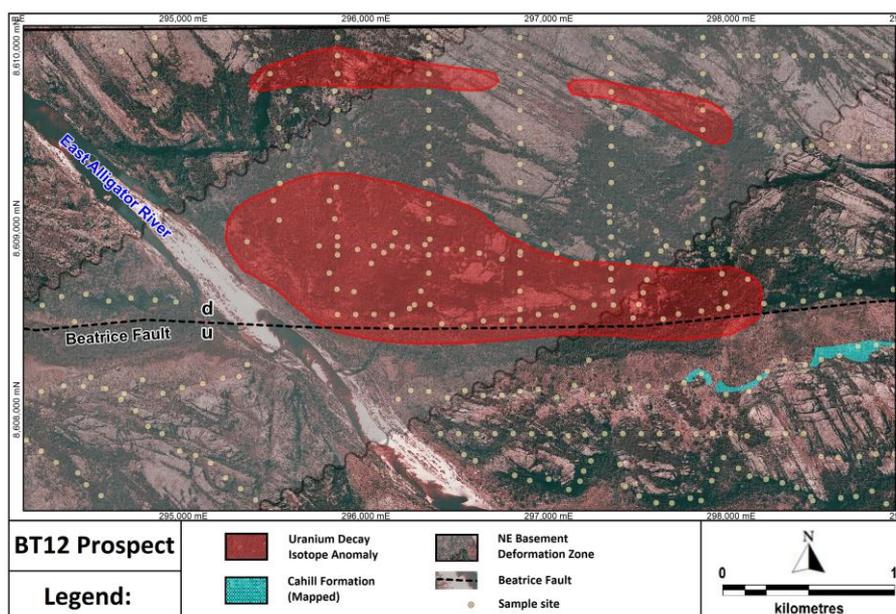


Figure 1 – Uranium isotope decay anomalies at BT12 in Beatrice Project, indicating a likely basement-hosted mineralization source beneath the sandstone.

## Uranium Market update

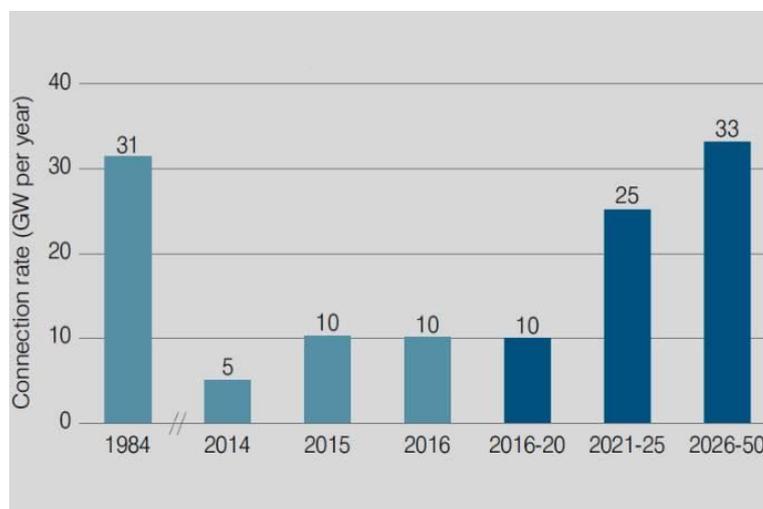
In its Sept 2017 Supply / Demand report, the World Nuclear Association announced that nuclear power generation globally had now increased to a level above that at the time of the 2011 Japanese tsunami. This has been mainly through new nuclear plant construction in China, India, Russia, the Middle East, and a range of other countries (refer Figure 2 below).

Recent uranium production cut announcements at Cameco's McArthur River Mine in Canada and Kazatomprom in Kazakhstan earlier in 2017 have resulted in anticipated reduction in U inventories through 2018 and some improvement in the spot price. Along with this, a number of utilities will be targeting to renegotiate long-term contracts in the next 1-2 years which bodes well for a return to sustainable pricing.

On 26 March 2018, the United Arab Emirates (UAE) celebrated the completion of construction of the first nuclear power plant to be constructed in the UAE, with completion of Unit 1 at the Barakah nuclear station.

All four units at Barakah are scheduled for completion by 2020. The four APR1400 nuclear reactors will supply up to 25% of the UAE's electricity needs and save up to 21 million tonnes of carbon dioxide emissions every year.

Alligator remains optimistic in the short to medium term for a fundamental shift in uranium price, and remains committed to low cost, effective and progressive exploration of its uranium assets to capitalise on this expected improvement in the uranium market.



*Figure 2 – Connection rate of new nuclear power capacity globally, with future World Nuclear Association predictions.*

**Greg Hall**

**Acting Chief Executive**

**Alligator Energy Limited**

## FOR FURTHER INFORMATION, PLEASE CONTACT

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### 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 (Alligator or the Company) is an Australian, ASX-listed, exploration company focused on uranium and energy related minerals, principally cobalt-nickel.

Alligator's Directors have significant experience in the exploration, development and operations of both uranium and nickel projects (both laterites and sulphides)

#### **Uranium**

The Company's uranium exploration projects are 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. The Company's high priority drill target is TCC4 on the Tin Camp Project. The previously drilled Caramal (6.5Mlb U3O8 at 3100ppm U3O8) and Beatrice deposits represent eroded remnants of once much larger deposits.

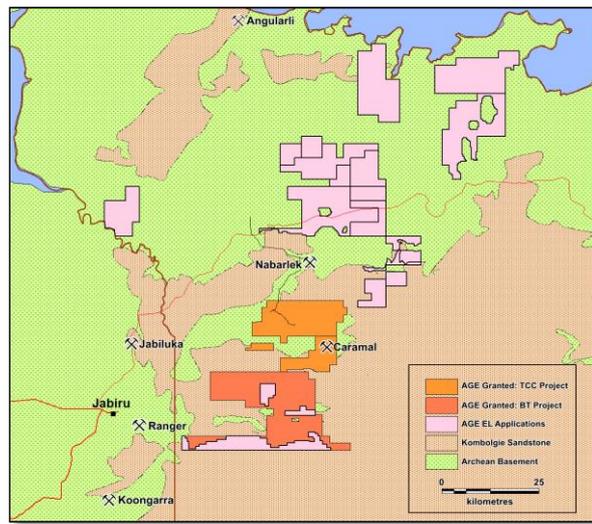
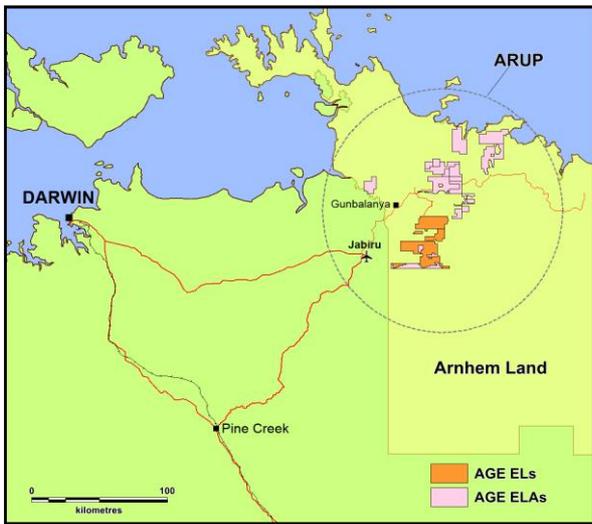
The Company also has in excess of 1000km<sup>2</sup> of Exploration Licence applications awaiting grant within the Alligator Rivers Uranium Province.

#### **Cobalt- Nickel**

Alligator signed a binding Heads of Agreement with Chris Reindler and Partners (CRP) in January 2018 to earn up to 70% interest in the Piedmont sulphide cobalt – nickel project in Northern Italy.

The project covers four titles containing ultramafic-hosted cobalt-nickel sulphide deposits that were mined between the 1860's and the end of World War II. Sulphides in pipe-like intrusive bodies and massive sulphide accumulations at the base of large, layered ultramafic intrusions were mined. The cobalt to nickel ratio was high in these deposits. Airborne surveys obtained by CRP have defined a number of conductors potentially indicative of massive sulphides as well as a number of magnetic features which may represent the responses from intrusive bodies hosting disseminated sulphides. These represent very attractive targets in an area with clear cobalt-nickel pedigree untouched by modern exploration techniques.

### NT Australia – ARUP U:



### Northwest Italy – Piedmont Ni-Co:

