

QUARTERLY ACTIVITIES REPORT

FOR QUARTER ENDED 31 December 2014

HIGHLIGHTS

EXPLORATION

- 2014 drilling campaign completed at Tin Camp Creek Uranium Project in the Alligator Rivers Uranium Province, Northern Territory.
- A total of 5,965 metres RC Percussion and Diamond Drilling in 34 holes completed in 2014 field season.
- Outcomes of 2014 drilling were highly positive with three of five targets tested - North East Myra, Mintaka and Orion South returning positive results.
- Encouraging outcomes from the application of innovative techniques including SAM/MMR survey and radiogenic pathfinder surveys.
- Extensive regional radiogenic pathfinder sampling program completed in November defined significant anomalies indicative of substantial associated uranium sources in the Orion South and TCC-1 and TCC-2 target areas
- Helicopter-borne VTEM survey plus surface mapping and sampling program undertaken at the Mamadawerre Project area. Results of surveys to be finalised in early February.

CORPORATE

- Farm-in Agreement executed with Cameco for Alligator to farm-in to Cameco's Beatrice Project located immediately south of the Tin Camp Creek Project.
- Company maintains a solid cash position, of \$2.98m at 31 December 2014.

MARCH QUARTER WORK PROGRAM

- Systematic evaluation of Beatrice Project data including laboratory analysis of existing drill core.
- Beatrice Prospect core assay results expected in late February.
- Field program planned to commence at Beatrice Project in March with helicopter supported radiogenic pathfinder sampling program.
- Definition of priority target areas for 2015 exploration program on all project areas to be completed.

Alligator Energy

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ASX Code: AGE

Number of Shares:
307.8M Ordinary Shares
15.3M 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

Summary of 2014 Exploration Results

In 2014, the Board and management of Alligator committed to a strategy focusing exclusively on the discovery of deposits with resources greater than 100Mlb U3O8 through a disciplined process of evaluating multiple 'A'-class targets. The company committed to drill testing five of these targets in 2014. This commitment was met by the drill testing of the Orion North, North East Myra (NE Myra), Mintaka, Orion South and Orion East prospects at the Tin Camp Creek Project. A total of 5,965 metres across 34 holes were drilled in the campaign, with three of five targets tested returning positive results and warranting follow up work in 2015. These were the NE Myra, Mintaka and Orion South targets and they will be evaluated further in 2015.

At **NE Myra** uranium mineralisation was intersected in OBR14-111 (3m @ 1489ppm U3O8 from 60m) and OBR14-108 (2m @ 1005ppm U3O8 from 93m) which is located 500 metres to the west and along strike from OBR14-111, indicating the presence of a mineralised structure in this area (8 October ASX announcement).

At **Mintaka**, a best intersection of 4m @ 723ppm U3O8 from 38m, including 1m @ 2299ppm U3O8 was intersected in drill hole OBR14-120. Anomalous uranium (>200ppm U3O8) was intersected in a further three drill holes in the Mintaka area over a 1.5km strike length defined by SAM/MMR anomalies (21 October 2014 ASX release). Strong chlorite alteration with associated sulfide mineralisation was also intersected in drill hole OBRD14-128 which tested a prominent late time Total Field Electromagnetic (TFEM) geophysical anomaly. The interpreted intersection of mineralised structures at Mintaka and altered rocks identified by TFEM responses is a priority for 2015 drilling.

At **Orion South**, extensive radiogenic pathfinder anomalies have been defined by surface sampling and in drill holes OBRD14-124, OBRD14-125 and OBRD14-129 are indicative of the presence significant, nearby uranium source. The intersection of strong chlorite alteration at the base of the Kombolgie sandstone in these holes provides further strong encouragement to pursue this target area in 2015.

In addition, evaluation of the Mamadawerre Project area progressed significantly in 2014. An extensive ground reconnaissance program which identified further occurrences of outcropping high grade uranium associated with the Steptoe Fault zone (12 November 2014 ASX release). In late 2014, a detailed VTEM survey was flown over the Steptoe Fault zone to define basement conductors and drill targets for 2015.

A particularly pleasing outcome was the continuing development of innovative techniques to identify uranium deposits under the Kombolgie Sandstone cover rocks. In particular, the innovative application of SAM/MMR geophysical techniques and the use of Radiogenic pathfinder geochemistry to identify concealed alteration and uranium mineralisation is considered by Alligator to be potential game changers for the company. Results from the SAM/MMR survey were used in part to target drilling in 2014. All uranium mineralisation intersected in the Mintaka area in 2014 occurred in holes targeting the peak of MMR anomalies. In addition, two new substantial radiogenic pathfinder anomalies (**TCC-1** and **TCC-2**) coincident with MMR anomalies have been identified defining two exciting new targets to be further assessed in 2015. The use of these techniques will be expanded to the Beatrice JV tenements in 2015.

Drill focused exploration under Kombolgie Sandstone has been minimal in the Alligator Rivers Uranium Province (ARUP), whereas in the geologically equivalent Athabasca Basin in Canada, in excess of 1 billion lbs U3O8 of high grade resources have been discovered by systematic exploration under the Athabasca sandstone since 1980. Exploration techniques applicable in the Athabasca have not been effective in the ARUP due to differences in the geological setting of the deposits. Developing cost effective techniques that are effective in the ARUP is a key aspect of Alligator's strategy with the to unlock the potential of the terrane.

December Quarter Exploration Activities - Tin Camp Creek Project

During the December 2014 Quarter, Alligator completed its 2014 drilling campaign at its core asset the Tin Camp Creek Uranium Project in the Alligator Rivers Uranium Province, in the Northern Territory.

Drilling conducted during the December quarter focused on Orion East, Orion South and prominent Total Field Electromagnetic (TFEM) geophysical targets at Mintaka. Three drill holes were completed at Orion South, three holes at Mintaka and three drill holes at Orion East for a total of 1818 metres of reverse circulation (RC) and diamond drilling

At **Orion South**, three diamond drill holes were completed to test SAM/MMR and structural targets under the Kombolgie Sandstone cover sequence at Orion South. Drilling intersected variably altered sandstone and underlying Cahill Formation schists. No significant radiometric anomalism was detected by field screening however, pervasive "bleaching" and silicification of overlying sandstones was intersected in drill hole OBRD14-126 and intense chlorite alteration was intersected over a 20 metre interval at the unconformity of drill hole OBRD14-129.

Hole OBRD14-127, which targeted the peak of a TFEM geophysical anomaly, approximately 500 metres northeast of the Mintaka prospect, intersected 30 metres of strong chlorite and potassic alteration with sulphide mineralisation in a lower Cahill Formation Schist. Details of these drill holes were provided in the 20 November 2014.

This hole was the first within the project area to target this type of anomaly. The anomaly has dimensions of approximately 500 x 500m. No significant uranium was intersected in this drill hole, however the rock type is considered to be an ideal host rock for uranium mineralisation.

Assay results were also received during the December Quarter for drilling which targeted the **Mintaka** SAM anomaly, approximately 500 metres to the southwest of OBRD14-127. A best intersection of 4m @ 723ppm U3O8 from 38m was returned from drill hole OBR14-120, including 1m @ 2299ppm U3O8. An intersection of 1m @ 1356ppm U3O8 from 86m was also returned from OBR14-122, located approximately 125 metres north of OBR14-120. These mineralised intersections occurred in strongly altered dolerite.

Anomalous uranium was also intersected in intensely chlorite altered Cahill Formation Schists in OBR14-122. Anomalous uranium mineralisation (>200 – 1000 ppm U3O8) was also intersected over narrow intervals in OBD14-121 (located a further 1.5km to the south). Details of these results were reported in the 21 October 2014 ASX release.

Identifying the intersection of the chloritised lithologies associated with the Mintaka TFEM anomaly and uranium mineralisation intersected 500 metres further to the south will be a priority for follow up drilling in 2015.

Three drill holes (OBR131-133) were completed as an initial test of the **Orion East** prospect. Previous work in this area identified outcropping uranium mineralisation associated with a north-south trending silicified breccia. Drilling targeted the northern continuation of this structure and associated geophysical anomalies.

No significant uranium was intersected however the silica breccia structure was intersected as anticipated. Weakly anomalous uranium was intersected in OBR-132 (2m @145ppm U3O8 from 75m). Details of results were reported in the 20 November 2014 ASX release.

It is considered the host rock in this area is not favourable for uranium mineralisation. However, consideration will be given to pursuing the silica breccia to the south of the outcropping occurrence after further surface sampling for radiogenic pathfinders is undertaken in 2015. completed in this area.

Radiogenic Pathfinder Survey completed

An extensive radiogenic isotope sampling program was completed over the Tin Camp Creek Project area during the quarter, focusing on the Kombolgie Sandstone covered areas and historic drill core.

The objective of the survey was to identify and trace radiogenic pathfinder anomalies related to concealed uranium deposits. It is considered this work has the potential to be a significant step forward in the exploration of concealed deposits in the region and is an extension of findings from Alligator's Research and Development collaboration project with CSIRO.

Results from this survey to date have identified substantial radiogenic lead anomalies in the Orion South-Mintaka area and also in the north of the project, at the **TCC-1** and **TCC-2** target areas. These anomalies are considered to be indicative of a deeper uranium source underlying the sandstone.

The survey has also defined a radiogenic isotope signature in barren sandstone overlying the Caramal Deposit and its broader alteration system providing confidence the method is detecting anomalies related to uranium mineralisation.

Alligator considers the methodologies and techniques developed by the company in the use of radiogenic pathfinders to be an important innovation for exploration of concealed uranium mineralisation.

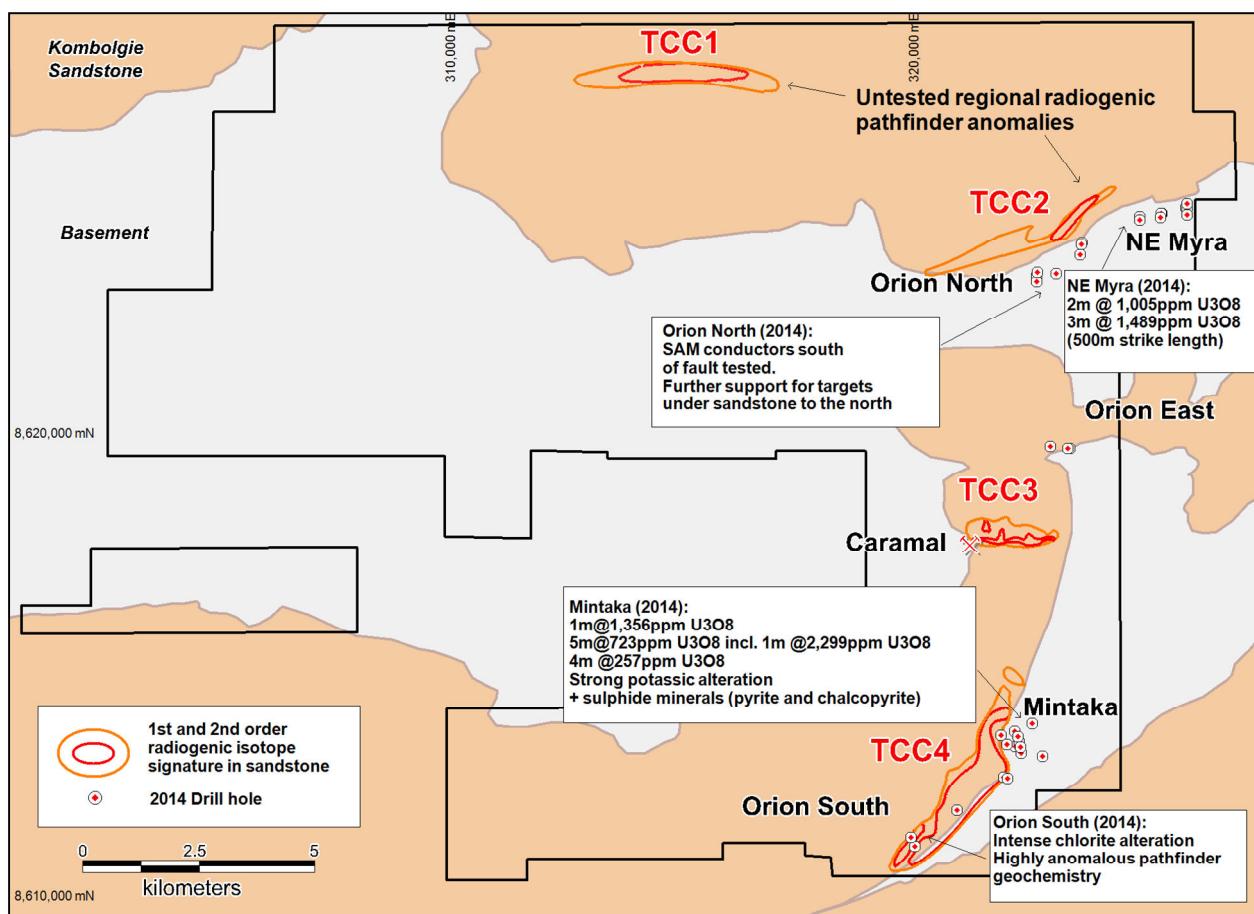


Figure 1. Tin Camp Creek Project – Location of 2014 drilling and radiogenic pathfinder anomalies defined by surface sampling.

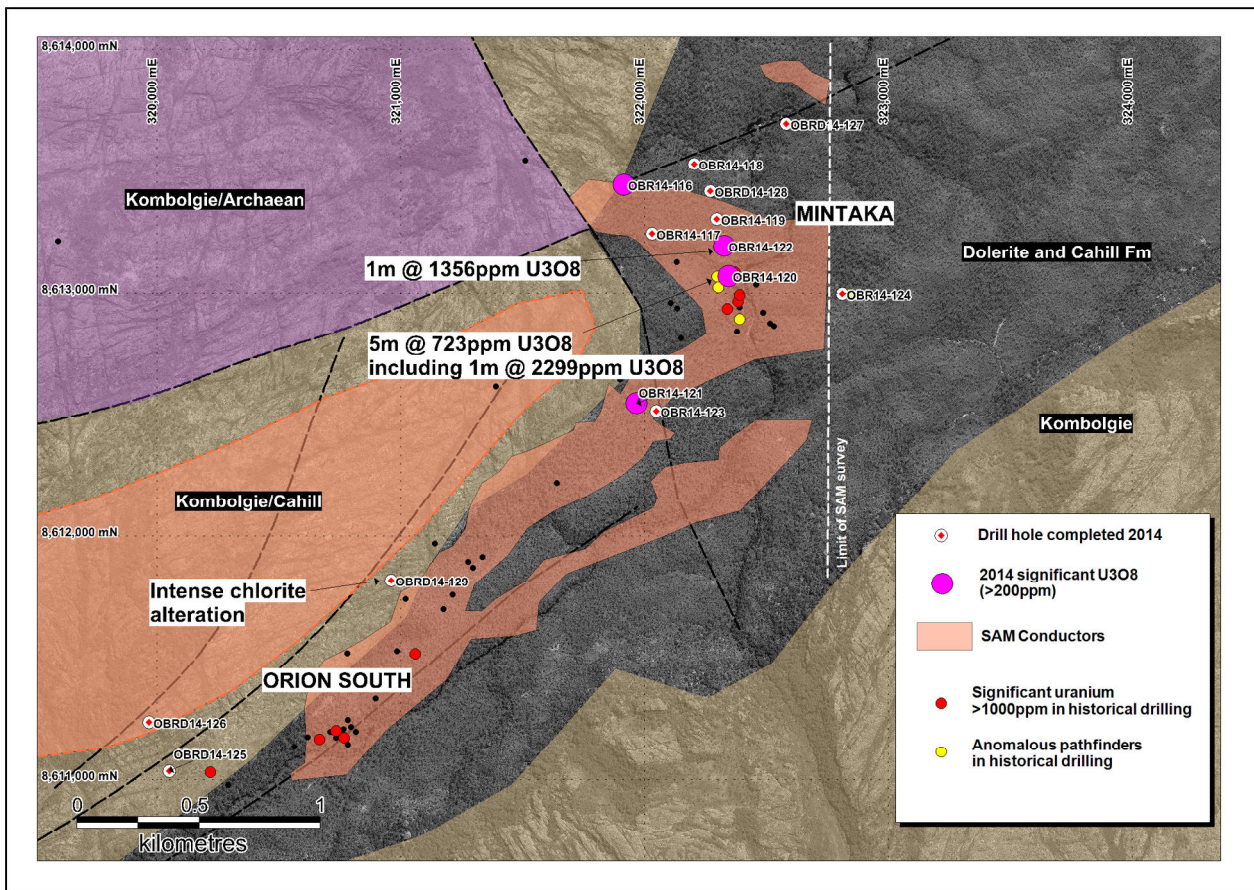


Figure 2. Mintaka – Orion South area – Summary of 2014 drilling results.

December Quarter Exploration Activities - Mamadawerre Project

The Mamadawerre Project area consists of EL27251, held 100% by Northern Prospector Pty Ltd (a 100% owned subsidiary of Alligator Energy Ltd), and the adjoining Mamadawerre JV (EL24992), which is a joint venture between Cameco Australia Pty Ltd (Cameco) and Alligator. Alligator may earn up to 90% of the Mamadawerre JV project.

A helicopter-borne VTEM survey was flown over three target areas (covering 533 line km) at the Mamadawerre Project area in November 2014. The survey was designed to identify alteration zones within the Mamadawerre Sandstone and the underlying basement lithologies along the Steptoe Fault zone, to identify drill targets for both unconformity style and sandstone hosted uranium mineralisation.

Surface mapping and sampling undertaken by Alligator, and historically by Cameco, in the area have previously identified a 3km strike length of the Steptoe Fault which contains uranium mineralisation and anomalism. While uranium anomalism is discontinuous, the area amounts to a significant zone of uranium anomalism with no previous drilling.

Recent mapping conducted by Alligator identified a possible relationship between high grade mineralisation associated with cross structures and specific stratigraphic layers within the sandstone, indicating potential for horizontal mineralisation at depth. The intersection of the Steptoe Fault zone with the underlying basement rocks is also considered a target zone for unconformity style mineralisation, provided favourable host rocks can be identified in the basement.

Final processed data is expected in late January 2015 and interpretation of this data is to be undertaken in February to define drill targets.

Assay results were received in the quarter for rock chip samples from initial reconnaissance of the Steptoe Fault (on EL27251) undertaken in August (ASX announcement, 21 August 2014). Three out of six rock chips returned over 1000ppm U3O8, with one returning 6650ppm U3O8.

Further sampling and mapping of the area, extending onto EL24992, was undertaken in the quarter, to assess over 30 radiometric anomalies within the project area. Over 100 rock chip and soil samples have been taken across the tenement. Rock chips have been submitted for multi element analysis and radiogenic isotope analyses. Final results are expected in January 2015. In addition, track access has been established to the northern part of the Project area in consultation with the Northern Land Council (NLC) and Traditional Owners. Enabling vehicle access will significantly reduce the cost of further exploration in this area, in particular, drilling.

Alligator and Cameco vary terms of Mamadawerre JV

Alligator and Cameco also agreed to vary the terms of the Mamadawerre JV. Specifically, the definition of “Initial Expenditure Obligation” was amended. The requirement for ‘Exploration on the Tenement to the value of \$500,000 in Expenditure’, now includes the identification of specific targets for drilling as part of the Stage 1 Farm-in requirements.

This amendment removes the requirement to drill specific targets during the period of the Initial Expenditure Obligation, allowing more target areas to be initially assessed and drilling deferred to 2015.

Alligator has subsequently met its Initial Expenditure Obligation and has elected to proceed to Stage 1 Farm-In whereby the company can earn 40% equity in the Mamadawerre JV by expenditure of a further \$2 million.

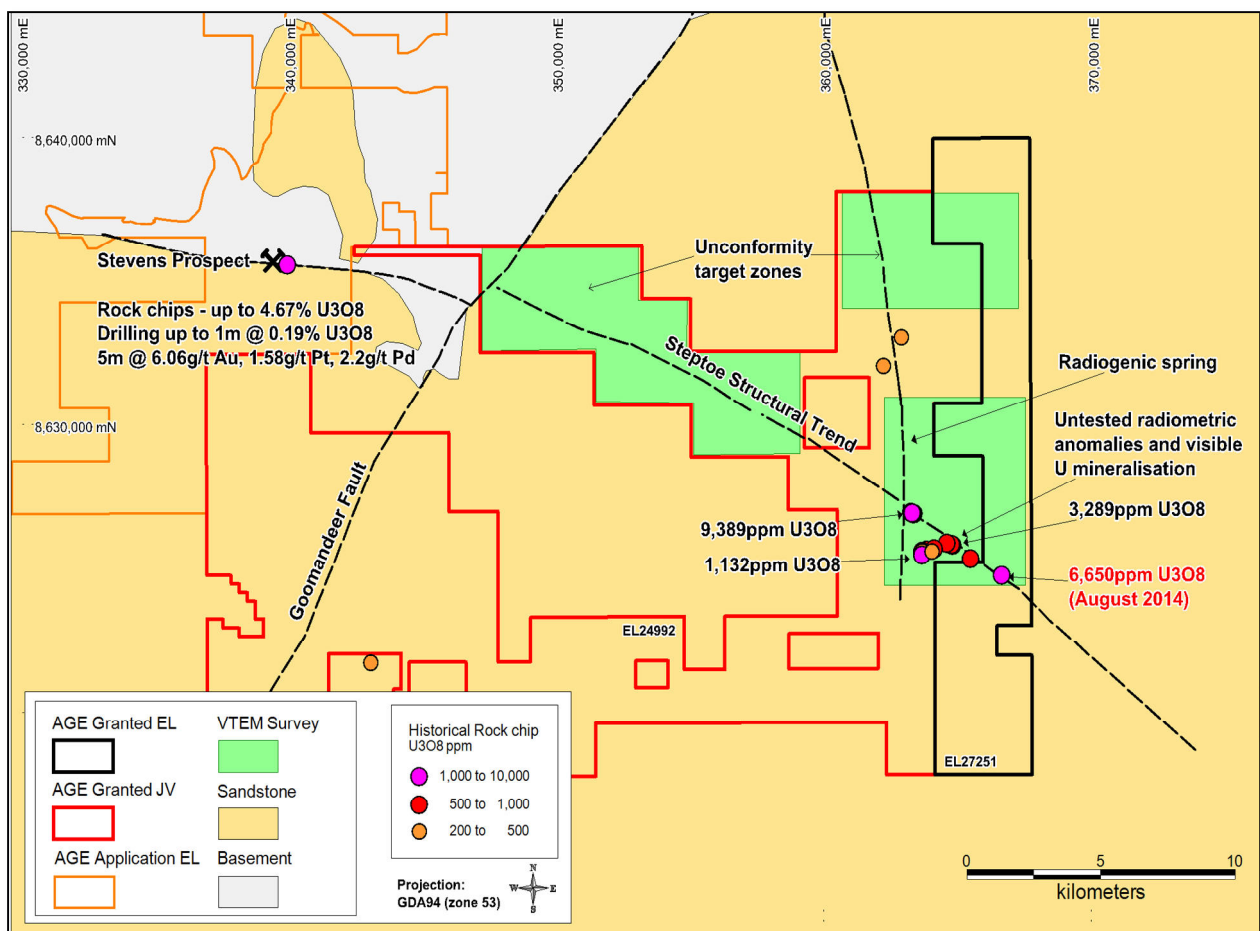


Figure 3. Mamadawerre Project area – Location of VTEM survey area.

CORPORATE

Farm-in Agreement Executed with Cameco for Beatrice Project

On 19 December 2014, Alligator reported that it had executed a Joint Venture Agreement 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 ELAs26793, 26794, 26795 (held 100% by Cameco) and covers an area of 481km². It is located immediately south of the Tin Camp Creek Project area.

The Beatrice Project area will form a contiguous land holding with Alligator's Tin Camp Creek Project area and will allow Alligator to pursue prospective structures and mineralised trends identified by exploration on the adjacent Tin Camp Creek Project area.

The project area contains known uranium occurrences including the historic Beatrice Prospect (best historic drill intersection of 7 metres at 28,000ppm U3O8 from surface (Queensland Mines Ltd, 1971)).

Alligator plans to commence work on the Beatrice Project early in 2015. Initial work will include systematic sampling of core from Cameco exploration drilling and a re-assessment of existing geophysical data. Structural logging and modelling the geometry of known mineralisation will also be undertaken to guide follow up drilling.

Radiogenic pathfinder sampling and SAM/TFEM geophysical surveys are planned to commence following consultation with the Northern Land Council (NLC) and Traditional Owners in Q1, 2015.

Alligator considers that by applying techniques refined over the past two years, the company can quickly and efficiently define top class drill targets within these structural trends.

Key terms of the proposed Farm-in and Joint Venture are provided in the ASX announcement of 19 December 2014.

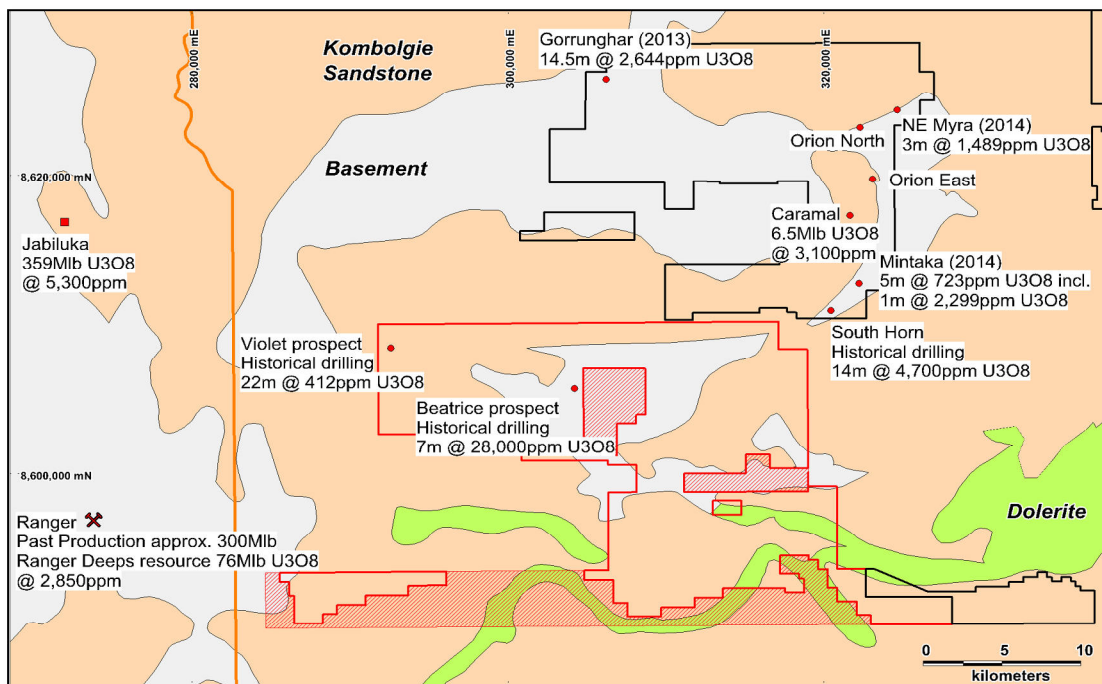


Figure 4. Beatrice JV and Prospect Location.

Cash at Bank

The Company has maintained a sound cash position and as at 31 December 2014, had cash reserves of \$2.98 million.

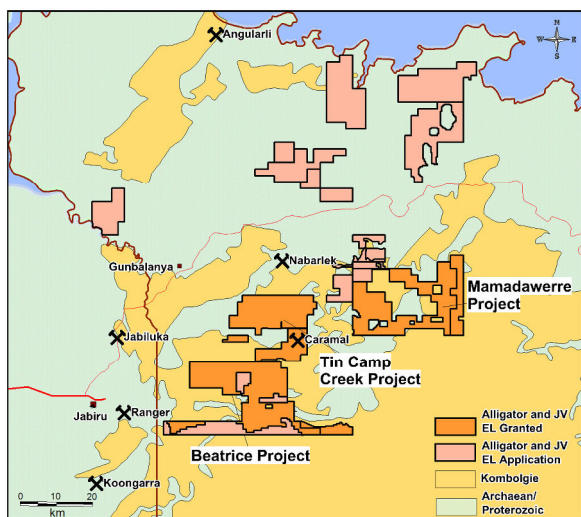
Competent Persons Statement

Information in this report is based on current and 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.

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. 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 and Beatrice Project, also within the Alligator Rivers Uranium Province.



Project Location Diagram

FOR FURTHER INFORMATION, PLEASE CONTACT

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