

QUARTERLY ACTIVITIES REPORT

FOR QUARTER ENDED 30 June 2014

HIGHLIGHTS

EXPLORATION

- 2014 Field Season commenced at Tin Camp Creek Uranium Project in the Alligator Rivers Uranium Province, Northern Territory.
- Successful air-borne SAM/MMR Geophysical Survey completed on primary targets at project area to define drill targets beneath cover rocks.
- Next phase of drilling planned to commence in first week of August.
- 5,000m RC Percussion and Diamond Drilling planned to test 5 priority targets; including Mintaka, Orion North and Northeast Myra.
- Stage 1 of Collaboration Research Project with CSIRO completed and successfully identified new techniques for targeting uranium mineralisation.

CORPORATE

- Subsequent to the quarter, Alligator has announced a Share placement and Rights Issue to raise approximately \$4M to fund the next phase of the company's exploration strategy.
- The capital raising will comprise:
 - A Share Placement to sophisticated investors of 30,750,000 shares at \$0.04 per share to raise \$1.23M (before costs); and
 - A non-renounceable fully underwritten Rights Issue of 1 new share for every 3.5 shares currently held at \$0.04 per share to raise up to approx \$2.7M (before costs).
- Company maintains a solid cash position, of \$2.0M at 30 June 2014

Alligator Energy

ABN 79140575604

Suite 3
36 Agnes Street
Fortitude Valley, QLD 4006

Ph: (07) 3852 4712

Fax: (07) 3852 5684

ASX Code: AGE

Number of Shares:
205.8M Ordinary Shares
15.2M Unlisted Options

Board of Directors:

Mr John Main
(Chairman)

Mr Robert Sowerby
(CEO, Director)

Mr Paul Dickson
(Non Exec. Director)

Mr Peter McIntyre
(Non Exec. Director)

Mr Andrew Vigar
(Non Exec. Director)

EXPLORATION ACTIVITIES

During the June 2014 quarter, Alligator commenced its 2014 Field Season at its core asset, the Tin Camp Creek Uranium Project in the Alligator Rivers Uranium Province, in the Northern Territory. Consistent with the Company's strategy of targeting the discovery of large scale uranium deposits, of >100Mlb U₃O₈, Alligator plans to drill test five priority target areas in 2014, each of which is considered to have favorable geological, geochemical and spatial characteristics for hosting large uranium deposits.

Commencement of 2014 Field Season

In June (ASX announcement, 11 June 2104) Alligator announced it had commenced its 2014 Field Season at the Tin Camp Creek Uranium Project.

The initial work involved establishing access to the Myra Camp within the project area, after the northern wet season. Road access to facilitate the arrival of drill rigs and other equipment was also re-established. With the camp and all supporting infrastructure in place, the Company re-commenced its on-ground exploration programs at the Tin Camp Creek Project.

Work planned for the 2014 field season includes:

- An air-borne Geophysical Survey; undertaken on primary targets within the Tin Camp Creek Project to define drill targets using innovative application of Sub-Audio Magnetism (SAM)/MMR techniques to explore under cover rocks.
- Next phase of drilling; planned to commence immediately following the completion of the Geophysical Survey, on priority targets identified in the Tin Camp Creek project area.

Successful Geophysical Survey undertaken

In July, subsequent to the end of the quarter, (ASX announcements, 9 and 25 July 2014), the Company conducted an air-borne SAM/MMR Geophysical Survey over the Tin Camp Creek project area.

The survey covered a significant part of the sandstone covered areas of the project, including the primary target areas of Mintaka, Orion North, Northeast Myra and South Orion. It was designed to identify conductive rock units (low resistivity) in the target basement rocks that may be associated with unconformity uranium style mineralisation.

Preliminary results received to date have indicated that the survey technique has been successful in identifying basement conductive units underlying the Kombolgie Sandstone. Existing targets have been more clearly defined and a number of previously unknown basement features have been identified which warrant further investigation.

Alligator, in conjunction with survey company, GAP Geophysics, applied a configuration designed to maximize the signal response from basement rocks underlying the Kombolgie Sandstone prevalent in the project area.

While further interpretation of the data is ongoing, Alligator considers that the application of this geophysical technique and the results achieved provide a significant new impetus to the Company's exploration in the area.

The ability to target through the sandstone has previously presented a significant challenge for explorers in the Alligator Rivers Uranium Province, and exploration has historically been limited in the area as a result.

Next Phase of Drilling to commence

Also in July (ASX announcement 25, July 2014), the Company announced plans to commence the next phase of drilling at the Tin Camp Creek Project, with mobilisation for drilling expected to commence in the last week of July.

As mentioned previously in this Quarterly Report, Alligator has identified priority drill targets at the Mintaka, Orion East, Orion North, Northeast Myra and Orion South prospect areas. These targets have been selected on the basis of having favourable host rocks, structure and known presence of strong uranium and pathfinder element anomalism.

The targets will be further refined and prioritised following the final processing of results from the recently completed SAM/MMR Geophysical Survey.

A total of 5,000 metres of Reverse Circulation (RC) Percussion and Diamond Drilling is planned to be completed this Field Season on five priority target areas.

RESEARCH AND DEVELOPMENT

Stage 1 of CSIRO Collaboration Research Project Completed

During the quarter, the Company also advised that Stage 1 of its Collaboration Research Project with the CSIRO had been completed.

The objective of the project was to develop and trial geochemical and geophysical techniques to improve exploration targeting for unconformity style uranium mineralisation in the Alligator Rivers Uranium Province.

The study was successful in providing important insights into the nature of alteration and geochemical halos surrounding the Caramal and South Horn areas at Tin Camp Creek. The study indicated the potential to recognise halos up to 1km from mineralisation, using a combination of geochemical and hyperspectral analysis.

The study results are considered proprietary knowledge of Alligator, but in broad terms they indicated that specific geochemical and isotopic signatures define the alteration surrounding uranium mineralisation, which provides a larger target footprint for drill testing under cover rocks.

The Company plans to expand the scope of the research project to trial the newly developed techniques from the CSIRO collaboration project in its 2014 drilling program, and will also resample and re-analyze historic drill core from the project area.

CORPORATE

Capital Raising Program to raise up to \$4M

Subsequent to the end of the quarter (ASX announcement, 29 July 2014), Alligator has announced a share placement and non-renounceable Rights Issue to raise approximately \$4 million, to drive the next phase of its uranium exploration strategy in the Alligator Rivers Uranium Province in the Northern Territory.

The capital raising will comprise:

- A strategic share Placement of 30,750,000 shares, approximately 15% of total Alligator shares currently on issue, to raise \$1.23M (before costs) to sophisticated investors at \$0.04 per share; and
- A non-renounceable fully underwritten Rights Issue to raise up to approx. \$2.7M (before costs) at \$0.04 per share, on the basis of 1 new share for every 3.5 shares currently held.

The price of the Placement and Rights Issue represents a discount of 13% on the VWAP for the 10 business days up to 24 July 2014. The Rights Issue will be fully underwritten by Taylor Collison, and the Macallum Group Ltd (MGL) will take up its full allocation of rights. MGL has also indicated an interest in taking up a portion of any shortfall in subscriptions to increase its position.

Placement

The placement will be co-ordinated through a lead manager and the Placement shares are expected to be issued on 1 August 2014 (prior to the Record Date for the Rights Issue). Participants in the Placement will also be entitled to participate in the Rights Issue on the basis of these shares. The Placement shares will rank equally in all respects with Alligator's existing shares.

Rights Issue

Approximately 67,574,625 new shares will be offered under the Rights Issue (assuming no existing options on issue in the Company are exercised). It will be available to all registered shareholders who hold shares at the Record Date (7:00pm AEST on or about 11 August 2014) with registered addresses in Australia and New Zealand (Eligible Shareholders). Shares issued pursuant to the Rights Issue will rank equally with all shares on issue. An Offer Document in relation to the Rights Issue will be sent to shareholders on or about 14 August 2014.

Use of Funds

The funds raised will be used to underpin ongoing exploration activities at the Tin Camp Creek Uranium Project including:

- Undertaking the drilling of five priority targets at Tin Camp Creek in H2, 2014;
- Assess new targets identified by recent geophysical surveys at the project;
- Investigate and advance business development opportunities, and provide working capital to the Company.

Northern Territory Geological Survey Co-funding Grant for exploration

Alligator also reported (ASX Announcement, 11 June 2014) that it was successful in securing a co-funding grant from the Northern Territory Geological Survey (NTGS) for drilling at the Mamadawerre Project and the airborne Geophysical Survey at the Tin Camp Creek project area

The NTGS agreed to provide co-funding up to a total of \$147,000, on a dollar-for-dollar basis for this exploration work.

The co-funding arrangement is part of the NTGS Collaborations Program which provides co-funding assistance to successful applicants for selected exploration drilling and geophysical acquisition projects in greenfields areas where there is limited geological information.

Cash at Bank

The Company has maintained a sound cash position and as at 30 June 2014, had cash reserves of \$2.0M.

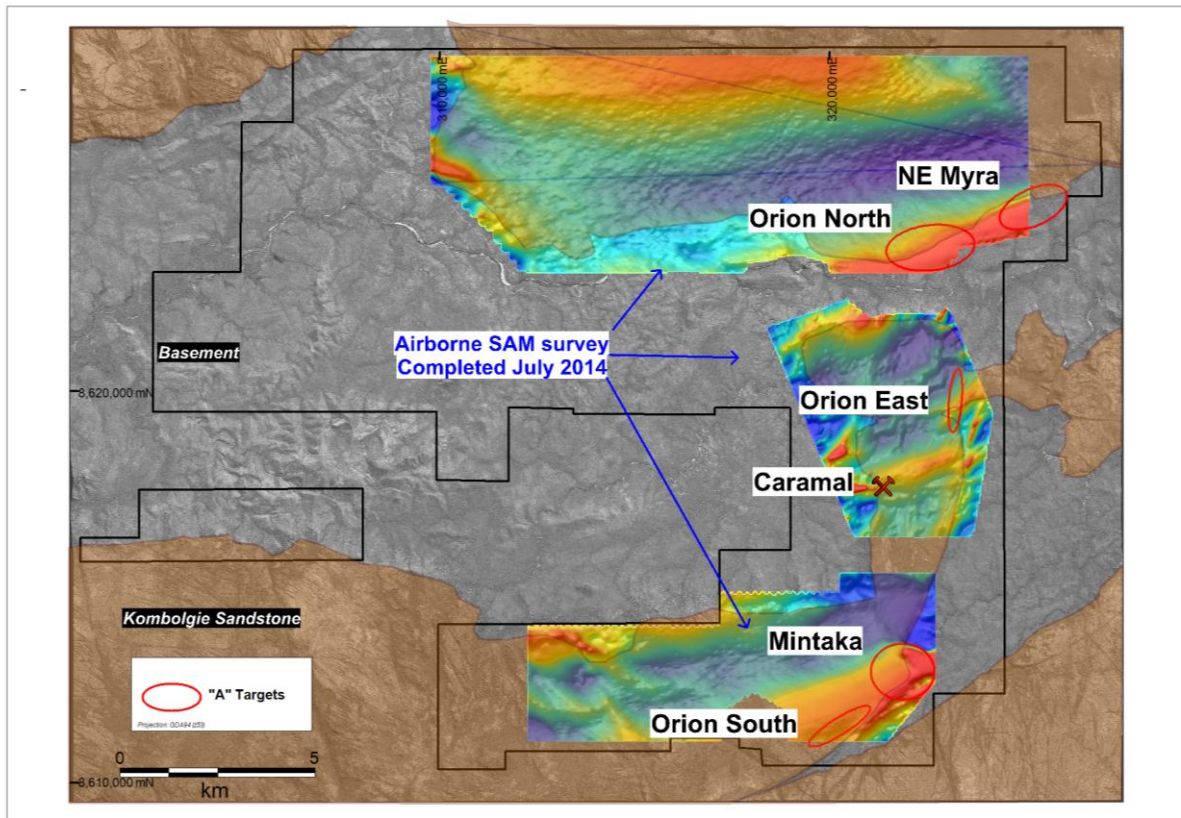


Figure 1. Tin Camp Creek Project area and Image of MMR responses. Red and orange coloured areas relate to low resistivity/higher conductivity.

Competent Persons Statement

Information in this report is based on Exploration Results compiled by Mr. Robert Sowerby who is a Member of the Australasian Institute of Geoscientists. Mr. Sowerby is CEO and Director of Alligator Energy Ltd, 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 2014 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Sowerby consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Company Information

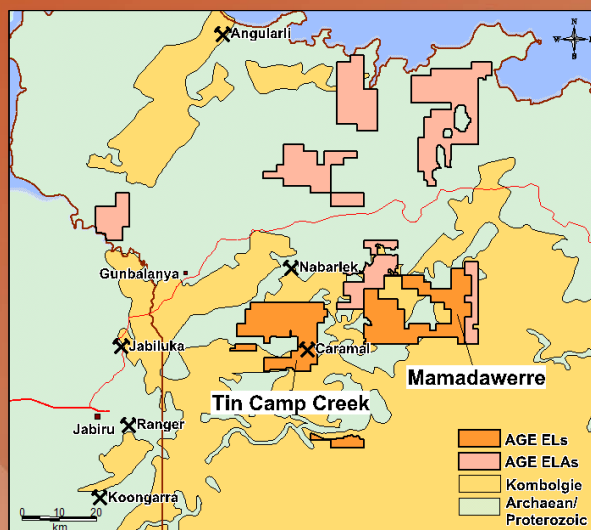
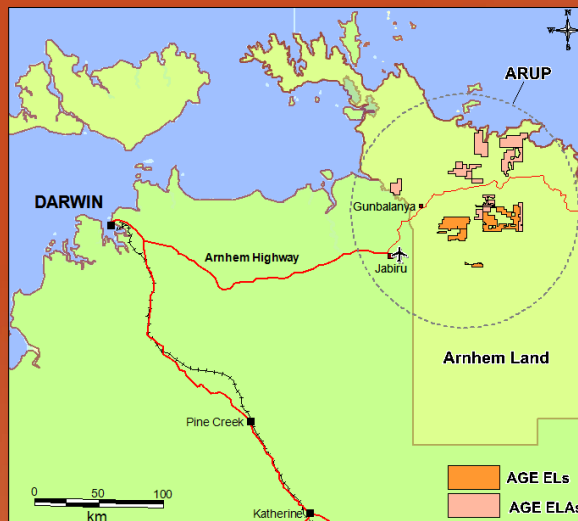
Alligator Energy Ltd is an Australian, ASX listed, Exploration Company with uranium exploration tenements in the world class Alligator Rivers Uranium Province in Arnhem Land, Northern Territory. The Alligator Rivers Uranium Province hosts nearly 1 billion pounds of high grade uranium resources and past production, including the Ranger Mine and Jabiluka. The company's flagship project is the Tin Camp Creek Project. Since listing in February 2011, the company has completed in excess of 15,000m of drilling, defined a maiden high grade, JORC compliant resource at Caramal (6.5Mlb U3O8 at 3100ppm U3O8) and discovered new mineralization at Mintaka and Orion East.

The company has in excess of 1000km2 of exploration license applications and is also in Joint Venture with Cameco

Australia Pty Ltd for the Mamadawerre Project, also within the Alligator Rivers Uranium Province.

For further information, please contact

Mr. Rob Sowerby
Chief Executive Officer
Email: info@alligatorenergy.com.au



Project Location Diagrams