



**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES**

ACN 140 575 604

**FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2019**

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the Alligator Energy Limited ("the Company" or "Alligator") and its controlled entities, for the financial year ended 30 June 2019.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paul Dickson (Chairman)
Andrew Vigar
Peter McIntyre
Gregory Hall
John Main (retired 27 November 2018)

Principal activities and significant changes in nature of activities

The principal activities of the Group are uranium and other energy mineral exploration. There were no significant changes in the nature of the Group's activities during the year.

Dividends

There were no dividends paid to members during the financial year.

Operating and Financial Review

a) Operating Performance

Alligator is pleased with its sound operating performance over the financial year as reflected in the following key indicators:

- The Company operated its exploration sites without any lost time injuries
- There were no reportable environmental issues
- Compliance was maintained with obligations under the Exploration Agreements with the Northern Land Council and Traditional Owners
- There was full compliance with all other applicable agreements, regulations and laws

b) Operations for the year

Overview

During the 2018 field season (June – October) Alligator completed its eighth year of active exploration within the Alligator Rivers Uranium Province and agreed to commit to Phase 2 of the Farm-in arrangement with Chris Reindler and Partners (CRP) at the Piedmont Project in northern Italy.

In addition, the Company advanced its detailed geological understanding within its tenements, enhanced exploration knowledge, and advanced or added further strategic assets

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Alligator Rivers Uranium Province

Tin Camp Creek Tenements (Alligator 98%) and Beatrice Project Tenements (Alligator 100%)

On 4 September 2018 Alligator commenced a drilling program on its Alligator Rivers Uranium Province (ARUP), targeting its advanced TCC4 uranium prospect. Drilling at the TCC4 prospect was conducted along four target lines across 1,600 metres at the north eastern end of a 4,000 metre long zone of coincident SAM geophysical and radiogenic pathfinder surface anomalies. This represented 40% of the anomalous strike length.

Seven holes for a total of 2138m were completed between 4 September and 10 October 2018. This program represented the first holes targeting concealed uranium deposits under sandstone cover using Alligator's combined proprietary geochemical sampling and geophysical methods, results proved highly encouraging.

From the seven holes drilled, five intersected key target features, including:

- Graphitic schists of the Cahill formation – host rock to the Ranger uranium mineralisation
- Brecciated basement structures not reflected in sandstone cover
- Chlorite and haematite alteration in both basement and overlying sandstone cover
- Garnetiferous schists comparable to Mid-Cahill found proximal to Ranger and Jabiluka
- Carbonate veins at depth believed to be re-mobilised from deeper Lower Cahill formation

These key features indicate geophysical and stratigraphic targeting has been successful with Lower Cahill indicated potentially further to the north-west.

In early 2019, the Alligator technical team compiled all historic and Company derived data and held a two-day workshop which included participation by two world leading experts in uranium exploration geology and structural mineralisation controls within the ARUP. The key aims were to integrate the historic and recent work completed by all explorers in West Arnhem into the forward exploration strategy for AGE. This data included but was not exclusive to the drilling at TCC4, the exploration and discovery of the Angularli deposit, and historic data from the region. A one year and three year recommended work plan was then developed.

The direct results of this workshop included the generation of a regional sub-Kombolgie lithological re-interpretation in the region of our tenements, with an emphasis on highlighting the lower Cahill–Archean gneiss contact which is deemed as the favourable setting for potential mineralisation. Furthermore, the critical control that 'structure' has on the major known uranium deposits in West Arnhem was studied. A broad prospective zone running from the western Beatrice project, through the eastern portion of the Tin Camp Creek project and into the Nabarlek North Application area was identified as high priority for further work. Along this trend, eight areas for immediate assessment were highlighted.

A review of the tools used by Alligator, its peers and historic explorers was incorporated into the review, with the effectiveness of each tool assessed for exploration for the mineralisation model being targeted within the environment which Alligator are exploring. The review included the revisit of the Alligator exploration data collected, with an emphasis on the on the proprietary techniques being developed.

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Armed with the workshop insights the Company has been progressing strategic partnering discussions with the objective of then being able to progress the above exploration plans.

Narbalek North Applications (Alligator 100%)

The Company progressed discussions with the Northern Land Council and Traditional Owner representatives on an Exploration Agreement which underpins the application for an exploration licence over the Nabarlek North tenement area. The project is deemed an exciting prospective addition to Alligator's uranium exploration portfolio, with the results from the regional interpretation providing reinforcement to the value of this application package.

Piedmont Project – Northern Italy – Farm-in

Alligator is farming into, and has direct lease applications, in an historic Ni Co Cu mining area in the Piedmont region, northern Italy. The Company has access to multiple exploration permits over a 30km mineralised strike length, across which there has been minimal modern exploration.

From May to early November 2018, Alligator's exploration team completed substantial on-ground geological and structural mapping, along with extensive geochemical sampling and a ground-based magnetometer survey and data processing around historical mines and other prospective sites within the project area. This completed the Phase 1 farm-in expenditure commitment and in November 2018 the Company committed to the Phase 2 work program.

During the first half of 2019, Alligator then conducted a compilation exercise for all work program and historical data. Confirmatory sampling and ground truthing undertaken during 2018 has shown excellent nickel and cobalt tenor within and along strike of existing historical workings. The Company's sampling work identified and reported assay grades up to 2.5% Ni and 0.19% Co. Within the historical database, 17 locations with >0.5% nickel have been identified – an unusually large number of Ni Co occurrences which is similar in characteristics to other significant Ni endowed global regions.

Two nickel geology experts were engaged to assess and confirm the potential within the region. The output from the data compilation and nickel geology experts' review was summarised in a presentation released to the market on 9 July 2019 – "Piedmont Project – Re-Discovered Ni Co Province". Their recommendations have been incorporated into a 'next steps' work program.

Drilling permitting is currently being completed for drill ready targets adjacent to historic mines, along with deeper holes. Ground-based and down-hole EM to delineate geometry and depth potential of mineral occurrences is also planned.

Alligator believes there is potential for high grade mineralisation amenable to underground mining, and there has been no modern exploration to evaluate potential continuation of mineralisation at depth. Potential to develop the Project is further supported by excellent mineral tenors within known sampling. The Ni and Co are almost exclusively contained within pentlandite indicating excellent prospects for mineral recovery and marketable product.

Alligator has commenced a process to seek expressions of interest from potential strategic partners and investors to directly invest into the Project.

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Capital raisings

August 2018 Placement

On 16 August 2018, Shareholders approved the placement of 250M ordinary shares and 125M Listed AGEO options to sophisticated investors in order to raise \$1.75M before issue costs for the drilling of the TCC4 prospect in the Alligator Rivers Uranium Province. This placement was allotted on 23 August 2018.

Director Fee Plan

Shareholders at the annual general meeting on 27 November 2018 approved an extension to the Directors' Fee Plan for twelve months from that date (2019 Fee Plan). The 2019 Fee Plan allows directors to apply for shares in lieu of receiving cash payments for non-executive fees. This arrangement assists the Group to conserve cash balances for its exploration and other work.

The Company agreed to issue 16,111,905 fully paid ordinary shares under the 2018 and 2019 Fee Plans during the year. This included the issue in July 2019 of 8,666,667 fully paid ordinary shares for the June 2019 quarter. In addition Shareholders at the 2018 AGM agreed to the issue of 13,463,601 fully paid ordinary shares to extinguish a Fee Plan accrual that had arisen under a floor price arrangement (June 2016 – September 2018) of \$282,736 (see Note 12(d)).

Research & Development

Alligator has been and continues to conduct an R&D program focused on developing innovative techniques for identifying and targeting covered and fully-preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone in the Alligator Rivers Uranium Province. In particular, investigation and experimentation are being undertaken on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetism (SAM) geophysical techniques.

In the 2019 financial year the Group conducted a 'proof of concept' of its two principal research techniques with a drilling program at the TCC4 target area. Whilst uranium mineralisation was not encountered, isotope exploration analysis remains an important tool to delineate prospective blocks on Kombolgie cover. Furthermore the SAM technique highlighted its effectiveness in close spaced target refinement by highlighting tighter structural features and areas of alteration.

c) Operating Loss

The operating loss before tax and impairment charges remained unchanged when compared to the prior financial year. The higher employee benefit expense in the current year resulting from the part-time CEO being employed for the full year (2018: three months) was offset by a decrease in business development expenses associated with the discontinuance of the new opportunities initiative.

The Company expensed tenement holding costs incurred during the second half of the financial year at the Alligator Rivers Projects due to there being minimal on-ground activity. This expenditure related principally to salaries, rentals, royalties and compliance activities and totalled \$248,369 (2018: \$255,727).

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d) Financial Position

Net assets decreased by 35% during the financial year. This is principally as a result of an impairment charge related to capitalised exploration and evaluation expenditure associated with the ARUP uranium interests of \$5,651,460. This was partially offset by a share placement to sophisticated investors in August 2019 totalling \$1,750,000 before issue costs.

The cash balance at 30 June 2019 decreased by \$624,014 during the year as a result of the drilling and R&D program conducted at TCC4, farm-in expenditures related to Piedmont Project and corporate overheads.

During the year the Group incurred and capitalised exploration and evaluation costs of \$1,427,882 (2018: \$551,640) including an R&D element. In addition, R&D Tax Offsets relating to the 2018 tax year was received totalling \$34,249 (2018: 58,908). Under the Group's accounting policy for government grants, incentives and R&D offsets this amount was recorded against capitalised exploration & evaluation expenditure in the Statement of Financial Position, reducing this balance.

e) Business strategies and prospects for future financial years

Strategy and Business Plan

The Group has a two prong strategy being the focus on the discovery of high grade uranium deposits in the Alligator Rivers Uranium Province (ARUP) in western Arnhem Land along with the focus on other energy minerals currently at the Piedmont Project in northern Italy. This strategy is supported with an R&D program focused on developing innovative techniques to assist exploration activities.

Uranium

Over the last eight years the Group has identified a pipeline of targets to assess on the Tin Camp Creek Project area and Beatrice Project areas in the ARUP. The Group also holds a number of exploration applications in the ARUP and is currently advancing the most prospective licences at Narbalek North.

In the first quarter of 2019 the Group conducted a strategic review focused on understanding the regional geological framework and its impact on the targeting strategy moving forward. The output from this review was a one and three year plan and the Group is currently seeking involvement of a strategic partner in its execution.

Energy Minerals

The Piedmont Project involves a farm-in on a prospective historic Ni Co Cu mining area. The Group has undertaken confirmatory sampling and ground truthing during the 2018 field season showing high grade nickel and cobalt within and along strike of existing historical workings. Based on recommendations by two nickel geology experts the Group has developed a work program to advance its exploration strategy and is currently seeking participation of a strategic partner.

Research & Development

The Group believes that exploration success can be maximized by ensuring multiple high-quality target areas are tested as efficiently as possible with a strong technical focus supported by Research and Development Program. R&D activities currently focus on identifying and targeting covered and fully-preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone in the ARUP.

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Risk Factors

The Group is subject to the inherent risks which apply to some degree to all participants in the exploration and mining industries. These risks which could impact on the execution of the Company's strategy include the following:

Lack of discovery success

Mineral exploration involves a high degree of risk in relation to the probability of the discovery of a significant resource which can be commercially developed. Regardless of the application of experience, technical knowledge and careful evaluation, the discovery of commercial deposits of uranium or other minerals cannot be assured. Alligator strives to reduce exploration risk by ensuring a high level of experience and technical skill is applied to planning and execution of exploration programs.

There is also no assurance that if deposits of uranium or other minerals are discovered, commercial development of these resources will occur. The commercial viability of a particular resource is dependent on a number of factors including the quality and nature of the resource and future commodity price and exchange rate fluctuations, factors which are beyond the control of the Company.

Capital requirements

Alligator relies on the issue of its equity shares or farm-out/joint venturing or optioning of Alligator's mineral properties to fund its business strategy. There can be no assurance that Alligator will be able to raise such capital or establish such agreements on favourable terms. If Alligator is unable to obtain additional capital, it may be required to reduce the scope of its future exploration programs, which could adversely affect its business, financial condition and results of operation. The ability to raise capital on favourable terms is dependent on a range of factors including the strength of equity and capital markets in Australia and throughout the world, changes in government policies, commodity prices and the prospectivity of the Group's tenement holdings and identified prospects.

Land Access Issues

Aboriginal land issues and Aboriginal heritage issues in the ARUP and designated conservation areas in northern Italy may affect the ability of Alligator to pursue exploration, development and mining on Alligator's properties. Alligator is committed to managing the stakeholder issues associated with land access for exploration and development effectively.

Environmental and Compliance Issues

The current or future operations of Alligator, including mineral exploration or development activities and commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, environmental protection, mine safety, land access and other matters. Such laws and regulations may vary in future. There can be no assurance, however, that all permits which Alligator may require for mineral exploration or construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which Alligator might undertake.

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In relation to current activities, the Group is in compliance with governing laws and regulations and manages these risks through its existing operating procedures, Environmental Plans, internal audits and liaison with regulators and stakeholders.

Significant changes in the state of affairs

Other than the items discussed in the review of operations above, there were no significant changes in the state of affairs of the Group during the year.

Environmental Issues

The Group's operations are subject to environmental regulations in regards to its exploration activities. The Group is compliant with all aspects of these requirements. The Directors are not aware of any environmental law that is not being complied with.

Matters subsequent to the end of the year

On 19 July 2019, the Board approved the grant of short and long-term incentives to employees and contractors under the Company's performance incentive plan for the 2019 field season. The grant of the performance incentives comprised a total of 7,500,000 short-term and 7,500,000 long-term performance options on a zero strike priced basis. In addition, the Board has resolved, subject to Shareholder approval, in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.11, will be sought to also approve the grant of 6,250,000 short term and 6,250,000 long term zero strike priced performance options, subject to the satisfactory completion of certain KPI's, to Greg Hall in his capacity as CEO for the 12 months commencing 1 April 2019.

No other matter or circumstance has arisen since 30 June 2019 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.

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DIRECTORS' REPORT

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Information on Directors

The following information on directors is presented as at the date of signing this report.

Paul Dickson - B.Ed. SF Fin Grad Dip TA Independent Non-executive Chairman

Paul Dickson has over 28 years of experience in the finance services industry. He has worked with a number of stock broking firms including Ord Minett Ltd and Colonial Stock-broking Limited and more recently has been a director of a number of corporate advisory boutiques. Paul was a director of DDM Capital Pty Ltd, which provided a range of services including capital raising and general corporate advice for small-cap companies and Proserpine Capital Partners Pty Ltd, a Private Equity business based in Melbourne. Paul currently works within the equity markets area for Henslow Pty Ltd.

Other current directorships	Non-executive Director Cobold Metals Limited (Public Unlisted)
Former directorships (last three years)	Nil
Special responsibilities	Member of the Audit & Risk Management Committee
Interests in shares / options	10,458,991 ordinary shares (indirect) and 1,461,433 2.1c listed options
Length of service	10 years and 7 months

Andrew Vigar - BSc (App. Geo.), FAusIMM, MSEG Independent Non-executive Director

Andrew has over 40 years of experience in the minerals industry covering all areas from exploration to mining, corporate and finance. He completed a degree in geology in 1977 and later studied Geostatistics and lectured in Ore Body Modelling at the University of Queensland. After 20 years with mining companies Utah (BHP), Emperor, WMC, Pancontinental and CRA (Rio Tinto) he commenced consulting in 1996 as Vigar & Associates before joining SRK Consulting for 5 years and then founded Mining Associates in Brisbane in 2003. He established the global operations of Mining Associates Limited based in Hong Kong in 2009 where he is Chairman. In addition to Mining Associates and various private family interests he was closely involved in the founding and listing of several public companies on the ASX and TSXV, including K92 Mining (TSXV:KNT). He is a Fellow of the AusIMM, a member of the Society of Economic Geologists and Fellow of the Australian Institute of Geoscientists

Other current directorships	Nil
Former Directorships (last three years)	Nil
Special responsibilities	Chair of the Company's Audit & Risk Management Committee
Interests in shares / options	10,453,983 ordinary shares (direct and indirect) and 883,038 listed 2.1c options
Length of service	9 years and 10 months

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**DIRECTORS' REPORT
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Information on Directors (continued)

Peter McIntyre - BSc. Eng; MSc. Mgmt Non-executive Director

Peter has over 30 years of experience in the resources sector, including 15 years with WMC Ltd. He has been involved with the development of a number of major mining projects, and at a corporate level he has established and steered various companies through their early stages into significant businesses. Prior to its takeover, Peter established and was Managing Director of Extract Resources Limited during the critical discovery and pre-feasibility stage of the Husab Uranium Project, in Namibia.

Other current directorships	Non-executive director of Macallum Group Ltd and Zamanco Minerals Ltd
Former directorships (last three years)	Nil
Special responsibilities	Nil
Interests in shares / options	31,038,905 ordinary shares (indirect); 2,449,207 2.1c listed options and; 98,314,286 ordinary shares and 12,691,429 2.1c listed options held by a related party to the director.

Length of Service	6 years and 11 months
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Gregory Hall – BE in Mining Engineering CEO and Executive Director

Greg, a Mining Engineer, has over 35 years' experience as an executive in the resources sector, particularly in uranium resource projects. He has held operational management roles at Olympic Dam (WMC) and Ranger Uranium Mine (North / Rio Tinto), and was founding Managing Director of Toro Energy Ltd (achieving WA's first fully approved uranium project) and CEO of Hillgrove Resources Ltd. Greg has a deep understanding of the international uranium and nuclear sector and is acquainted with commodity markets having been a Marketing Manager for Rio Tinto Uranium and Director Sales (Bauxite & Alumina) at Rio Tinto Aluminium.

Greg is Past Board and Exco member of the Australian Uranium Association and is President of the SA Chamber of Mines and Energy Council.

Other current directorships	Non-executive director of Torch Energy Pty Ltd
Former directorships (last three years)	Nil
Special responsibilities	Nil
Interests in shares / options	7,641,965 ordinary shares and 382,157 2.1c listed options
Length of Service	5 years and 2 months

Company Secretary

Mike Meintjes - BCom (Hons), ACA, F Fin

Mike is a Chartered Accountant with over 30 years professional services experience principally with a Big Four accounting firm and more recently in part-time contracting and consulting roles. During this time, he gained extensive exposure to the mining and oil and gas sectors, including having advised a number of junior mineral explorers in both Western Australia and Queensland. Mike also holds the

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DIRECTORS' REPORT

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Company Secretarial role with Resource Generation Limited (ASX: RES) and was Company Secretary to TopTung Limited (ASX: TTW) for four years.

Meetings of directors

The number of meetings of the Company's board of directors held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Directors' Meetings		Audit & Risk Mgmt Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John Main (retired 27/11/18)	4	0	1	0
Paul Dickson	9	9	2	2
Andrew Vigar	9	9	2	2
Peter McIntyre	9	9	-	-
Greg Hall	9	9	-	-

Indemnification of Directors and Officers

Insurance premiums have been paid, during or since the end of the financial period, in respect of a contract of insurance indemnifying the insured against liability, of which payment does not contravene the Corporations Act (Cth) 2001 as amended. The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium. The Directors have also executed Deeds of Access and Indemnity with the Company.

Shares under Option

At the date of this report, the unissued ordinary shares of Alligator Energy Limited under option are as follows:

Grant date	Number under option	Expiry date	Issue price of shares
27 Dec 2016	310,393,619	27 Dec 2019	2.1 cents
7 Mar 2017	2,913,158	7 Mar 2020	Zero Strike Priced
4 May 2018	4,250,000	2 May 2021	Zero Strike Priced
19 July 2019	7,500,000	28 Feb 2020	Zero Strike Priced
19 July 2019	7,500,000	19 July 2022	Zero Strike Priced

On 19 July 2019, the Board approved, subject to obtaining approval from Shareholders at the 2019 AGM, the grant of options to the CEO in accordance with his employment contract for the twelve month period ended 31 March 2020. The proposed grant comprises of 6,250,000 short term zero strike priced options and 6,250,000 long term zero strike priced options.

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity. For details of options issued to directors and executives as remuneration, refer to the remuneration report.

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During the year ended 30 June 2019 5,602,841 (2018:2,322,237) ordinary shares were issued on vesting of performance options granted to employees and contractors under a short-term incentive scheme.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

REMUNERATION REPORT (AUDITED)

This report provides information regarding the remuneration disclosures required under S300A of the Corporations Act 2001 and has been audited.

a) Principles used to determine nature and amount of remuneration

The Board of Alligator Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short and long-term incentives.

Compensation arrangements are determined after considering competitive rates in the market place for similar sized exploration companies with similar risk profiles and comprise:

Fixed Compensation

Key management personnel receive a fixed amount of base compensation which is based on factors such as length of service and experience. Any applicable statutory superannuation amounts will be paid based on this fixed compensation.

Part-time key management personnel are paid an hourly or daily rate based on market factors for the skills and experience required.

Performance Related Compensation (short term)

The Company has a formal performance related remuneration policy which is linked to short-term incentives under the Employee Share Option Plan. This policy applies to senior management with the performance KPIs linked to the area of responsibility for each individual. The proportion attributed to each KPI is based on a range of 10-50% of the total available performance incentive. Assessment of the performance by the Board must occur in the quarter following the performance year. Cash performance incentives paid to senior management are only based on exceptional circumstances.

Long Term Incentives

The current Employee Share Option Plan was approved at a shareholder general meeting in November 2014. Incentives are paid in the form of options or rights and are intended to align the interests of the Group with those of the Shareholders. The long-term incentive applicable to senior management only vests when resource definition drilling commences upon a uranium deposit with the potential to

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REMUNERATION REPORT (AUDITED) (continued)

contain 50 million pounds of uranium, or if a uranium deposit with a defined resource of no less than 50 million pounds of recoverable U₃O₈ is acquired or, for options issues from the beginning of calendar year 2019, resource drilling commences upon a nickel/cobalt deposit with a potential to contain no less than 150,000t of nickel equivalent or there is a change of shareholding control (> 50%) of Alligator Energy Limited. The long-term incentives granted as options or rights have a three-year life.

Non-Executive Directors

The Group's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines the level of individual fees payable to non-executive directors which is then reviewed annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The total fees for all non-executive directors, as approved at the 2010 Annual General Meeting, must not exceed \$250,000 per annum.

Non-executive directors currently receive \$42,000 per annum plus statutory superannuation. The non-executive chairman receives \$54,000 per annum plus statutory superannuation. There are no termination or retirement benefits other than statutory superannuation.

The Directors have adopted a Directors' Fee Plan (Fee Plan) for non-executive directors with effect from the 2014 financial year. This Plan was subsequently updated and approved each year by shareholders in the general meeting. The Fee Plan applies for a twelve-month period from approval and enables a director to elect, on a quarterly basis, to take all or a portion of their quarterly remuneration in shares based on the weighted average price of the company's shares for the thirty days before the end of each quarter.

This Plan enables the company to conserve cash for exploration activities and for the year ended 30 June 2019, directors elected to accept fee payments totalling \$65,500 (2018: \$169,200) in shares for remuneration that had accrued over the financial year.

To avoid excessive dilution to shareholders during the current depressed market conditions, the Directors resolved to set a floor price of A\$0.04 for the issue of Plan Shares with effect from 1 April 2016. During the 2017 and 2018 financial years all Plan Shares issued to directors were determined based on the floor price of A\$0.04 per share rather than the 30 Business Day VWAP Market Price under section (d) of the Fee Plan. This has resulted in an accrual for unpaid fees to directors to 30 September 2018 totalling \$282,736. Approval was obtained from Shareholders at the 2018 AGM to extinguish this liability through the issue of 13,463,601 ordinary shares at an agreed price of \$0.021 per share. The share price at the time of issue was \$0.005.

Options were last granted to non-executive directors based on shareholder approval at the 2010 Annual General Meeting. This arrangement was intended to align directors' interests with shareholders' interests.

Engagement of Remuneration Consultants

During the year the Group did not engage remuneration consultants.

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REMUNERATION REPORT (AUDITED) (continued)

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase congruence between shareholders, directors and executives. The methods applied to achieve this objective include performance-based incentives and the adoption of the Fee Plan. The Company believes this policy is important in contributing to shareholder value in the current difficult market conditions for junior explorers. The following table shows the share price performance over the last two years:

	30 June 2019	30 June 2018
Closing share price	\$0.002	\$0.009

b) Directors and executive officers' remuneration (KMP)

The following table of benefits and payments details, in respect to the financial year:

		Short-term Benefits	Post-employment Benefits	Share-based Payments		Termination Benefits	Total	Value of options as % of Remuneration
		Salary and Fees	Superannuation	Shares	Options			
		\$	\$	\$	\$	\$	\$	%
Directors								
J Main	2019	22,500	2,138	-	-	-	24,638	-
(retired 27/11/18)	2018	13,500	5,130	40,500	-	-	59,130	-
A Vigar	2019	31,500	3,990	10,500	-	-	45,990	-
	2018	-	3,990	42,000	-	-	45,990	-
P Dickson	2019	49,000	4,655	-	-	-	53,655	-
Chairman	2018	16,800	3,990	25,200	-	-	45,990	-
P McIntyre	2019	-	3,990	42,000	-	-	45,990	-
	2018	-	3,990	42,000	-	-	45,990	-
G Hall	2019	89,783	9,166	13,000	21,000	-	132,949	15.8%
CEO	2018	37,500	5,415	19,500	-	-	62,415	-
Key Management Personnel								
M Meintjes	2019	99,215	-	-	11,274	-	110,489	10.2%
Company Secretary	2018	94,800	-	-	10,320	-	105,120	10%
A P Moorhouse	2019	96,642	-	-	16,364	-	113,006	14.5%
Exploration Manager	2018	157,338	10,116	-	19,125	-	186,579	10%
Total	2019	388,640	23,939	65,500	48,638	-	526,717	9.2%
	2018	319,938	32,631	169,200	29,445	-	551,214	5.3%

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(continued)**

REMUNERATION REPORT (AUDITED) (continued)

c) Employment Details of Members of Key Management Personnel (KMP)

The following table provides employment details of persons who were, during the financial year, members of KMP of the Group and the proportion that was performance based.

KMP	Position held at 30 June 2019	Contract details	Proportions of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance	
			Cash	Shares	Options	Fixed salary/fee	Total
Greg Hall	CEO	Part-time to 31 March 2020	-	-	15.8%	84.2%	100%
Peter Moorhouse	Exploration Manager	Four wks notice	-	-	14.5%	85.5%	100%
Mike Meintjes	Company Sec	Four wks notice	-	-	10.2%	89.8%	100%

d) Share based compensation

Details of options over ordinary shares in the Company that were granted as compensation to directors or key management personnel during the reporting periods and options that vested are as follows:

		Options Granted for year	Value of Options \$	Note	Total Options vested for year	Options cancelled for year	Options available for vesting in future periods
Directors							
J Main	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
A Vigar	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
P Dickson	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
P McIntyre	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
G Hall	2019	681,818	3,000	(i)	1,718,182	1,009,091	-
CEO	2018	2,045,455	18,000	(i)	-	-	2,045,455
Key Management Personnel							
M Meintjes	2019	-	-	(iii)	1,133,523	340,909	1,824,761
Company Secretary	2018	2,386,364	13,125	(ii)	543,158	88,421	3,299,193
A P Moorhouse	2019	-	-	(iii)	1,507,500	726,550	2,859,210
Exploration Manager	2018	3,350,000	18,425	(ii)	1,006,579	177,632	5,093,260
Total	2019	681,818	3,000		4,359,205	2,076,550	4,683,971
	2018	7,781,819	49,550		1,549,737	266,053	10,437,908

**ALLIGATOR ENERGY LIMITED
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**DIRECTORS' REPORT
(continued)**

REMUNERATION REPORT (AUDITED) (continued)

Details of options in above table:

Note	Number issued/to be issued	Grant Date	Expiry date	Exercise Price	Vesting	Fair value
(i)	681,818	2 May 18	2 May 19	-	* see note	\$0.011
(ii)	2,868,182	2 May 18	2 May 19	-	**see note	\$0.011
	2,868,182	2 May 18	2 May 21	-	**see note	\$0.011
Subsequent to year end						
(iii)	5,000,000	19 July 19	28 Feb 20	-	***see note	\$0.004
	5,000,000	19 July 19	19 July 22	-	***see note	\$0.004

* A total of 2,727,273 short-term incentive zero strike priced options were approved for issue to Greg Hall at the AGM held on 27 November 2018. These related to the twelve month period ended 31 March 2019. The amount estimated and included in the 2018 Remuneration Report (noted as being subject to obtaining Shareholder approval) was 2,045,455 zero strike priced options. The difference of 681,818 has been reflected as a 2019 grant above.

** The options were not issued at grant date or by 30 June 2018 as the Company did not have the capacity to issue these under the provisions of Listing Rule 7.1. The options were subsequently issued on 4 December 2018.

*** Subsequent to year end the Board approved the grant of 2019 field season options to P Moorhouse and M Meintjes being 2,500,000 each under the short term incentive scheme and 2,500,000 each under the long term incentive scheme.

During the year 4,359,205 (2018: 1,549,737) options vested as a result of key management personnel meeting short term KPIs. These options were zero strike priced and were automatically converted into ordinary shares.

Subsequent to year end the Board approved, subject to obtaining approval from Shareholders at the 2019 AGM, the grant of options to the CEO in accordance with his employment contract for the twelve month period ended 31 March 2020. The proposed grant comprised of 6.25m short term zero strike priced options and 6.25m long term zero strike priced options representing at risk compensation of \$25,000 for each tranche based on a share price of \$0.004 per share at that time.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES**

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DIRECTORS' REPORT

(continued)

REMUNERATION REPORT (AUDITED) (continued)

e) Equity instrument disclosures relating to key management personnel

(i) Share holdings

The number of ordinary shares in the company held during the financial year by directors and key management personnel and their personally related entities is set out below:

<i>Name</i>	<i>Balance at the start of the year</i>	<i>Director Fee Plan issues</i>	<i>Rights Issue /On Market Purchase</i>	<i>Vesting of Perf Options</i>	<i>Other changes</i>	<i>Balance at the end of the year</i>
2019						
J Main**	9,541,773	3,644,643	-	-	(13,186,416)	-
A Vigar	6,016,483	3,437,500	1,000,000	-	-	10,453,983
P Dickson	8,542,116	1,916,875	-	-	-	10,458,991
P McIntyre*	15,188,905	9,350,000	6,500,000	-	-	31,038,905
G Hall	2,490,450	2,833,333	600,000	1,718,182	-	7,641,965
M Meintjes	2,306,807	-	95,000	1,133,523	-	3,535,330
A Moorhouse	1,839,521	-	-	1,507,500	-	3,347,021
Total	45,926,055	21,182,351	8,195,000	4,359,205	(13,186,416)	66,476,195

*In addition to the above, 98,314,286 (2018: 98,314,286) ordinary shares and 12,691,429 (2018: 12,691,429) 2.1c listed options are held beneficially by a related party to the director at 30 June 2019.

** Retired from the Board on 27 November 2018.

(ii) Options

The numbers of options over ordinary shares in the company held during the financial period by each director of Alligator Energy and other key management personnel of the company, including their personally related parties, are set out as follows:

<i>Name</i>	<i>Balance at the start of the year</i>	<i>Granted**</i>	<i>Forfeited</i>	<i>Other Changes*</i>	<i>Balance at the end of the year</i>	<i>Vested and exercisable</i>	<i>Unvested</i>
2019							
J Main	1,538,148	-	-	(1,538,148)	-	-	-
A Vigar	883,038	-	-	-	883,038	883,038	-
P Dickson	1,461,433	-	-	-	1,461,433	1,461,433	-
P McIntyre	2,449,207	-	-	-	2,449,207	2,449,207	-
G Hall	2,427,612	681,818	(1,009,091)	(1,718,182)	382,157	382,157	-
M Meintjes	3,846,998	-	(340,909)	(1,133,523)	2,372,566	547,805	1,824,761
A Moorhouse	5,093,260	-	(726,550)	(1,507,500)	2,859,210	-	2,859,210
	17,699,696	681,818	(2,076,550)	(5,897,353)	10,407,611	5,723,640	4,683,971

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
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**DIRECTORS' REPORT
(continued)**

REMUNERATION REPORT (AUDITED) (continued)

(ii) Options (continued)

*- includes (i) retirement of J Main in November 2018 and (ii) reduction in balance for options that vested and converted into ordinary shares on completion of performance assessments for G Hall, M Meintjes and P Moorhouse.

** - Shareholders at the 2018 AGM approved the issue of 2,727,273 performance options to G Hall (Director & CEO). At 30 June 2018, the grant of performance options for G Hall to be put to Shareholders for approval was estimated as 2,045,455 i.e. a shortfall of 681,818.

See Note 12 (b) for the grant of performance options subsequent to period end to KMP for the 2019 field season.

End of the Remuneration Report

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. During the year, the Group's auditors have not performed any non-audit services in addition to their assurance duties.

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 18.

This Directors' Report, incorporating the remuneration report, is signed in accordance with a resolution of Directors.



**Paul Dickson
Chairman**

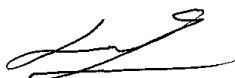
Brisbane, 24 September 2019

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 year ended 30 June 2019, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

DATED THIS 24TH DAY OF SEPTEMBER 2019
BRISBANE

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES**
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
Other income		38,667	53,090
Accounting and audit fees		(41,233)	(40,235)
Consultants and professional fees		(3,956)	(12,454)
Depreciation		(4,432)	(8,222)
Directors' fees		(216,263)	(243,090)
Employee benefits expense		(218,203)	(176,845)
Training		(95)	-
Legal fees		(54,750)	(27,711)
Occupancy expenses		(58,889)	(56,624)
Share-based payments		(62,261)	(37,061)
Stock exchange and share registry fees		(53,330)	(52,306)
Investor relations		(9,073)	(7,500)
Travel and accommodation expenses		(23,589)	(8,983)
Insurance		(58,174)	(70,036)
Interest		-	(5,393)
Business Development		-	(66,157)
Foreign exchange (loss)/gain		116	-
Exploration & Evaluation expenditure		(248,369)	(255,727)
Impairment charge	9	(5,651,460)	-
Other expenses		(26,755)	(32,767)
Loss before income tax		(6,692,049)	(1,048,021)
Income tax benefit / (expense)	20	-	-
Loss for the year		(6,692,049)	(1,048,021)
Other comprehensive income		-	-
Total comprehensive loss for the year		(6,692,049)	(1,048,021)
Loss attributable to members of the parent entity		(6,692,049)	(1,048,021)
Total comprehensive loss attributable to members of the parent entity		(6,692,049)	(1,048,021)
		Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the Company			
Basic loss per share	5	(0.7)	(0.2)
Diluted loss per share	5	(0.7)	(0.2)

The accompanying notes form part of these financial statements.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES**
ACN 140 575 604

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	775,017	1,399,031
Trade and other receivables	7	72,448	150,179
Inventory		22,690	17,439
Total Current Assets		870,155	1,566,649
Non-Current Assets			
Trade and other receivables	7	272,403	238,214
Property, plant and equipment	8	27,938	37,352
Exploration expenditure	9	7,895,687	12,153,514
Total Non-Current Assets		8,196,028	12,429,080
Total Assets		9,066,183	13,995,729
LIABILITIES			
Current Liabilities			
Trade and other payables	10	257,121	502,264
Total Current Liabilities		257,121	502,264
Non-Current Liabilities			
Provisions	11	228,406	228,406
Total Non-Current Liabilities		228,406	228,406
Total Liabilities		485,527	730,670
Net Assets		8,580,656	13,265,059
EQUITY			
Contributed equity	12	32,826,000	30,862,088
Reserves		12,169	7,450
Accumulated losses		(24,257,513)	(17,604,479)
Total Equity		8,580,656	13,265,059

The accompanying notes form part of these financial statements.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

Note	Contributed equity \$	Options reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2017	28,747,028	48,749	(16,608,221)	12,187,556
Total comprehensive loss for the year	-	-	(1,048,021)	(1,048,021)
Transactions with owners in their capacity as owners				
Equity contributions (net)	2,088,463	-	-	2,088,463
Share options - expired	-	(51,763)	51,763	-
Share options - exercised	26,597	(26,597)	-	-
Share options - value of expense	-	37,061	-	37,061
Balance at 30 June 2018	30,862,088	7,450	(17,604,479)	13,265,059
Total comprehensive loss for the year	-	-	(6,692,049)	(6,692,049)
Transactions with owners in their capacity as owners				
Equity contributions (net)	1,945,385	-	-	1,945,385
Share options - expired	-	(39,015)	39,015	-
Share options - exercised	18,527	(18,527)	-	-
Share options - value of expense	-	62,261	-	62,261
Balance at 30 June 2019	32,826,000	12,169	(24,257,513)	8,580,656

The accompanying notes form part of these financial statements.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES**
ACN 140 575 604

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$ Inflows / (Outflows)	2018 \$ Inflows / (Outflows)
Cash flows from operating activities			
Interest received		18,367	4,491
Payments to suppliers		(852,348)	(600,434)
Net cash inflow(outflow) from operating activities	17	(833,981)	(595,943)
Cash flows from investing activities			
Payments for exploration expenditure		(1,402,888)	(574,239)
R&D offset grants received		52,109	-
(Payments for) / receipts from security deposits		(34,189)	240
Payments for purchase of property, plant and equipment		(29,965)	-
Proceeds from sale of property, plant and equipment		20,300	-
Net cash inflow(outflow) from investing activities		(1,394,633)	(573,999)
Cash flows from financing activities			
Proceeds from capital raising		1,750,000	2,139,623
Payment of capital raising costs		(145,400)	(126,473)
Net cash inflow(outflow) from financing activities		1,604,600	2,013,150
Net increase (decrease) in cash held		(624,014)	843,208
Cash at beginning of financial year		1,399,031	555,823
Cash at the end of financial year	6	775,017	1,399,031

The accompanying notes form part of these financial statements.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

These consolidated financial statements and notes represent those of Alligator Energy Limited (the “Company” and its Controlled Entities (the “Group”). The separate financial statements of the parent entity, Alligator Energy Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. The financial statements were authorised for issue on 24 September 2019 by the Directors of the Company. The Company is publicly listed and incorporated in Australia.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Interpretations of the Australian Accounting Standards Board (AASB) and comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial statements have been prepared on a going concern basis that presumes the realisation of assets and the discharge of liabilities in the normal course of operations for the foreseeable future.

During the year the Group made a loss before tax of \$6,692,049 (2018: \$1,048,021), and recorded net cash outflows from operating and investing activities of \$2,228,614 (2018: \$1,169,942). The cash balance at 30 June 2019 was \$775,017 (2018: \$1,399,031).

In concluding that the going concern basis is appropriate, a cashflow forecast for the forthcoming twelve months has been prepared. This forecast indicates that the ability of the Group to continue on a going concern basis is dependent upon raising additional capital through existing shareholders, placements or new strategic investors. The Directors are confident of being able to secure further funding, when required, and believe the Group is a going concern and will be able to pay its debts as and when they fall due and payable.

Notwithstanding the position outlined above, should the Group not be able to raise the additional capital, there is a material uncertainty as to whether the Group will be able to continue as a going concern and, therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

**ALLIGATOR ENERGY LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1 Summary of Significant Accounting Policies (continued)

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of entities controlled by Alligator Energy Limited at the end of the reporting period. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 16.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. All inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1 Summary of Significant Accounting Policies (continued)

b. Income Tax (continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1 Summary of Significant Accounting Policies (continued)

c. Property, Plant and Equipment (continued)

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20 - 33%
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.	
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.	
Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.	

d. Exploration and Development Expenditure

Expenditure is accumulated separately for each area of interest until such time as the area is abandoned or sold. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

If an area of interest is abandoned or is considered to be of no further commercial interest the accumulated exploration costs relating to the area are written off against profit or loss in the year of abandonment. Some exploration expenditure may also be written off where areas of interest are partly relinquished. In cases where uncertainty exists as to the value, provisions for possible diminution in value are established.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

e. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

f. Financial Instruments

Recognition and initial measurement

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1 Summary of Significant Accounting Policies (continued)

f. Financial Instruments (continued)

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

f. Financial Instruments (continued)

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

f. Financial Instruments (continued)

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

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Note 1 Summary of Significant Accounting Policies (continued)

f. Financial Instruments (continued)

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value, less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h. Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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Note 1 Summary of Significant Accounting Policies (continued)

h. Employee benefits (continued)

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model or the prevailing market price for zero-priced options. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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Note 1 Summary of Significant Accounting Policies (continued)

i. Provisions (continued)

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, and other short-term highly liquid investments with original maturities of six months or less.

k. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable and recognised at the time where there is a change of control in the mineable product to the customer.

Interest revenue is recognised using the effective interest rate method.

All revenue is stated net of the amount of goods and services tax (GST).

l. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

n. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

o. Inventories

Inventories are measured at the lower of cost and net realisable value.

p. Government Grants, Incentives, and R&D tax offsets

The Company has adopted the capital approach to accounting for research and development tax offsets under the revised regime, pursuant to AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. Under this approach the grant or incentive is recorded directly in the statement of financial position against the underlying asset to which the offset, grant or incentive relate.

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Note 1 Summary of Significant Accounting Policies (continued)

q. Site Rehabilitation

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of building structures and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Costs associated with rehabilitating drilling activity during the field season are generally incurred during the financial year in which the drilling occurred.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

r. New Accounting Standards and interpretations

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current year. The adoption of AASB9: *Financial Instruments* and AASB 15: *Revenue from Contracts with Customers* has had no material impact on the financial statements for the year ended 30 June 2019.

s. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact, are discussed below:

AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group is not required to adopt this new standard until the annual reporting period ending 30 June 2020 and has not adopted it in the current financial report. The Directors do not anticipate that the adoption of AASB 16 will impact the Group's financial statements as the only operating lease is regarded as short-term and will therefore continue to be expensed through the profit and loss. The Group has non-cancellable operating lease commitments of \$39,322 at 30 June 2019.

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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

Exploration and evaluation expenditure

The Group has capitalised exploration expenditure of \$7,895,687 (30 June 2018: \$12,153,514). 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, permit rentals and payments to contractors. 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 statements.

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 Primary Industries and Resources in the Northern Territory.

Note 3 Segment information

Operating segments are identified, and segment information disclosed, on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, the Board of Directors confirms that the Group continues to operate in one operating segment, being mining and exploration. The geographical segments (for potential revenue on successful development) include segments in both Australia and Italy.

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The geographical location of assets is disclosed below:

	2019	2018
	\$	\$
<i>Australia</i>		
-Current assets	858,114	1,566,648
-Property, plant & equipment	27,938	37,352
-Other non-current assets	272,403	238,214
-Capitalised exploration expenditure	7,491,222	11,953,793
	<u>8,649,677</u>	<u>13,796,007</u>
<i>Italy</i>		
-Current assets	12,041	-
-Property, plant & equipment	-	-
-Other non-current assets	-	-
-Capitalised exploration expenditure	404,465	199,722
	<u>416,506</u>	<u>199,722</u>
<i>Total</i>		
-Current assets	870,155	1,566,648
-Property, plant & equipment	27,938	37,352
-Other non-current assets	272,493	238,214
-Capitalised exploration expenditure	7,895,687	12,153,515
	<u>9,066,183</u>	<u>13,995,729</u>

The basis of accounting adopted by both geographic segments is consistent with Group policies.

The only geographic segment revenue during the period related to interest and other income and was generated solely by the Australian segment.

The interest free intercompany loan between Australia and Italy totalling \$417,027 (2018: nil) which is denominated in AUD has been eliminated in the above disclosure.

At 30 June 2019 the liabilities of the Italian entity excluding the intercompany loan totalled \$642 (2018: nil).

There was no interest income derived from the Italian segment during the financial year and there were no employees in the Italian segment at the end of the financial year.

Note 4 Dividend

No dividend has been paid during the year ended 30 June 2019 (2018: nil) and none is proposed.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 5 Earnings per share

	2019 Cents	2018 Cents
(a) Basic earnings per share		
Loss attributable to the ordinary equity holders of the Company	(0.7)	(0.2)
(b) Diluted earnings per share		
Loss attributable to the ordinary equity holders of the Company	(0.7)	(0.2)
	2019 \$	2018 \$
(c) Reconciliations of earnings used in calculating earnings per share		
<i>Basic earnings per share</i>		
Profit (loss) attributable to ordinary equity holders of the Company used in calculating basic earnings per share	(6,692,049)	(1,048,021)
<i>Diluted earnings per share</i>		
Profit (loss) attributable to ordinary equity holders of the Company used in calculating diluted earnings per share	(6,692,049)	(1,048,021)
	2019 Number	2018 Number
(d) Weighted average number of shares used as the denominator		
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	963,294,401	512,748,405
Adjustments for calculation of diluted earnings per share:		
Options	-	-
<i>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	963,294,401	512,748,405

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 6 Current assets - Cash and cash equivalents		
Cash at bank and in hand	216,624	1,327,992
Term deposits	558,393	71,039
	<u>775,017</u>	<u>1,399,031</u>

The effective interest rate on term deposits was 1 % (2018: 0.55%)

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>775,017</u>	<u>1,399,031</u>
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Note 7 Trade and other receivables

Current

GST receivable	23,258	23,650
R&D rebate receivable	34,249	58,908
Insurance claim receivable	-	48,600
Other receivables	14,941	19,021
	<u>72,448</u>	<u>150,179</u>

Non-Current

Security deposits	<u>272,403</u>	<u>238,454</u>
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Expected credit loss

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB9 which permits the use of the lifetime expected loss provision. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and days past due. No loss allowance provision was determined as at 30 June 2019.

Note 8 Non-current assets – Property, plant and equipment

Plant and Equipment – at cost	692,625	662,659
Accumulated depreciation	(664,687)	(625,307)
	<u>27,938</u>	<u>37,352</u>

Carrying value at beginning of financial year	37,352	103,856
Additions	29,965	-
Disposals / written off	-	-
Depreciation expensed	(4,432)	(8,222)
Depreciation capitalised to exploration expenditure	(34,947)	(58,282)
Carrying value at end of financial year	<u>27,938</u>	<u>37,352</u>

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	2019 \$	2018 \$
Note 9 Non-current assets – Exploration expenditure		
Exploration & Evaluation phase costs		
Geological, geophysical, drilling and other expenditure – at cost	7,895,687	12,153,514
The capitalised exploration and evaluation expenditure carried forward above has been determined as follows:		
Opening balance	12,153,514	11,660,782
Expenditure incurred or tenements acquired during the period	1,427,882	551,640
R&D Offset (Note 1(p))	(34,249)	(58,908)
Impairment write-down	-	-
Impairment provision- Tin Camp Creek Project	(3,212,753)	-
Impairment provision- Beatrice Project	(2,438,707)	-
	7,895,687	12,153,514

A six-monthly assessment of the carrying value of the capitalised exploration and evaluation expenditure for both the ARUP (TCC and Beatrice) and Piedmont areas of interest is conducted. Whilst both areas of interest continue to be regarded as being highly prospective for the discovery of commercially viable mineral resources, the Board resolved at 31 December 2018 to raise an ARUP based impairment of provision \$5,651,460 for:

- the majority of the capitalised Beatrice Project exploration and evaluation costs due to the allocation of a lower priority focus in the current uranium price environment; and
- the majority of the TCC4 drilling costs together with an attributable portion of Tin Camp Creek Project costs capitalised in prior years. Whilst the TCC4 drilling campaign conducted in September and October 2018 was technically encouraging no significant intercepts of uranium were identified.

No further impairment adjustment was required when performing the review at 30 June 2019.

Expenditures incurred on maintaining the Group's tenements in good standing including rentals, royalties, weed management and compliance reporting costs totalling \$248,369 for the period 1 January to 30 June 2019 have been expensed during the period.

Note 10 Current liabilities –Trade and other payables

Trade and other payables	114,632	84,415
Accrued expenses	137,890	417,849
Employee entitlements	4,599	-
	257,121	502,264

The average credit period on purchases is 30 days. No interest is charged on trade payables.

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	2019	2018
	\$	\$
Note 11 Non-Current liabilities - Provisions		
Site restoration	228,406	228,406
	<u>228,406</u>	<u>228,406</u>

Note 12 Contributed Equity and Reserves

a) Ordinary Shares

	2019	2019	2018	2018
	Shares	\$	Shares	\$
Ordinary shares fully paid	1,015,023,894	32,826,000	737,113,702	30,862,088

Movements of ordinary share capital are as follows:

Date	Details	Number of shares	Issue Price cents	\$
30 June 2017	Balance	455,864,044		28,747,028
25 July 2017	Director's Fee Plan	1,147,500	1.1c	12,623
18 Aug 2017	Placement	30,000,000	1.0c	300,000
	Capital Raising Costs	-	-	(22,405)
12 Oct 2017	Director's Fee Plan	1,210,000	1.1c	13,310
12 Jan 2018	Director's Fee Plan	1,210,000	1.1c	13,310
2 Feb 2018	Farm-in payment	3,515,625	1.28c	45,000
2 Feb 2018	Performance Option Vesting	2,322,237	1.14c	26,597
7 Mar 2018	Placement	77,000,000	0.9c	693,000
	Capital Raising Costs			(49,681)
13 April 2018	Director's Fee Plan	1,041,250	0.9c	9,371
26 June 2018	Rights Issue	122,862,297	0.7c	860,036
28 June 2018	Shortfall Placement	40,940,749	0.7c	286,585
	Capital Raising Costs			(72,686)
30 June 2018	Balance	737,113,702		30,862,088
20 July 2018	Director's Fee Plan	768,750	0.8c	6,150
23 Aug 2018	Placement	250,000,000	0.7c	1,750,000
	Capital Raising Costs	-	-	(127,101)
9 Oct 2018	Director's Fee Plan	325,000	0.8c	2,600
5 Dec 2018	Director's Fee Plan	13,463,601	2.1c	282,736
29 Jan 2019	Director's Fee plan	3,250,000	0.4c	13,000
1 Mar 2019	Performance Option Vesting	3,884,659	0.3c	11,654
18 April 2019	Performance Option Vesting	1,718,182	0.4c	6,873
18 April 2019	Dir Fee Plan/Contractor	4,500,000	0.4c	18,000
30 June 2019	Balance	1,015,023,894		32,826,000

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Note 12 Contributed Equity and Reserves (continued)

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

b) Share Options

	2019		2018	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
On issue at beginning of financial year	169,579,077	\$0.02	56,332,195	\$0.016
Options issued during year -listed	145,000,000	\$0.021	120,401,570	\$0.021
Options issued during year -unlisted	11,227,273	\$0.00	-	-
Options cancelled during year	(2,646,732)	\$0.00	(4,832,451)	\$0.00
Options exercised during year	(5,602,841)	\$0.00	(2,322,237)	\$0.00
On issue at end of financial year	<u>317,556,777</u>	<u>\$0.021</u>	<u>169,579,077</u>	<u>\$0.02</u>

At 30 June 2019 the Company had 310,393,619 (2018: 165,393,619) listed 2.1 cent options on issue with an expiry date of 27 December 2019 trading under the ASX code: AGE0.

At 30 June 2019 the Company had 7,163,158 (2018: 4,185,458) unlisted options on issue under the following terms and conditions:

Number under option	Expiry date	Issue price of shares
2,913,158	7 March 2020	(i)
4,250,000	2 May 2021	(ii)

Options exercisable as at 30 June 2019	<u>310,393,619</u>
Options exercisable as at 30 June 2018	<u>165,393,619</u>

At 30 June 2019 and 30 June 2018, none of the unlisted options had met the performance conditions and vested and were consequently not exercisable.

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Note 12 Contributed Equity and Reserves (continued)

The weighted average fair value of unlisted options granted (excluding the zero strike priced performance options) during the year was nil, as no options other than zero strike priced performance options were issued (2018: nil).

The weighted average remaining contractual life of options (listed and unlisted) outstanding at year-end was years 0.51 years (2018: 1.49 years).

At a meeting held on 2 May 2018, the Board approved the grant of short and long-term incentives to employees and contractors under the Company's performance incentive plan for the 2018 field season. The grant of the performance incentives was subject to the Company having the capacity to issue further equity instruments (which was not possible at the time) and comprised a total of 4,250,000 short-term and 4,250,000 long-term performance options on a zero strike priced basis. In addition, the Company obtained consent from Shareholders at the 2018 AGM for the issue of 2,727,273 zero strike priced options as a short term incentive to the CEO, Greg Hall. These combined option grants were issued on 4 December 2018.

At a meeting held subsequent to year end on 19 July 2019, the Board approved the grant of short and long-term incentives to employees and contractors under the Company's performance incentive plan for the 2019 field season. The grant of the performance incentives comprised a total of 7,500,000 short-term and 7,500,000 long-term performance options on a zero strike priced basis. In addition, the Board has resolved, subject to Shareholder approval in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.11, to also approve the grant of 6,250,000 short term and 6,250,000 long term zero strike priced performance options to Greg Hall in his capacity as CEO for the 12 months commencing 1 April 2019.

Short-term grants will only vest on achievement of key performance indicators which are assessed by the Board in January or February 2020 for employees and contractors and April 2020 for the CEO. The long-term grants only vest in certain mineral discovery or change of control situations (see Note 22 – Event Subsequent to Balance Date).

The following option tranches outstanding at 30 June 2019 have vesting conditions as follows:

(i)-2,913,158 zero strike priced options expiring on 7 March 2020 issued under the amended Employee Share Option Plan approved by shareholders on 21 November 2014 in relation to the 2017 field season. These options were issued to key personnel and only vest based on criteria linked to the commencement of resource drilling on a significant discovery or a change of shareholding control. The grant of these options is part of a long-term incentive plan established for key personnel. The number of options granted was based on 15% of the estimated annual cost for these personnel.

(ii)-4,250,000 zero strike priced options expiring on 2 May 2021 issued under the amended Employee Share Option Plan approved by shareholders on 21 November 2014 in relation to the 2018 field season. These options were issued to key personnel and only vest based on criteria linked to the commencement of resource drilling on a significant discovery or a change of shareholding control. The grant of these options is part of a long-term incentive plan established for key personnel. The number of options granted was based on 15% of the estimated annual cost for these personnel.

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Note 12 Contributed Equity and Reserves (continued)

c) Option Reserve

The option reserve records items recognised as expenses on valuation and issue of share options and reversals for options that expired without being exercised.

d) Director's Fee Plan

The Directors have adopted a Director's Fee Plan (Fee Plan) in lieu of taking remuneration payments in cash. The objective of this Plan is to conserve cash-flow for exploration related activities.

A Fee Plan has been in place since December 2013 on the basis of an annual 12-month approval by shareholders. The Fee Plan operates on a quarterly election basis where all or part of the remuneration entitlements for that quarter can be converted into shares at the weighted average share price for the last thirty days leading up to the end of the quarter.

Shareholders in general meeting on 27 November 2018 approved the 2019 Fee Plan for a period of 12 months.

In relation to the financial year ended 30 June 2019, 15,616,667 (2018: 4,608,750) fully paid ordinary shares were issued or had been agreed to be issued in lieu of directors' remuneration payments for the 2019 financial year totalling \$65,500 (2018: \$48,614 attributed to shares issued and \$120,586 deferred and settled through approval by Shareholders at the 2018 AGM).

Subsequent to 30 June 2019 a further 8,666,667 (2018: 768,750) fully paid ordinary shares were issued for the June quarter.

To avoid excessive dilution of shareholders in times of a depressed share price, a four cent per share floor price was incorporated into Fee Plan elections with effect from June 2016. This has the effect of deferring a portion of Fee Plan elections until such time as the share price exceeds four cents per share. For the twenty four month period through to 30 June 2018, this floor price mechanism had resulted in the deferral of \$272,486 (plus \$10,250 for the September 2018 quarter) in Fee Plan elections. Approval was obtained from Shareholders at the 2018 AGM to settle this total outstanding liability through the issue of 13,463,601 fully paid ordinary shares at an issue price of 2.1cents per share.

e) Capital risk management

The Group's strategy to capital risk management is unchanged from prior years. The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide value for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes equity attributable to equity holders, comprising of contributed equity, reserves and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets or adjust the level of activities undertaken by the Group.

The Group monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Group's exposure to borrowings as at 30 June 2019 totals \$nil (2018: \$nil). The Group will continue to use capital market raisings to satisfy anticipated funding requirements.

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Note 13 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2019	2018
		\$	\$
Financial assets			
Cash and cash equivalents	6	775,017	1,399,031
Trade and other receivables	7	344,851	388,393
Total financial assets		1,119,868	1,787,424
Financial liabilities			
Trade and other payables	10	257,121	502,264
Total financial liabilities		257,121	502,264

Financial Risk Management Policies

The Audit & Risk Committee has been delegated responsibility by the Board of Directors for, among other issues, monitoring and managing financial risk exposures of the Group.

The Group's overall risk management strategy seeks to meet its financial requirements, while minimising potential adverse effects on financial performance. It includes the review of the use of credit risk policies and future cash flow requirements.

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise or the Board's objectives, policies and processes for managing the risks from the previous period

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Note 13 Financial Risk Management (continued)

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through ensuring, to the extent possible, that counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Group has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the Company in accordance with the policy of only investing surplus cash with major financial institutions. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	Consolidated Group	
		2019	2018
		\$	\$
Cash and cash equivalents:			
– AA- rated	6	775,017	1,399,031

a) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group considers liquidity risk as significant as the Company is currently seeking further cash injections in order to progress exploration and R&D activities and in this regard to ensure that it has sufficient cash funding to meet its obligations as they fall due. This risk is managed by regular review of future period cash flows and operational activity budgets and maintaining sound relationships with shareholders and potential investors.

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Note 13 Financial Risk Management (continued)

b) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Company's exposure to interest rate risk is summarised in the table below:

		Fixed Interest maturing in:				
	Floating Interest Rate	1 year or less	Over 1 year, less than 5	Non-Interest bearing	Total	Weighted Average Interest rate
2019						
Financial assets						
Cash at bank	-	-	-	20,286	20,286	-
Cash at bank	196,338	-	-	-	196,338	0.4%
Term Deposits	-	558,393	-	-	558,393	1.25%
Receivables	-	-	-	344,851	344,851	-
Financial Liabilities						
Trade Creditors and accruals	-	-	-	(257,121)	(257,121)	-
2018						
Financial assets						
Cash at bank	-	-	-	45,485	45,485	-
Cash at bank	1,282,507	-	-	-	1,282,507	0.5%
Term Deposits	-	71,039	-	-	71,039	1.5%
Receivables	-	-	-	388,393	388,393	-
Financial Liabilities						
Trade Creditors and accruals	-	-	-	(502,264)	(502,264)	-

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Note 13 Financial Risk Management (continued)

c) Market risk (continued)

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how the Company's (loss) /profit reported at the end of the reporting period would have been affected by interest rate movements that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Carrying Value \$	+1 % interest rate \$	-1 % interest rate \$
2019			
Interest bearing cash	754,731	7,547	7,547
2018			
Interest bearing cash	1,353,546	13,535	13,535

d) Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the Euro may impact on the Group's financial results. The foreign currency risk in the books of the Parent Entity is considered immaterial at 30 June 2019 and is therefore not shown.

Net Fair Values of financial assets and liabilities

The carrying amounts of all financial assets and financial liabilities approximate their net fair values.

Note 14 Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditor, its related practices and non-related audit firms:

	Consolidated Group	
	2019 \$	2018 \$
Remuneration of the auditor of the parent entity for:		
– auditing or reviewing the financial statements	31,500	30,250
	<u>31,500</u>	<u>30,250</u>

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Note 15 Contingencies

To the best knowledge of the board the Group had no material contingent liabilities at year end.

Note 16 Controlled Entities

a) Subsidiaries of Alligator Energy Limited

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy disclosed in note 1 (a). Unless otherwise stated, they have issued share capital consisting solely of ordinary shares held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of Incorporation	Percentage Owned (%)*	
		2019	2018
TCC Project Pty Ltd	Australia	100%	100%
Northern Prospector Pty Ltd	Australia	100%	100%
AGE EV Minerals Pty Ltd	Australia	100%	100%
AGE EV Minerale S.r.l (**)	Italy	100%	100%

** Percentage of voting power is in proportion to ownership*

*** Incorporation registered on 12 June 2018 as a wholly owned subsidiary of AGE EV Minerals Pty Ltd*

b) Acquisition of Controlled Entities

There were no acquisitions during the year ended 30 June 2019.

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Note 17 Cash Flow Information

	Consolidated Group	
	2019	2018
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(6,692,049)	(1,048,021)
Profit on sale of fixed assets	(20,300)	-
Non-cash flows in loss:		
– depreciation	4,432	8,222
– share based payment expenses	62,261	85,674
– Impairment write off/provision	5,651,460	-
– Exploration and Evaluation	248,369	255,727
– Other		-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
– (increase)/decrease in trade and term receivables	(53,092)	(67,629)
– increase/(decrease) in trade payables and accruals	(39,571)	173,194
– increase/(decrease) in provisions	4,599	(3,116)
Cash flow from operations	<u>(833,891)</u>	<u>(595,943)</u>

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Note 18 Key Management Personnel disclosures

Key management personnel compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each of member of the Group's key management personnel (KMP) for the year ended 30 June 2019.

	2019	2018
	\$	\$
Short-term employee benefits	388,640	319,938
Post-employment benefits	23,939	32,631
Share-based payments	114,138	198,645
	<u>526,717</u>	<u>551,214</u>

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Group's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes (including the Director Fee Plan) as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Directors' Report.

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Note 19 Share based payments

Grants under the performance incentive scheme

There were no new grants under the performance incentive scheme during the financial year.

At a meeting held after the end of the financial year (19 July 2019), the Board approved the grant of short and long-term incentives to employees and contractors under the Company's performance incentive plan for the 2019 field season (1 January 2019 – 31 December 2019). The grant of the performance incentives comprised a total of 7,500,000 short-term and 7,500,000 long-term performance options on a zero strike priced basis. . The zero strike priced options have performance related criteria linked to short term performance metrics for each employee or contractor and long-term shareholder value criteria linked to discovery or change of control and have expiry dates of 28 February 2020 (short-term) and 19 July 2022 (long-term).

In addition, the Board resolved, subject to Shareholder approval in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.11, on 19 July 2019 to also approve the grant of 6,250,000 short-term and 6,250,000 long-term zero strike priced performance options to Greg Hall in his capacity as CEO for the 12 months commencing 1 April 2019.

Options granted to key management personnel during the last two financial years are as follows:

	<i>Grant Date</i>		<i>Number</i>
2019	-	-	-
2018	2 May 2018	(a)	10,545,455

(a) The options issued will only vest if certain performance criteria are met. The options hold no voting or dividend rights, have not been listed and are not transferable

A summary of the movements of all options is shown in Note 12(b).

Share issues in lieu of Non- Executive Director Fees

Shares granted or issued to key management personnel as share-based payments (in lieu of cash payments for directors' fees under the Director's Fee Plan) are set out for both 2018 and 2019 in Note 12 (a). Included under Directors' Fees expense of \$216,263 (2018: \$243,090) in the Consolidated Statement of Profit or Loss is \$65,500 which relates to equity settled share-based payments transactions (2018: \$48,614).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 20 Income tax

	Consolidated	
	2019	2018
	\$	\$
(a) Numerical reconciliation of income tax expense / (income) to prima facie tax payable:		
Total profit/(loss) before income tax	(6,692,049)	(1,048,021)
Tax at the Australian tax rate of 27.5% (2018 – 27.5%)	(1,840,313)	(288,206)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	34,309	94,065
Other	24,507	4,170
	(1,781,497)	(189,971)
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	1,781,497	189,971
Income tax (benefit) expense	-	-
(b) The components of income tax expense		
Current tax	-	-
Deferred tax	-	-
Adjustments for current tax of prior periods	-	-
(c) Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Exploration expenditure	1,785,086	3,012,293
Other	6,240	4,795
Total	1,791,326	3,017,088
Set-off of deferred tax liabilities pursuant to set-off provisions	(1,791,326)	(3,017,088)
Net deferred tax liabilities	-	-

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Note 20 Income tax (continued)

	Consolidated	
	2019	2018
	\$	\$
(d) Deferred tax assets:		
The balance comprises temporary differences attributable to:		
Tax losses	6,134,022	5,527,145
Accruals and provisions	31,924	112,857
Business capital costs	71,020	167,733
Total deferred tax assets	<u>6,236,966</u>	<u>5,807,735</u>
Set-off of deferred tax assets pursuant to set-off provisions	(1,791,326)	(3,017,088)
Net adjustment to deferred tax assets for tax losses not recognised	<u>(4,445,640)</u>	<u>(2,790,647)</u>
Net deferred tax assets	<u>-</u>	<u>-</u>
(e) Tax losses:		
Unused tax losses for which no deferred tax asset has been recognised	<u>16,165,965</u>	<u>10,147,806</u>
	<u>16,165,965</u>	<u>10,147,806</u>
Potential tax effect at 27.5% (2018: 27.5%)	<u>4,445,640</u>	<u>2,790,647</u>

Unused losses which have not been recognised as an asset, will only be obtained if:

- (i) the economic entity derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
- (ii) the economic entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the economic entity in realising the losses.

The unused tax losses will be reduced by any amounts that are included in the Group's research and development offset claim for the 2019 tax year.

The Company has registered and has been accepted for participation in the Junior Miner Exploration Incentive and will be able to distribute up to \$467,500 in credits to providers of fresh equity during the 2019 financial year. This distribution will occur prior to 30 June 2020 and will reduce the carried forward tax losses by an equivalent amount.

In the prior year the Company was registered for participation in the Exploration Development Incentive introduced for the 2015-2017 tax years. The exploration credits distributed under this Incentive on 21 June 2018 in relation to greenfield exploration expenditure incurred in the 2017 tax year totalled \$150,707 (27.5% tax rate). This distribution reduced the carried forward tax losses by an equivalent amount.

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Note 20 Income tax (continued)

(f) Tax consolidation legislation

Alligator Energy Limited and its wholly-owned Australian subsidiaries have implemented the income tax consolidation legislation from 1 July 2010. Alligator Energy Limited is the head entity of the tax consolidated group for the year ended 30 June 2019. The Australian Taxation Office has been notified of the formation of the Alligator Energy Limited tax consolidated group.

Each entity in the Group recognises its own current and deferred tax assets and liabilities, except for any amounts resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each Group entity is then assumed by the parent entity.

The tax consolidated group has entered into tax sharing and funding arrangements. Under the terms of these agreements, the wholly-owned entities reimburse the head company for any current income tax payable by the head company arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and therefore amounts receivable or payable under an accounting tax sharing agreement with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. In the opinion of the Directors, the tax sharing agreement is also a valid arrangement under the tax consolidated legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by Alligator Energy Limited. Expenses and revenues arising under the tax sharing agreement are recorded as a component of income tax expense.

Note 21 Commitments

Exploration commitments

So as to maintain current rights to tenure of various exploration and mining tenements, the Company will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. These outlays (exploration expenditure and rent), which arise in relation to granted tenements, inclusive of tenement applications granted subsequent to 30 June 2019, are as follows:

	2019	2018
	\$	\$
Exploration expenditure commitments payable:		
- within one year	236,462	215,000
- later than one year but not later than five years	-	-
- later than five years	-	-
	<hr/> 236,462	<hr/> 215,000
Royalties	31,000	106,000
Farm-in expenditure (Piedmont Project)	<hr/> 334,627*	<hr/> 105,780**

* - relates to amount still to be expended within 12 months of receiving drilling permits to complete the Phase 2 commitment and to form the joint venture

** - relates to the amount still to be expended during FY 2019 to complete the Phase 1 commitment. This occurred in November 2018

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Note 21 Commitments (continued)

Exploration commitments (continued)

Minimum expenditure covenants under the Department of Primary Industries and Resources Guidelines must be based on realistic and practical work programs and proposed expenditure levels. These covenants may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished or on agreement with the Department. The exploration expenditure commitments set out above include expenditure covenants submitted for the 2019/20 financial year totalling \$180,000 (2018/19: \$245,000).

Cash security bonds totalling \$202,489 (2018: \$173,166) were held by the relevant governing authorities at 30 June 2018 to ensure compliance with granted tenement conditions.

The Group has lodged a cash backed bank guarantee of \$40,000 (as a security bond) (2018: \$20,400) with the Northern Land Council in relation to its interest in the Beatrice Project.

Piedmont Project - CRP Farm-in and Joint Venture

On 28 November 2018, the Company signed a Farm-in Agreement with Chris Reindler and Partners (CRP) to earn up to a 70% interest in four mineral titles in northern Italy.

The principal commitments under the agreement are:

Alligator to paid CRP \$45,000 worth of fully paid ordinary shares to be held in escrow for at least six months (50%) and twelve months (50%) upon signing the agreement;

Alligator to solely fund and manage a minimum of \$250,000 (Phase1) of exploration expenditure within six months of gaining on-ground access (this occurred on 10 May 2018) to the area covered by the titles. This work to target the production of drill targets as follows:

- assessing all old workings and prospecting around them to ascertain their style of mineralisation and potential;
- geological mapping and geochemical sampling from ridges, spurs and areas of EM/magnetic anomalism and from streams to locate other mineralised areas; and
- ground geophysics to locate/confirm the features identified in the airborne geophysical surveys and to refine drill targets if required

In November 2018, Alligator completed the Phase 1 commitment and elected to earn a 51% interest in the titles by paying CRP \$45,000 cash on securing the drilling permits and solely funding and managing a further \$400,000 program of work (Phase 2) which will includes drill testing of the best target(s). Alligator can withdraw from this work program at any time, and while the work is targeted for completion within 12 months of securing the drilling permits, this can be extended by mutual agreement. If Alligator does not complete this work, it will have earned no interest and will have no further rights in the mineral titles.

Upon Alligator earning a 51% interest in the titles a joint venture will be formed and Alligator has the right to earn a further 19% interest (70% total) by solely funding, managing and completing a further \$1.25M program of work.

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Note 21 Commitments

Exploration commitments (continued)

Cameco Option

During the 2018 financial year the Company acquired Cameco Australia Pty Ltd's remaining interest in the Beatrice Project for a nominal consideration 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 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 the sale agreement.

Operating lease commitments

Non-cancellable operating lease rentals are as follows:

	2019	2018
	\$	\$
Within one year	39,322	48,959
Later than one year but not later than five years	-	37,810
Later than five years	-	-
	<u>39,322</u>	<u>86,769</u>

In March 2017 the Company entered into a three-year lease on an office in Fortitude Valley, Brisbane with a 4% annual increment.

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Note 22 Events occurring after the balance sheet date

On 19 July 2019, the Board approved the grant of short and long-term incentives to employees and contractors under the Company's performance incentive plan for the 2019 field season. The grant of the performance incentives comprised a total of 7,500,000 short-term and 7,500,000 long-term performance options on a zero strike priced basis. In addition, the Board has resolved, subject to Shareholder approval, in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.11, will be sought to also approve the grant of 6,250,000 short term and 6,250,000 long term zero strike priced performance options, subject to the satisfactory completion of certain KPI's, to Greg Hall in his capacity as CEO for the 12 months commencing 1 April 2019.

No matter or circumstance has arisen since 30 June 2019 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.

Note 23 Related party transactions

a) The Group's main related parties are as follows:

i) Parent entity

The parent entity within the Group is Alligator Energy Limited.

ii) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 18: Key Management Personnel.

b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year the Company engaged Mining & Associates, an entity associated with Andrew Vigar, to assist with a technical review of the Piedmont Project data and was paid \$5,906 (2018: nil).

There were no other transactions with related parties during the financial year.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 24 Parent entity financial information

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2019	2018
	\$	\$
Balance Sheet		
Current assets	858,114	1,542,999
Total assets	9,144,138	14,033,493
 Current liabilities	 256,478	 478,614
Total liabilities	484,884	707,020
 Issued capital	 32,826,000	 30,862,088
Option reserve	12,169	7,450
Accumulated losses	(24,178,915)	(17,543,065)
Total equity	<u>8,659,254</u>	<u>13,326,473</u>
 Loss for the year	 (6,674,865)	 (1,036,001)
Total comprehensive income for the year	(6,674,865)	(1,036,001)

b) Guarantees entered into by the parent entity

The Parent Entity has provided no financial guarantees.

c) Contingent liabilities of the parent entity

The Parent Entity did not have any contingent liabilities as at 30 June 2019 (30 June 2018: Nil).

d) Contractual commitments for the acquisition of property, plant or equipment

The Parent Entity had contractual commitments as at 30 June 2019 to acquire field related equipment totalling \$nil (2018: \$nil).

Note 25 Company Details

The registered office and principal place of business of the Company as at 30 June 2019 was:

Suite 3, 36 Agnes St
Fortitude Valley
Brisbane QLD 4006

Phone (07) 3852-4712

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Alligator Energy Limited, in the opinion of the directors of the Company:

1. the financial statements and notes, as set out on pages 19 to 57, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS) and the *Corporations Regulations 2001*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.



Paul Dickson
Chairman
Brisbane, 24 September 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIGATOR ENERGY LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Alligator Energy Limited ('the company'), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the financial report of Alligator Energy Limited is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 of the financial statements which indicates that the consolidated entity incurred losses of \$6,692,049 and operating and investing cash outflows of \$2,228,614 for the year ended 30 June 2019. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Independence

We are independent of the consolidated entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Carrying value of capitalised exploration expenditure

Why significant

As at 30 June 2019 the carrying value of exploration and evaluation assets was \$7,895,687 (2018: \$12,153,514), as disclosed in Note 9. This represents 87% of total assets of the consolidated entity.

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1 (d). Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources* ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
 - whether the particular areas of interest meet the recognition conditions for an asset; and
 - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- to assess whether there are indicators impairment:
 - assessing whether the rights to tenure of the areas of interest remained current at balance date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
 - holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
 - obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
- assessing the appropriateness of the related disclosures in Note 1 (d) and 9.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the consolidated entity's Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

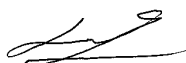
Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Alligator Energy Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

DATED THIS 24TH DAY OF SEPTEMBER 2019
BRISBANE

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

CORPORATE GOVERNANCE STATEMENT

The ASX Corporate Governance Council Principles and Recommendations (3rd Edition) Statement for the 30 June 2019 financial year will be lodged on the Company's website at www.alligatorenergy.com.au at the time of issuing the Annual Report.

COMPETENT PERSON'S STATEMENT

Uranium

Information in the Directors' Report included in this Financial 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 employed by the Company as the Exploration Manager, 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.

Nickel-cobalt

Information in the Directors' Report included in this Financial Report is based on current and historic Exploration Results compiled by Mr Andrew Vigar who is a Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Vigar is a non-executive director 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 Vigar consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.