



ALLIGATOR ENERGY LTD

ACN 140 575 604

Ph (07) 3852 4712

Fax (07) 3852 5684

PO Box 338, Spring Hill, Qld 4004

Suite 3, 36 Agnes Street, Fortitude Valley QLD 4006

CHAIRMAN'S ADDRESS TO THE ALLIGATOR ENERGY ANNUAL GENERAL MEETING- 18 NOVEMBER 2016

As I review 2016 undoubtedly Alligator completed an excellent exploration year. I remind you that the company's objective has been to discover large, high-grade uranium deposits in the Alligator Rivers region and that the minimum target has been set at 100 million pounds of uranium. Our principal focus is in the unexplored basement rocks beneath the covering sandstone. The logic being that any deposit under the sandstone would be fully preserved and that by using our innovative R&D technologies Alligator would be the first to be able to detect the footprints of such deposits through that sandstone.

And the company did that in 2016, at two targets. TCC4, measuring 1000 metres long by 200 metres wide shows every characteristic anticipated from a large covered deposit. It is defined by a uranium pathfinder response in the covering sandstone and a coincident basement conductor. It is ready to drill test.

At BT12 a very large uranium pathfinder anomaly measuring 2500 metres long by 600 metres wide has been defined. This is the largest pathfinder anomaly Alligator has yet discovered. Encouragingly a second narrower sub-parallel band of pathfinder anomalism was defined 500m north of the main response. Geophysical surveys are required to provide a focus for the drill rig before BT12 can be classified as drill ready. Alligator has done what it set out to do and these are two remarkably attractive targets.

Encouragingly these two targets are incorporated in the 40 kilometre long 'Violet – Orion Zone' which Alligator identified early in 2016. It crosses the tenements being explored and contains all but one or two of the known uranium mineralisation sites, anomalies and pathfinder features in the tenements. This remarkable outcome gave us great confidence that our exploration is not only effective but also well focussed, and that additional high quality targets will be defined.

Frustratingly despite the good exploration outcomes the company's share price has declined approximately 50 % since the end of 2015, from 3 cents then to 1.5 cents on Wednesday. This decline has been in virtual lock step with the decline in the spot price of uranium which has also fallen about 50%; from \$36/lb this time last year to just over \$18/lb today. That is a 13 year low. This shows that like any other mineral exploration company Alligator's share price is captive to the price of the commodity sought. So as long as the uranium price remains low raising of funds for exploration of this commodity will be very difficult and very dilutive.

Increased inventories are invoked for the uranium price fall yet there have been no significant changes to projected production or demand. Just to fuel the new reactors being built will require a 20% increase in annual uranium production. That is 35 million more pounds each year within a few years. Uranium will continue to play a vital role as a secure, reliable, safe and valuable source of energy in a low carbon emission world and the uranium price must recover.

Recognizing this Alligator has committed to a modest \$900,000 fund raising through a 1:4 rights issue with an attached option. This will allow the company to protect its assets and rights and to ensure that in 2017 sufficient exploration is done on the tenements to meet minimum statutory commitments and joint venture terms. Importantly some of these funds will be allocated to assessing advanced project opportunities in other commodities and terranes. This is intended to provide investment alternatives and to rejuvenate the company in the event that uranium prices do not recover in 2017.

On behalf of the Board I thank all shareholders for continuing to support Alligator. I ask that you support the current rights issue and stay a shareholder in the company. Alligator has two magnificent targets to drill test and has shown it has the tools and the team to find the footprints of the giant uranium deposits sought. It also has the connections and the project evaluation skills to identify and assess new commodity opportunities in other geological terranes. The company intends to protect its uranium assets and develop other opportunities in 2017.

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FOR FURTHER INFORMATION, PLEASE CONTACT

Mr John Main
Executive Chairman
Alligator Energy Ltd
Email: info@alligatorenergy.com.au

Ian Howarth
Collins Street Media
0407 822 319
ian@collinsstreetmedia.com.au