



# ALLIGATOR ENERGY LTD

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21 November 2016

Dear Shareholder

## **Alligator Energy Limited – non-renounceable rights issue Notice to security holders**

Alligator Energy Limited (**AGE** or **Company**) is pleased to announce a partially underwritten non-renounceable rights issue to eligible shareholders, on the basis of 1 new share for every 4 shares currently held at an issue price of \$0.01 per share (**New Shares**) plus 1 attaching option for every 2 New Shares subscribed, to raise approximately \$899,840, based on AGE's undiluted share capital (**Rights Issue**). Assuming no existing options on issue in the Company are exercised, approximately 89,984,027 fully paid ordinary shares will be offered under the Rights Issue and 44,992,014 attaching options.

The Rights Issue will be available to all registered shareholders who hold shares at 7pm (Brisbane time) on 28 November 2016 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**). Shares issued under the Rights Issue will rank equally with all shares on issue. Eligible Shareholders may, in addition to their Entitlements, apply for a further \$500, \$1,000, \$2,000, \$5,000, \$10,000 or \$15,000 of new shares over and above their Entitlement at the Offer Price (**Additional Shares**) regardless of the size of their present holding.

In accordance with the Listing Rules of the ASX, AGE has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Rights Issue to those shareholders. Accordingly, shareholders outside of Australia and New Zealand will not be entitled to participate in the Rights Issue.

The purpose of the Rights Issue is to raise approximately \$899,840, before the costs of the Rights Issue. It is proposed that the funds raised from the Offer will be applied for the purposes of maintaining the Company's exploration interests and assets in the Alligator Rivers Uranium Province, evaluating other targets and planning to drill the Company's two highly attractive uranium targets, evaluating other business development opportunities, to cover the costs of the Offer and to provide working capital.

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

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

The Board will form a New Opportunities Advisory Team that will be specifically tasked with identifying and evaluating new business opportunities and will be given the authority to engage such suitable experts to assist with the exploration and evaluation of these opportunities. It will be headed by an independent director and will report to the Board regularly.

The Offer is partially underwritten by Taylor Collison and Macallum Group Limited (**MGL**) up to an amount of \$782,328 or approximately 87% of the proposed raising before costs.

The Directors who hold shares in the Company have indicated their intention to take up their entitlement to New Shares under the Rights Issue.

A proposed timetable for the Rights Issue is set out in the table below:

<b>Announcement of Issue</b>	Prior to commencement of trading on Friday 18 November 2016
<b>Lodgement of Prospectus with ASIC and ASX</b>	Prior to commencement of trading on Friday 18 November 2016
<b>Notice to Option Holders</b>	Friday 18 November 2016
<b>Notice to security holders containing Appendix 3B information</b>	Monday 21 November 2016
<b>Shares commence trading on an ex rights basis</b>	Friday 25 November 2016
<b>Record Date for the Offer</b>	Monday 28 November 2016
<b>Prospectus and Entitlement and Acceptance Form despatched to Shareholders</b>	Thursday 1 December 2016
<b>Opening Date of Offer (9am Brisbane time)</b>	Friday 2 December 2016
<b>Closing Date of Offer (5pm Brisbane time)</b>	Friday 16 December 2016
<b>Advise ASX of any shortfall</b>	Wednesday 21 December 2016
<b>Expected date of issue of New Shares and Attaching Options</b>	Friday 23 December 2016
<b>Commencement of trading of New Shares and Attaching Options on ASX (provided quotation conditions are met for Attaching Options)</b>	Wednesday 28 December 2016
<b>Expected date of despatch of holding statements for New Shares</b>	Friday 6 January 2017

This timetable is indicative only and may be subject to change subject to the requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and the ASX Listing Rules.

The Rights Issue is being made under a short form Prospectus. **The Prospectus to be issued to Eligible Shareholders was lodged with ASX on 18 November 2016 and is available on the Company's website [www.alligatorenergy.com.au](http://www.alligatorenergy.com.au) and the ASX website.** AGE will prepare and send the Prospectus to Eligible Shareholders on 1 December 2016, as set out in the timetable above.

#### **Further information**

The Company anticipates that a maximum of approximately 89,984,027 New Shares and 44,992,014 attaching options will be issued (this number may have to be increased by 175,000 New Shares and

87,500 Attaching Options if all existing option holders holding vested options exercise their options prior to the Record Date).

Upon completion of the Rights Issue, assuming that it is fully subscribed and assuming that existing option holders do not exercise their options, the issued capital of AGE will comprise approximately 449,920,136 shares and 44,992,014 Attaching Options for which the Company will apply to the ASX to be listed. The Company also has 8,486,129 unlisted options on issue exercisable at prices ranging from \$0.0 (zero strike priced performance based options issued to employees and contractors) to \$0.15 each with expiry dates ranging from 31 January 2017 to 7 June 2019. Details of the issued share capital are included in the Appendix 3B lodged with the ASX on 18 November 2016.

The Official Quotation of the Attaching Options will be subject to the satisfaction of the eligibility requirement in Listing Rule 2.5 Condition 6 in respect of convertible securities that are not already quoted, that is that there are at least 100,000 attaching options and 50 or more holders of the Attaching Options with a marketable parcel. If the eligibility requirement in Listing Rule 2.5 Condition 6 is not met, the Company will proceed to issue the Attaching Options but these securities will not be quoted on the ASX.

The New Shares will rank equally in all respects with AGE's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number. There will be no change to the dividend policy of the Company as a result of the Rights Issue.

The Attaching Options will be exercisable 3 years from issue at an exercise price of \$0.021 per option. There are no participating rights or entitlements in the Attaching Options and the holders of the Attaching Options will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Attaching Options unless they are exercised and Shares are issued.

Trading in the New Shares and Attaching Options are expected to commence on 28 December 2016, the first business day following the issue of the New Shares. The Rights Issue is non-renounceable therefore entitlements to the New Shares cannot be traded on the ASX.

An Appendix 3B applying for quotation of the New Shares and Attaching Options was lodged with ASX on 18 November 2016. As stated in that Appendix 3B, the Company currently has capacity to issue 67,488,020 equity securities pursuant to ASX Listing Rule 7.1 and at that time had not sought nor obtained approval under ASX Listing Rule 7.1A.

Yours faithfully

A handwritten signature in dark ink, appearing to read "John V. Main", is written over a light blue horizontal line. The signature is cursive and fluid.

John Main  
Chairman