ALLIGATOR ENERGY LIMITED

ACN 140 575 604

31 December 2019
HALF YEAR FINANCIAL REPORT

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

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The information in this report should be read in conjunction with the Annual Report for the year ended 30 June 2019 which is available from the Alligator Energy Limited website: www.alligatorenergy.com.au

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

The Directors of Alligator Energy Limited (the 'company', 'Alligator') and its controlled entities (the 'Group') present their report, together with the financial statements of the Group, for the half-year ended 31 December 2019.

Directors

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

Paul Dickson	Non-Executive Chairman
Andrew Vigar	Non-Executive Director
Peter McIntyre	Non-Executive Director
Gregory Hall	Executive Director & CEO

Principal activities

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

Alligator continues to maintain its uranium projects in the Alligator Rivers Uranium Province in good standing. During the half-year the Company progressed application of the Nabarlek North tenement package through negotiation of an Exploration Agreement with the Northern Land Council (as custodian for the Traditional Owners).

The drilling application for the Piedmont Project in northern Italy (farm-in) was progressed with final approvals anticipated in the first quarter of 2020. In addition the Company continued the engagement with strategic investors on the prospect of becoming involved at the Project level.

Towards the end of the half-year period the Company finalised a Farm-in and Share Sale Agreement with Big Lake Uranium Pty Ltd for EL6367 in South Australia. See further detail below in the Review of Operations.

Dividends

There were no dividends paid to shareholders during the half-year.

Review of operations

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

Alligator Rivers Province (ARUP) – TCC and Beatrice Projects

During the half-year work continued on re-assessing Alligator's tenements within the ARUP to evaluate existing uranium targets, in order to rank these in accordance with the conclusions of the regional geological review conducted during 2019. Specifically this will involve a focus on primary lower Cahill stratigraphy with appropriate structures, similar to those which host the Territory's Ranger and Jabiluka deposits.

Review of operations (cont.)

Piedmont Project, northern Italy

Alligator has been advised by the Italian Government environmental authority that no further environmental study was required for the drilling permit application in the Alpe Laghetto area. This advice is now in front of the local Torino based mines authority and granting of the drilling permit is anticipated to be completed during the first quarter of 2020.

During the period, Alligator received the grant of licences for two new tenements in the Piedmont project area which cover further historical Ni Co potential. The Monte Ventolaro tenement is to the NE of the highly prospective Alpe Laghetto tenement, and the smaller Alpe Cruvinho tenement is to the WNW of Torino, in an area of historically significant cobalt mineralisation.

Big Lake Uranium

In December 2019, Alligator finalised a farm-in and share sale agreement for the Big Lake Uranium (BLU) project in the Cooper Basin region of South Australia. The project is amenable to rapid and low-cost exploration targeting In Situ Recovery (ISR) style uranium within a favourable setting.

Evidence of uranium within the region occurs in gamma logging in oil and gas wells and was confirmed by initial exploration by others during 2009. Alligator will be focused on the locally untested model of down gradient channel deposition within this familiar mineralisation setting. The region has similarities with the Kazakhstan, Texas and Wyoming uranium fields.

A meeting has been held with one of the Traditional Owner (TO) groups in the region. Alligator has also met with some of the oil and gas leaseholders to brief them on the proposed work program.

A consultant has commenced working with existing publicly available static seismic data over the tenement to determine whether this will allow initial location of potential paleochannels to be identified. Alligator is currently planning (subject to TO agreements) for a passive seismic survey, or EM survey, to more accurately identify target paleochannels. This will lead to an initial and rapid aircore drilling program to test the conceptual targets.

The BLU project compliments Alligator's existing strategy in the exploration for economically viable uranium deposits in favourable jurisdictions for uranium mining. Both the ARUP and now the BLU regions represent opportunities for uranium projects that can be profitable through low uranium price cycles.

The project has a definitive exploration pathway with a low cost strategy to test the uranium mineralisation model, with exploration work to commence subject to the above steps.

Research and Development

Alligator's R&D program is focused on developing innovative techniques for identifying and targeting covered and fully preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone in the Alligator Rivers region.

The current focus of the program relates to experimentation on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetics (SAM) Geophysical techniques. The drilling conducted in late 2018 at TCC4 provided important sub-surface data that has now been analysed as part of the assessment of the effectiveness of these techniques.

Review of operations (cont.)

(ii) Financial

The loss for the consolidated group for the half-year was $488,648 (half-year to 31 December 2018: $6,082,661 loss). The loss for the period includes an impairment write down of exploration and evaluation expenditure holding costs (due to limited exploration activity) in the ARUP of $37,833 (2018: $5,608,237). The prior period impairment provision related to (i) 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 (ii) 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 was technically encouraging no significant intercepts of uranium were identified.

The Company has maintained a close focus on corporate overheads and cashflow during the half-year with expenditure before impairment adjustments increasing by 5.5%. Consultants and Professional fees for the six month period increased principally as a result of legal fees associated with the preparation of an agreement for the BLU Farm-in and Share Sale and the negotiations of an Exploration Agreement for the Nabarlek North tenement package. Director fees for the six months have reduced as a result of a temporary remuneration reduction implemented effective 31 October 2019.

An impairment assessment for the Piedmont Project did not identify any indicators for impairment.

Share Placement and Share Purchase Plan

Alligator completed a capital raising initiative during October and November 2019 covering both a share placement to professional and sophisticated investors and the offer of a Share Purchase Plan (SPP) to existing Shareholders. A component of this initiative was subject to Shareholder approval which was obtained at the 2019 AGM.

The key elements of the capital raising initiative were as follows:

- A capital raising totalling $650,000 through the Placement of 260M fully paid ordinary shares at $0.0025, with a 1:2 attaching unlisted option;
- Tranche 1 of the placement totalling $310,000 was completed on 24 October 2019;
- Tranche 2 of the placement for the remaining $340,000 along with all attaching unlisted options was completed on 4 December 2019 after securing Shareholder approval at the 2019 AGM;
- The unlisted options have a twelve-month expiry period and an exercise price of $0.005; and
- The SPP offer was successfully completed with the maximum raising of $300,000 reached at the offer price of $0.0025

Performance Shares

Performance Shares associated with the BLU Farm-in and Share Sale Agreement (approved by Shareholders at the 2019 AGM) were allotted in early December 2019 after obtaining a Listing Rule 6.1 waiver. The waiver granted by the ASX included the following disclosure requirements in each Quarterly, Half Year and Annual Report:

- Number of Performance Shares on issue at the end of the Half Year: 60,000,000

DIRECTORS' REPORT

Review of operations (continued)

- Summary of the terms and conditions of the Performance Shares: See Note 6
- Performance Shares converted or cancelled during the Half Year: Nil
- Performance Share milestones met during the Half Year: Nil

The value of the Performance Shares allotted will be measured when milestones have been met and conversion to Fully Paid Ordinary Shares has occurred

(iii) **Director Fee Plan**

At the AGM held on 26 November 2019, Shareholders approved the issue of 5,333,333 fully paid ordinary shares at a fixed issue price of A$0.003 cents per share in lieu of director fees that had accrued and were still outstanding in relation to the September 2019 quarter. The Director Fee Plan for the 2019/2020 period was approved at the AGM with maximum applications for the period set at 30M fully paid ordinary shares.

Matters subsequent to the end of the half year

On 26 February 2020, Alligator executed an Exploration Agreement for the Nabarlek North Project with Traditional Owners in western Arnhem Land, facilitated by the Northern Land Council (NLC). The Project provides an exceptional exploration opportunity in Australia's premier uranium province and is highly prospective for undercover high-grade uranium mineralisation. In a first for Alligator and the Traditional Owners, the Exploration Agreement allows for a one-off option for the Traditional Owners to acquire a 25% direct ownership in an economic uranium resource (if found), in exchange for a reduction in certain production related royalties and payments. This option arises at the time a feasibility report is finalised in relation to a proposed mining right application.

During January to March 2020, the COVID 19 (corona virus) medical issue has arisen and has become a significant matter around the globe. Alligator is monitoring these developments and any potential future impact in two of its asset regions:

- Alligator has exploration assets in the Piedmont region in northern Italy. At the current time there is no work underway in this region, and it is usually not possible to be on the ground due to snow cover until later May. Under Alligator's current programs we were not anticipating to undertake any work in the region until drill permits are in place and ground conditions allow for suitable access. This timing is currently targeted for July or later this year.

- The NT Government has advised that elective community visits and non-essential travel by government and service providers to remote indigenous communities be avoided. It is not a travel ban to these areas, but just targeting reducing risk to indigenous communities. Again Alligator does not intend to work on its west Arnhem Land exploration area until around May at the earliest, and will review its requirement to undertake this work at the time.

No other matter or circumstance has arisen since 31 December 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.

DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

Paul Dickson
Chairman
Brisbane, 12 March 2020

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2019, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Alligator Energy Limited and the entities it controlled during the half year.

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

BRISBANE, 12 MARCH 2020

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ALLIGATOR ENERGY LIMITED
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 $	31 December 2018 $
Revenue			
Other income – interest		2,657	9,404
Expenses			
Accounting and audit fees		(11,472)	(8,726)
Consultants and professional fees		(79,679)	(30,381)
Directors' fees		(88,695)	(117,712)
Employee benefits expense		(128,161)	(107,594)
Share-based payments		(22,484)	(44,895)
Depreciation		(2,311)	(1,805)
Occupancy expenses		(32,448)	(31,132)
Stock exchange and share registry fees		(29,185)	(38,664)
Interest expense		(129)	-
Travel and accommodation expenses		(14,727)	(11,031)
Insurance		(32,120)	(22,570)
Business development – new opportunities		(1,895)	-
Impairment of E&E costs	5	(37,833)	(5,662,036)
FX (loss)/gain		(5)	(89)
Other expenses		(10,161)	(15,430)
Loss before income tax		(488,648)	(6,082,661)
Income tax benefit		-	-
Profit /(loss) for the period		**(488,648)**	**(6,082,661)**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		**(488,648)**	**(6,082,661)**
Profit/(loss) attributable to members of the parent entity		**(488,648)**	**(6,082,661)**
Total comprehensive income/(loss) attributable to members of the parent entity		**(488,648)**	**(6,082,661)**
Earnings/(loss) per share:		**Cents**	**Cents**
Basic earnings/(loss) per share		(0.04)	(0.63)
Diluted earnings/(loss) per share		(0.04)	(0.63)

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019 $	30 June 2019 $
ASSETS			
Current Assets			
Cash and cash equivalents		1,069,448	775,017
Trade and other receivables		111,709	72,448
Inventory		22,823	22,690
Total Current Assets		**1,203,980**	**870,155**
Non-Current Assets			
Trade and other receivables		194,911	272,403
Property, plant and equipment		20,892	27,938
Exploration expenditure	5	8,003,280	7,895,687
Total Non-Current Assets		**8,219,083**	**8,196,028**
Total Assets		**9,423,063**	**9,066,183**
LIABILITIES			
Current Liabilities			
Trade and other payables		136,364	257,121
Total Current Liabilities		**136,364**	**257,121**
Non-Current Liabilities			
Provisions		228,406	228,406
Total Non-Current Liabilities		**228,406**	**228,406**
Total Liabilities		**364,770**	**485,527**
Net Assets		**9,058,293**	**8,580,656**
EQUITY			
Contributed equity	6	33,769,801	32,826,000
Reserves		34,653	12,169
Accumulated losses		(24,746,161)	(24,257,513)
Total Equity		**9,058,293**	**8,580,656**

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed equity $	Options Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2018	30,862,088	7,450	(17,604,479)	13,265,059
Total comprehensive income/(loss) for the period	-	-	(6,082,661)	(6,082,661)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense	-	44,895	-	44,895
Options lapsed	-	-	-	-
Issue of ordinary shares	2,041,486	-	-	2,041,486
Capital raising costs	(127,101)	-	-	(127,101)
Balance at 31 December 2018	**32,776,473**	**52,345**	**(23,687,140)**	**9,141,678**
Balance at 1 July 2019	32,826,000	12,169	(24,257,513)	8,580,656
Total comprehensive income/(loss) for the period	-	-	(488,648)	(488,648)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense	-	22,484	-	22,484
Options lapsed	-	-	-	-
Issue of ordinary shares	1,001,000	-	-	1,001,000
Capital raising costs	(57,199)	-	-	(57,199)
Balance at 31 December 2019	**33,769,801**	**34,653**	**(24,746,161)**	**9,058,293**

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 $	31 December 2018 $
Cash flows from operating activities		
Interest received	2,657	9,404
Payments to suppliers and employees	(439,580)	(380,128)
R&D Offset grants received	34,249	52,109
Net cash inflow(outflow) from operating activities	(402,674)	(318,615)
Cash flows from investing activities		
Payments for exploration expenditure	(232,708)	(1,423,141)
(Payments for)/refunds of security deposits	37,011	5,810
Payments for purchase of property, plant & equipment	-	(29,965)
Net cash inflow(outflow) from investing activities	(195,697)	(1,447,296)
Cash flows from financing activities		
Proceeds on issue of shares	950,000	1,750,000
Payment of capital raising costs	(57,198)	(145,400)
Net cash inflow(outflow) from financing activities	892,802	1,604,600
Net increase (decrease) in cash held	294,431	(161,311)
Cash and cash equivalents at beginning of financial period	775,017	1,399,031
Cash and cash equivalents at the end of financial period	1,069,448	1,237,720

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Note 1 General information and summary of significant accounting policies

Basis of preparation of half-year financial statements

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

These general purpose interim financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134*: Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements are presented in Australian dollars.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These interim financial statements have been approved and authorised for issue by the Directors.

Significant accounting policies

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

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

The interim financial report has been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2019, with exception that the group has applied for the first time the requirements of:

AASB 16: Lease Accounting

The standard specifies how to recognise, measure and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise right-of-use assets and lease liabilities for almost all leases. AASB 16 applies to annual reporting periods beginning on or after 1 January 2019 and replaces AASB 117 Leases and related interpretations.

There has been no material impact arising from the adoption of AASB 16 for the period as the Group only has one operating lease which is due for expiry on 31 March 2020 and is unlikely to be renewed under the option arrangement included in the lease terms.

Note 1 General information and summary of significant accounting policies (continued)

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 six months ended 31 December 2019, the Group made an operating loss before tax of $488,648 (2018:$6,082,661). Cash outflows from operating and exploration-related investing activities during the same period were $598,371 (2018: $1,777,430).The Group's ability to continue on a going concern basis is therefore dependent upon its ability to raise additional capital through farm-out arrangements with strategic partners or share issues to existing shareholders or new investors. The Directors are confident of being able to secure additional funding arrangements whilst managing overhead expenditure levels and believe the Group is a going concern and will be able to pay its debts as and when they fall due and payable.

These financial statements do not give effect to any adjustments which could be necessary should the company be unable to continue as a going concern and therefore be required to realise its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. Given the past losses, the difficulty in forecasting future cash flows for the group and the other matters described above, there exists a material uncertainty that the Group will achieve the above and 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 report.

Note 2 Critical accounting estimates and judgements

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

Critical judgements in applying the entity's accounting policies
The Group has capitalised exploration expenditure of $8,003,280 (30 June 2019: $7,895,687). This amount includes costs directly associated with exploration and the purchase of interests in exploration titles. These costs are capitalised as an intangible asset until assessment and/or drilling of the permit is complete and the results have been evaluated. These direct costs include employee remuneration, materials, rentals, camp costs and payments to contractors for services such as drilling and geotech surveys. The expenditure is carried forward until such a time as the area moves into the development phase, is abandoned or sold. Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources and the difficulty in forecasting cash flows to assess the fair value of exploration expenditure, there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements. The Directors are of the opinion that the exploration expenditure is recoverable for the amount stated in the financial report.

Note 2 Critical accounting estimates and judgements (continued)

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

Note 3 Segment information

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) have been assessed as being Australia and Italy.

The geographical location of assets is disclosed below:

	31 December 2019 $	30 June 2019 $
Australia		
Current assets	1,191,293	858,114
Property, plant & equipment	20,892	27,938
Other non-current assets	194,911	272,403
Capitalised exploration expenditure	7,555,216	7,491,222
	8,9623,312	8,649,677
Italy		
Current assets	12,687	12,041
Property, plant & equipment	-	-
Other non-current assets	-	-
Capitalised exploration expenditure	448,064	404,465
	460,751	416,506
Total		
Current assets	1,203,980	870,155
Property, plant & equipment	20,892	27,938
Other non-current assets	194,911	272,493
Capitalised exploration expenditure	8,003,280	7,895,687
	9,423,063	9,066,183

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

Note 3 Segment information (continued)

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 $466,104 (30 June 2019: $417,027) which is denominated in AUD has been eliminated in the above disclosure.

At 31 December 2019 the liabilities of the Italian entity excluding the intercompany loan totalled $7,968 (30 June 2019: $642).

There were no employees in the Italian segment during or at the end of the financial period.

Note 4 Dividends

No dividend has been paid during the half-year ended 31 December 2019 and none is proposed.

Note 5 Exploration expenditure

	31 December 2019 (6 months) $	**30 June 2019 (12 months) $**
Exploration phase		
Geological, geophysical, drilling and other expenditure – at cost	8,003,280	7,895,687
The capitalised exploration expenditure carried forward has been determined as follows:		
Opening balance	7,895,687	12,153,514
Expenditure incurred or tenements acquired during the period	145,426	1,427,882
R&D Tax Offset	-	(34,249)
Impairment write-off (expenditure incurred during the period)	(37,833)	-
Impairment provision	-	(5,651,460)
	8,003,280	7,895,687

The Group assesses whether there are indicators that assets, or group of assets, may be impaired at each reporting date.

At 31 December 2019 an assessment of the carrying value of the capitalised exploration and evaluation expenditure for the ARUP, Piedmont and Cooper Basin areas of interest was conducted. Whilst all areas continue to be regarded as being highly prospective for the discovery of commercially viable mineral resources and no impairment triggers under the requirements of AASB 6 were identified.

Note 5 Exploration expenditure (continued)

Exploration commitments

So as to maintain current rights to tenure of the exploration and mining tenement holdings, the Group is required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. The committed outlays for a minimum level of exploration expenditure (covenant) and annual tenement rentals are as follows:

	31 December 2019 $	30 June 2019 $
Exploration expenditure commitments payable:		
- within one year (*)	125,000	180,000
- later than one year but not later than five years	-	-
- later than five years	-	-
	125,000	180,000
Tenement rentals due within one year	104,254	56,462
Royalties payable within one year	13,300	31,000
	242,554	267,462
Farm-in expenditure commitment (Piedmont) (**)	311,000	334,627
Farm-in expenditure commitment (BLU) (***)	209,000	-

***-** Minimum expenditure covenants under the Department of Primary Industries and Resources (NT) 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. The exploration expenditure commitments set out above are based on covenants submitted for the 2019/20 financial year totalling $150,000 to be acquitted by mid-2020.

****-** Piedmont Project - CRP Farm-in and Joint Venture - On 31 January 2018, the Company signed a binding Heads of Agreement with Chris Reindler and Partners (CRP) to earn up to a 70% interest in four mineral titles in northern Italy. This was converted into a Farm-in Agreement with Ivrea Minerals Pty Ltd and KEC Exploration Pty Ltd on 28 November 2018. The remaining commitment at 31 December 2019 under this arrangement relates to:

- Phase 2 (an election notice for this phase was issued on 28 November 2018) – to solely fund $400,000 in accordance with the Phase 2 work program to earn a registered 51% interest in the Piedmont Project mineral titles. This expenditure is to be incurred within a twelve month period from securing the drilling permit for the Project. The 12 month expenditure period is yet to commence (as the drill permit remains outstanding) and can be extended by mutual agreement. Alligator can withdraw from this work program at any time having then earned no interest in the Project titles.

- Upon Alligator earning a 51% interest in the titles a Joint Venture (JV) will be formed and Alligator has a further right to earn an additional 19% interest (70% total) by solely funding,

Note 5 Exploration expenditure (continued)

managing and completing a further $1.25m program of work.

*** - BLU Project – Alligator has the right after incurring a minimum of $220,000 in exploration and tenement holding costs over the period to 21 July 2021 on EL 6367 in the Cooper Basin, South Australia to acquire all of the shares in Big Lake Uranium Pty Ltd, the holder of the title. See Note 6 for the details of the Performance Shares issued in relation to this right.

Note 6 Equity securities issued

(a) Ordinary Shares

Issues of ordinary share capital during the half year:

Date	Details	Number of shares	Issue Price $	$
1 July 2019	Balance	**1,015,023,894**		**32,826,000**
23 Jul 2019	Director Fee Plan	8,666,667	0.003	26,000
24 Oct 2019	Placement	124,000,000	0.0025	310,000
	Capital raising costs			(21,675)
4 Dec 2019	Placement	136,000,000	0.0025	340,000
	Capital raising costs			(20,400)
4 Dec 2019	Share Purchase Plan	120,000,000	0.0025	300,000
	Capital raising costs			(15,124)
4 Dec 2019	Director Fee Plan	5,333,333	0.003	16,000
4 Dec 2019	BLU Introduction Shares	3,000,000	0.003	9,000
31 Dec 2018	Balance	**1,412,023,894**		**33,769,801**

(b) Performance Shares

On 10 December 2019, following approval by Shareholders at the AGM, the Company allotted 60,000,000 unlisted Performance Shares (30,000,000 Acquisition and 30,000,000 Contingent Consideration Shares) linked to milestones under the Big Lake Uranium Farm-in Agreement.

The Performance Shares have the following conversion rights:

- Subject to the below clauses, a Performance Share will convert into one fully paid ordinary share in the Company (Share), subject to satisfaction of the milestone set out below applicable to the relevant tranche of Performance Shares (collectively, the Milestones, each a Milestone), on the date specified in the Milestone applicable to the relevant Performance Share:

  i) For the Acquisition Performance Shares: on completion of the farm-in work program, expending at least $220,000, electing to acquire all of the shares in Big Lake Uranium Pty Ltd (BLU) before 21 July 2021;
  ii) For the Contingent Consideration/Discovery Performance Shares: on discovery and definition of a JORC compliant Inferred Resource of 25 million lbs U3O8 at 1,000ppm uranium or greater on the Big Lake Uranium Project within eight years;

Note 6 Equity securities issued (continued)

- The Company will issue the holder with a new Share certificate for the Shares as soon as practicable following the conversion of a Performance Share into a Share.
- The Milestones must be achieved before the date presented in each Milestone (Expiry Date).
- For a class of Performance Shares if a Milestone is not achieved before the Expiry Date, then all of the Holders' Performance Shares of that class will automatically consolidate into one Share only (Automatic Conversion).
- Notwithstanding anything else in these terms, the conversion of a Performance Share is subject to compliance at all times with the Corporations Act and the ASX Listing Rules.
- The Shares into which Performance Shares will convert will rank pari passu in all respects with existing Shares and will confer rights identical with all other Shares then on issue.

The Milestones may only be amended with approval of Shareholders in General Meeting and a voting exclusion statement applies in relation to any holder of Performance Shares.

The Performance Shares were issued for no consideration and reflects an option that the Company holds, on completion of the farm-in expenditure of $220,000 with encouraging exploration results, to acquire all of the shares in Big Lake Uranium Pty Ltd. The allottees of the Performance Shares are the Big Lake Uranium Pty Ltd shareholders.

The value of the Performance Shares allotted will be measured when milestones have been met and conversion to Fully Paid Ordinary Shares has occurred.

(c) Unlisted Options

130,000,000 unlisted Share Option were issued for every two new shares (both Tranche 1 and Tranche 2) under the placement finalised on 4 December 2019. These options are subject to an exercise price of $0.005 and expiry date of 12 months from the date of issue being 4 December 2020.

34,663,158 unlisted zero priced employee and contractor performance options are on issue at 31 December 2019. These options will only vest if the short term and long term performance conditions are met and expire over periods through to July 2022.

Note 7 Contingent liabilities

There have been no changes in contingent liabilities since the end of the previous annual reporting period, 30 June 2019.

Note 8 Events occurring after the end of the interim period

On 26 February 2020, Alligator executed an Exploration Agreement for the Nabarlek North Project with Traditional Owners in western Arnhem Land, facilitated by the Northern Land Council (NLC). The Project provides an exceptional exploration opportunity in Australia's premier uranium province and is highly prospective for undercover high-grade uranium mineralisation. In a first for Alligator and the Traditional Owners, the Exploration Agreement allows for a one-off option for the Traditional

Note 8 Events occurring after the end of the interim period (continued)

Owners to acquire a 25% direct ownership in an economic uranium resource (if found), in exchange for a reduction in certain production related royalties and payments. This option arises at the time a feasibility report is finalised in relation to a proposed mining right application.

During January to March 2020, the COVID 19 (corona virus) medical issue has arisen and has become a significant matter around the globe. Alligator is monitoring these developments and any potential future impact in two of its asset regions:

- Alligator has exploration assets in the Piedmont region in northern Italy. At the current time there is no work underway in this region, and it is usually not possible to be on the ground due to snow cover until later May. Under Alligator's current programs we were not anticipating to undertake any work in the region until drill permits are in place and ground conditions allow for suitable access. This timing is currently targeted for July or later this year.

- The NT Government has advised that elective community visits and non-essential travel by government and service providers to remote indigenous communities be avoided. It is not a travel ban to these areas, but just targeting reducing risk to indigenous communities. Again Alligator does not intend to work on its west Arnhem Land exploration area until around May at the earliest, and will review its requirement to undertake this work at the time

No other matter or circumstance has arisen since 31 December 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.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 7 to 18 are in accordance with the *Corporations Act 2001*, including:
   a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Paul Dickson
Chairman

Brisbane, 12 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ALLIGATOR ENERGY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Alligator Energy Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019, and of its financial performance for the half-year ended on that date; and

(b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter – Going Concern

We draw attention to Note 1 of the financial statements which describes the events and/or conditions which give rise to 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 its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the

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preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alligator Energy Limited (Dec 2019), ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

BRISBANE, 12 MARCH 2020

COMPETENT PERSON'S STATEMENT

The information included in the Directors' Report in relation to exploration activities during the half year ended 31 December 2019 is extracted from the Quarterly Activities Reports for the quarters ended 30 September and 31 December 2019 and are available to view on the Company's website- www.alligatorenergy.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.