



3 September 2014

ASX Announcement

Alligator Signs Farm-in Term Sheet with Cameco for Beatrice Project

Highlights

- Alligator (AGE) and Cameco Australia Pty Ltd (Cameco) agree to terms for Beatrice Project Farm-in agreement and subsequent Joint Venture.
- Under the proposed agreement, AGE may earn 51% of the project by incurring eligible expenditure of \$250,000 by 2 July 2016.
- AGE to manage exploration through to Pre-feasibility Study stage.
- Cameco may earn back control (51%) following completion of a Pre-feasibility Study and payment to AGE of an amount based on the size of the identified resource.
- Beatrice Project adjoins Tin Camp Creek Project and contains the historic Beatrice Prospect (best historic drill intersection of 7m at 2.8% U3O8).

Alligator Energy Ltd (AGE) wishes to advise that the company has agreed to terms with Cameco Australia Pty Ltd (Cameco) to farm-in to Cameco's **Beatrice Project** in the Alligator Rivers Uranium Province. The Beatrice Project is comprised of ELs24291 and 26796 and ELAs 26793, 26794, 26795 (held 100% by Cameco) and is located to the immediate south of the Tin Camp Creek Project area (refer Figures 1). The total project area covers 481km².

Alligator considers the tenements to be highly prospective for unconformity style uranium mineralisation. These tenements will form a contiguous land holding with the TCC Project area that will allow Alligator to pursue prospective structures and mineralised trends identified by exploration on the adjacent TCC Project area. The project area contains known uranium occurrences including the historic Beatrice Prospect (best historic drill intersection of **7 metres at 2.8% U3O8** by Queensland Mines Ltd in 1971).

Alligator Energy Ltd

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ASX Code: AGE

Number of Shares:
237M Ordinary
Shares
12.0M 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)

The key terms of the proposed Farm-in and Joint Venture are as follows:

- Alligator may earn a Stage 1 interest of 51% in the project by incurring eligible exploration expenditure of \$250,000 prior to 2 July 2016. A Joint Venture (JV) is established at this point.
- Alligator may maintain its Stage 1 interest by sole funding to a total of \$2.0 million in further exploration activities prior to 2 July 2017 (Stage 2).
- Following completion of Stage 2, Cameco may elect to fund continuing exploration on a pro-rata basis to maintain a 49% interest or dilute its interest.
- If AGE fails to meet its expenditure commitments up to the end of Stage 2, AGE will forfeit its interest in the Project.
- On definition of a qualifying resource of at least 75Mlb U3O8 (inferred + indicated + measured), the JV must commence a NI43-101 compliant Prefeasibility Study (PFS) within 12 months.
- Cameco may elect to manage and operate during the PFS stage and fund 51% of the PFS following a payment of \$2 million to AGE, provided they have maintained a 49% interest.
- Following completion of the PFS, Cameco may acquire an additional 2% of the project (for a total of 51%) by paying AGE:
 - For a total resource of less than 100Mlb U3O8, an amount equal to 2% x Total Resource (lbs U3O8) x \$5/lb U3O8.
 - For a total resource of greater than 100Mlb U3O8, an amount equal to 2% x Total Resource (lbs U3O8) x \$6/lb U3O8 less the initial PFS payment (\$2 million).

A final agreement is being prepared and execution of the final agreement is subject to the renewal of ELs24291 and 26796 by the Northern Territory Department of Mines and Energy. The parties are committed to completing a final agreement expeditiously with the intention of AGE commencing initial field work during the 2014 field season.

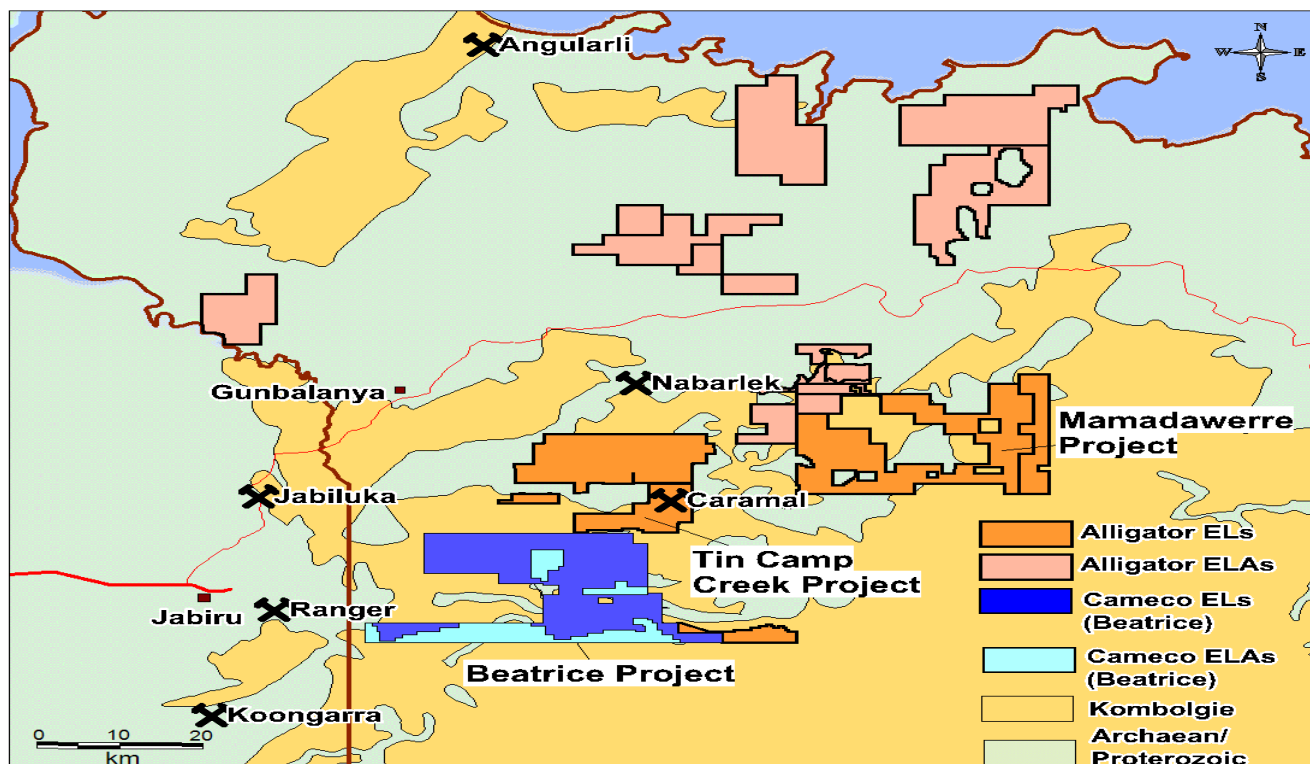


Figure 1: Beatrice Project Regional Location

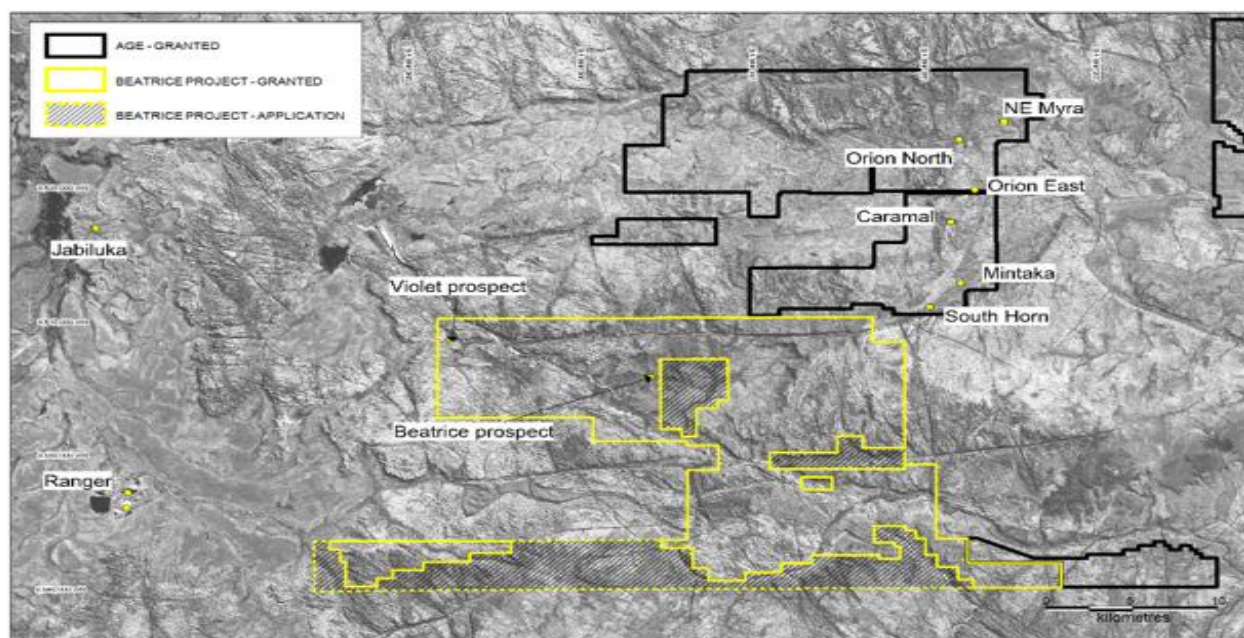
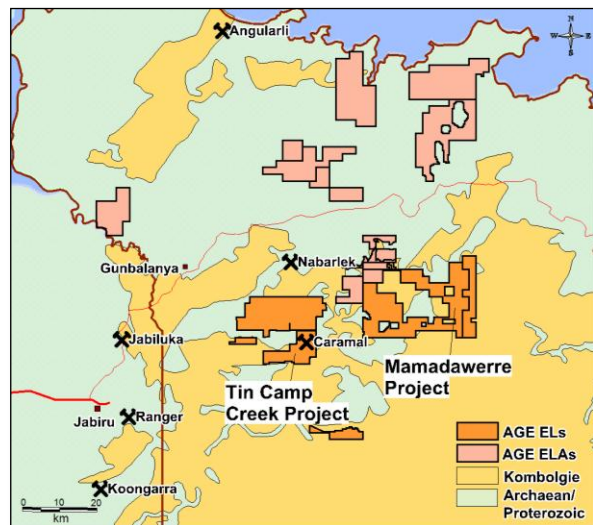
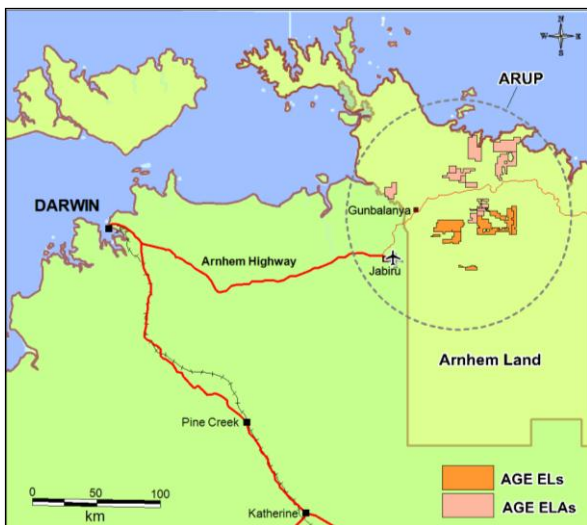


Figure 2: Beatrice Project Area

About Alligator Energy

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. High Grade mineralization also occurs at the historic South Horn and Gorrunghar prospect which remain only partially tested.

The company has in excess of 1000km² of Exploration Licence applications and is also in Joint Venture with Cameco Australia Pty Ltd for the Mamadawerre Project, also within the Alligator Rivers Uranium Province



Project Location Diagrams

FOR FURTHER INFORMATION, PLEASE CONTACT

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Competent Persons Statement

Information in this report is based on historic Exploration Results compiled by Mr Rob 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 2012 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.