



Notice of Annual General Meeting and Explanatory Memorandum

Alligator Energy Ltd ACN 140 575 604

Date of Meeting: 20 November 2015

Time of Meeting: 9.30 am (Brisbane time)

Place of Meeting: Hopgood Ganim
Level 7, Waterfront Place
1 Eagle St
Brisbane Qld 4000

Notice of 2015 Annual General Meeting

Notice is hereby given that the Annual General Meeting of **Alligator Energy Ltd ACN 140 575 604** will be held at the offices of Hopgood Ganim, Level 7, Waterfront Place, 1 Eagle St, Brisbane, Qld 4000 on 20 November 2015, at 9.30 am (Brisbane time) to transact the following business:

Agenda

Ordinary business

Item 1 - Consideration of Financial Statements

Consideration and discussion of Audited Financial Statements for the financial year ended 30 June 2015 (**Audited Financial Statements**), which are being circulated to Shareholders who have elected to receive a paper copy of the Company's reports in the attached Annual Report. Shareholders who have given the Company an election to receive an electronic copy of the Company's reports and Shareholders from whom the Company has not received an election as to how they wish to receive the Company's reports can directly access the Audited Financial Statements on the Company's website at www.alligatorenergy.com.au/investor and by selecting the link titled "Full Year Statutory Financial Statements", which was released to the ASX on 28 September 2015.

Item 2 - Resolution 1- Re-election of Director – Mr Paul Andrew George Dickson

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That Mr Paul Andrew George Dickson, who retires in accordance with Article 11.3 of the Company's Constitution, and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Item 3 - Resolution 2 - Re-election of Directors – Mr Gregory Campbell Hall

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That Mr Gregory Campbell Hall, who retires in accordance with Article 11.11 of the Company's Constitution, and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Item 4 - Resolution 3 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an advisory resolution:

*"That for the purpose of section 250R(2) of the Corporations Act 2001 (Cth) (**Corporations Act**) and for all other purposes, the Remuneration Report for the Company for the financial year ended 30 June 2015 be adopted."*

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

The vote on Resolution 3 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report;

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- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 3 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
- (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
 - (2) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (A) does not specify the way the proxy is to vote on the resolution; and
 - (B) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 3, subject to compliance with the Corporations Act.

Item 5 - Resolution 4 – Approval of Non-Executive Director's Fee Plan and Issue of Plan Shares in Lieu of Director Fees

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution:

*"That, in accordance with Listing Rule 10.14 and all other purposes, the Non-Executive Directors' Fee Plan (for the issue of shares to non-executive Directors in lieu of fees for directors services) detailed in the Explanatory Memorandum be approved and the Company be authorised to issue fully paid ordinary shares (**Plan Shares**) to John Main, Paul Dickson, Peter McIntyre, Andrew Vigar and Gregory Hall and any person appointed as a non-executive director of the Company in the ensuing 12 months, (or their nominees) (**Participating Directors**) under the Directors' Fee Plan as detailed in the Explanatory Memorandum."*

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum

Voting Exclusion

The Company will disregard any votes cast on this Resolution by:

- a Participating Director; and

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- any associate of a Participating Director.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 4 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 4 must not be cast by:

- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such Key Management Personnel,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 4 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 4, subject to compliance with the Corporations Act.

Item 6 - Resolution 5 – Issue of Shares to Labonne Enterprises Pty Ltd under Chapter 2E of the Corporations Act and LR 10.11

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution:

*“That for the purposes of item 7 of section 611 of the Corporations Act and in accordance with Listing Rule 10.11 and for all other purposes the Company be authorised to issue 2,500,000 Shares (**Labonne Shares**) at an issue price of \$0.04 to Labonne Enterprises Pty Ltd (**Labonne**) who is a Related Party of the Company as described in the Explanatory Memorandum.”*

A copy of this Notice of Meeting and the accompanying Explanatory Memorandum has been lodged with the Australian Securities & Investments Commission in accordance with section 218 of the Corporations Act. Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by:

- (a) Labonne; and

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- (b) Any associate of Labonne.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 5, subject to compliance with the Corporations Act.

Item 7 - Resolution 6 – Issue of Shares to Mr Gregory Campbell Hall under LR 10.11

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution:

*“That in accordance with Listing Rule 10.11 and for all other purposes the Company be authorised to issue 250,000 Shares (**Hall Shares**) at an issue price of \$0.04 to Mr Gregory Campbell Hall who is a Related Party of the Company as described in the Explanatory Memorandum.”*

A copy of this Notice of Meeting and the accompanying Explanatory Memorandum has been lodged with the Australian Securities & Investments Commission in accordance with section 218 of the Corporations Act. Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by:

- (a) Mr Gregory Campbell Hall; and
- (b) Any associate of Mr Hall.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 6, subject to compliance with the Corporations Act.

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General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

Entitlement to vote:

The Company determines that Shares held as at 7.00 pm EST on 18 November 2015 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time.

All members are invited to attend the Annual General Meeting.

An Explanatory Memorandum to Shareholders follows this Notice. The Explanatory Memorandum and Proxy Form accompanying this Notice are incorporated in and comprise part of this Notice of Meeting.

By order of the board



Mike Meintjes
Company Secretary

15 October 2015

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders of Alligator Energy Ltd in connection with the business to be transacted at the Annual General Meeting of Shareholders to be held at the offices of Hopgood Ganim, Level 7, Waterfront Place, 1 Eagle St, Brisbane **on Friday 20 November 2015 at 9.30 am (Brisbane time)**.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders including whether or not to approve the resolutions detailed in the Notice of Meeting.

Terms used in this Explanatory Memorandum are defined below in Section 10.

1. Consideration of Financial Statements

The Corporations Act requires the Annual Financial Report, Directors' Report, and the Auditor's Report (**Financial Statements**) be received and considered at the AGM. A copy of the Company's 2015 Full Year Statutory Financial Statements can be accessed on-line at www.alligatorenergy.com.au. The Full Year Statutory Financial Statements were released to the ASX on 28 September 2015.

The Corporations Act does not require Shareholders to vote on the Financial Statements. However Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within.

The Chairman will take Shareholders' questions and comments about the management of the Company at the meeting. The auditor of the Company will be available to take Shareholders' questions and comments about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the conduct of the audit and the preparation and content of the auditor's report, may be submitted by 5.00 pm (Brisbane time) 18 November 2015 to:

The Company Secretary
Alligator Energy Ltd
PO Box 338
SPRING HILL QLD 4004
Facsimile: +61 73852 5684
E-mail: mm@alligatorenergy.com.au

Copies of the questions received and answers to the questions will be available at the meeting. Answers will not be returned by mail. The Chairman and auditor will also endeavour to answer questions asked at the meeting that are relevant to the agenda, however where questions concern issues raised and answered in the written questions, the Chairman or auditor may refer Shareholders to the written response. For the benefit of the meeting, both the Chairman and the auditor will briefly outline to the meeting the matters covered in the written questions.

2. Resolutions 1 - Re-election of Director

In accordance with Article 11.3 of the Company's constitution, one-third of the Directors (excluding the Managing Director) are required to retire by rotation each year. Pursuant to the Constitution, **Mr Paul Andrew George Dickson**, who has been a director since August 2010 (5 years), will retire and seek re-election.

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A brief biography of **Mr Paul Andrew Dickson** is set out below:

Paul Dickson has over 25 years of experience in the finance services industry. He has worked with a number of stock broking firms including Ord Minnett Ltd and Colonial Stock-broking Limited and more recently has been a director of a number of corporate advisory boutiques. Paul was a director of DDM Capital Pty Ltd, which provided a range of services including capital raising and general corporate advice for small-cap companies.

Paul is a director of Proserpine Capital Partners Pty Ltd, a Private Equity business based in Melbourne. He is also a non-executive director of Terrain Minerals Limited (ASX Listed) and Condor Energy Services Limited

Paul is the Chair of the Audit and Risk Committee and has assisted the Company on matters including capital raisings and investor relations. Mr Dickson is regarded by the Board as an independent director.

The Directors (with Mr Dickson abstaining) recommend that shareholders vote in favour of Resolution 1.

3. Resolutions 2 - Re-election of Director

In accordance with Article 11.11 of the Company's constitution, where a Director is appointed as an addition to the Board during the year, that Director must retire at the next Annual General Meeting and is eligible for re-election. Pursuant to the Constitution **Mr Gregory Campbell Hall**, who were appointed to the Board on 24 July 2015, will retire and seek re-election.

A brief biography of **Mr Hall** is set out below:

Gregory (Greg) Hall has more than 27 years of experience as an executive in the resources sector. His experience includes employment with large listed companies such as North, WMC and Rio Tinto as well as listed juniors such as Toro Energy and Hillgrove Resources.

Greg has a deep understanding of the uranium sector through his role as Marketing Manager for ERA/Rio Tinto Uranium and the evaluation/approval of WA's first fully approved uranium project (as MD and Non-Executive Director) with Toro Energy Ltd. His operational uranium experience also includes roles as Mining Manager at Olympic Dam and Ranger Uranium Mine.

Greg was a Past Board and Exco member of the Australian Uranium Association.

The Company undertook background checks on Greg prior to appointing him as a director to fill a casual vacancy. No adverse findings arose from these checks.

Greg is a non-executive director of Torch Pty Ltd Greg and has previously been an executive director of Hillgrove Resources Ltd and executive and non-executive director of Toro Minerals Ltd.

Greg brings significant uranium market and investor relations experience and expertise to the Company and is regarded by the Board as an independent director.

The Directors (with Mr Hall abstaining) recommend that shareholders vote in favour of Resolution 2.

4. Resolution 3 - Remuneration Report

The Annual Report for the year ended 30 June 2015 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors, executives and senior managers during the financial year. A copy of the report is set out in the Directors' Report within the Annual Report and can be found on the Company website at www.alligatorenergy.com.au

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report:

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- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company or, if the Company is part of a consolidated entity, for the entity;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for the Key Management Personnel, including details of performance related remuneration and options granted as part of remuneration; and
- details and explains any performance conditions applicable to the Key Management Personnel of the Company or consolidated entity.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution 3 is advisory only and does not bind the Directors of the Company.

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting (in any capacity) on Resolution 3, details of which are set out in the Voting Restriction Statement included in Resolution 3 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 3 subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

5. Resolution 4 – Approval of Non-Executive Director's Fee Plan and Issue of Plan Shares in Lieu of Director Fees

5.1 Introduction

The Directors have resolved to refer to Shareholders for approval the Non-Executive Director's Fee Plan (**Plan**) and the proposed issue of up to a maximum of 4,500,000 fully paid ordinary Shares to John Main, Paul Dickson, Peter McIntyre, Andrew Vigar and Gregory Hall the current non-executive directors of the Company, and to any person appointed as a non-executive director of the Company in the ensuing 12 months, or to their respective nominees (**Participating Director**), pursuant to the Plan. The Shares will be issued in lieu of cash remuneration for the provision of director services. The terms of the Shares to be issued to the Participating Directors (**Plan Shares**) are set out in more detail below.

The Directors believe that the benefit of the Plan to Shareholders will be the conservation of cash for use towards exploration activities, as well as aligning the interest of the non-executive directors with those of the Company and the Shareholders.

Approval for the Plan and the issue of the Plan Shares pursuant to the Plan is sought in accordance with Listing Rule 10.14. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rule 10.11.

5.2 Background to the Proposal

The Directors have implemented an employee share scheme in the form of the Plan which allows for the issue of Shares to non-executive Directors in lieu of cash remuneration. This Plan was approved by shareholders at the 2014 Annual General Meeting and the approval given at the 2014 Annual General Meeting to issue Shares under the Plan was effective for a period of 12 months. The Plan does not apply with regards to remuneration payable to executive directors and all non-executive directors have agreed to have up to 100% of their total remuneration, at the election of each Participating Director on a quarterly basis, paid by the issue of Shares (pending this approval) for the ensuing 12 months.

On the basis of the Plan approved by shareholders at the 2014 Annual General Meeting held on 21 November 2014 directors have elected to convert the following entitlements to non-executive remuneration to Shares for the quarterly remuneration period December 2013-June 2015:

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<i>Name</i>	<i>Shares issued under Plan</i>	<i>Non-Executive Remuneration (\$)</i>	<i>Average share price (cents per Share)</i>
J Main	1,955,044	75,500	3.9
A Vigar	228,261	70,000	3.9
P Dickson	648,162	22,750	3.5
P McIntyre	1,805,376	10,500	4.6
Total	4,636,845	178,750	3.9

Approval is sought for the renewal of the Plan and the issue of Plan Shares to the Participating Directors pursuant to the Plan with respect to part of the Director's fees that are deferred during the 12 months following the Meeting.

As such the Plan Shares will be granted for nil cash consideration and no funds will be raised from their issue.

Listing Rule 10.14

Because each of the Participating Directors is a related party of the Company for the purposes of Listing Rule 10.11, the proposed issue of Plan Shares to Participating Directors under the Plan must be approved under Listing Rule 10.14.

If approval is given under Listing Rule 10.14 approval is not required under Listing Rule 7.1. Accordingly, if approved, the issue of the Plan Shares pursuant to Listing Rule 10.14 will not be counted towards the Company's 15% for the purpose of Listing Rule 7.1. As a result, the Directors of the Company will be able to consider additional funding initiatives consistent with the provisions of ASX Listing Rule 7.1 without diminishing its issue capacity under Listing Rule 7.1.

5.3 Information on the Director's Fee Plan and Issue of Plan Shares

The terms of the Plan under which Directors may be issued Plan Shares in lieu of cash fees, including the formula for calculating the issue price, are set out in Annexure 1.

The approval to issue Shares under the Plan is effective for a further 12 months after the Meeting, and because the trading price for the Shares on the ASX may fluctuate, approval is sought for a maximum of 4,500,000 Plan Shares. This number has been determined on the basis of:

- (a) the maximum aggregate amount of fees payable to non-executive Directors over the twelve month period of \$222,000;
- (b) an issue price of \$0.04, being an approximate of the average share price during the last three months; and
- (c) an average election rate to participate of 81%

If 81% of the Participating Directors remuneration was issued as Plan Shares at an average share price of \$0.04, the number of Plan Shares issued during each 12 month period would be 4,500,000.

Subject to this cap of 4,500,000 Plan Shares, the number of Plan Shares which will be issued in the 12 months from the date of the Meeting will be determined by the relevant issue price of the Shares at the time of issue and the level of remuneration which each Participating Directors specifies is to be paid by way of the issue of Plan Shares. If the maximum number of 4,500,000 Plan Shares is reached before the expiration of 12 months from the Meeting, no further Plan Shares will be issued.

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5.4 Information required under ASX Listing Rule 10.15

In accordance with Listing Rule 10.15 and for the benefit of Shareholders in considering this Resolution, the Company advises as follows:

- (a) Plan Shares will only be issued to Participating Directors or to their nominees;
- (b) The maximum number of Plan Shares to be issued during the 12 months after the Meeting is 4,500,000. The number of Plan Shares issued under the Plan will be determined by the application of the relevant issue price to the level of remuneration nominated by the Participating Directors to be paid by the issue of Plan Shares, but will not exceed 4,500,000 during the 12 months following the Meeting.
- (c) The issue price of each Plan Share will be determined on the basis of the Volume Weighted Average Market Price of Shares for the last 30 Business Days of the quarter for which an Election Notice has given by a Participating Director and any fractional entitlement to be issued Plan Shares will be rounded up to the nearest whole number.
- (d) Directors have previously received securities under the Plan as disclosed in Section 5.2 totalling 4,636,845 Shares and further securities may be issued until the current Plan expires on 20 November 2015;
- (e) The Participating Directors are John Main, Paul Dickson, Peter McIntyre, Andrew Vigar and Gregory Hall and any person appointed as a non-executive Director of the Company during the 12 months after the Meeting;
- (f) No loans are being given in respect of the issue of any Plan Shares; and
- (g) The Plan Shares are intended to be issued as and when elections are made by Participating Directors under the Plan, the intention being that Plan Shares would be issued to the Participating Directors in 4 tranches on the ending of each quarter (31 December 2015, 31 March 2016, 30 June 2016 and 30 September 2016) and in any event no later than twelve (12) months following the date of the Meeting.

Save as set out in this Explanatory Statement, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolution 4.

Directors' Recommendation

Robert Sowerby, being the only Director who is not a Participating Director, recommends that you vote in favour of this resolution.

Each of John Main, Paul Dickson, Peter McIntyre, Andrew Vigar and Mr Gregory Hall has a material personal interest in Resolution 4 and do not make any recommendation.

6. Resolutions 5 and 6 - Issue of Shares to Labonne Enterprises Pty Ltd and Mr Gregory Hall under Chapter 2E of the Corporations Act and LR 10.11

6.1 Introduction

On 21 August 2015, the Company announced to the ASX the Rights Issue Offer. On 17 September 2015, the Company announced that on the close of the Rights Issue Offer, there was a shortfall of 38,440,240 shares which were not taken up under the Rights Issue Offer. The Rights Issue Offer was not underwritten.

The Company has entered into a conditional subscription agreements (**Subscription Agreements**) with:

- (a) **Resolution 5** - Mr Peter McIntyre, a Director of the Company and associate of the Company's largest shareholder the Macallum Group, for Mr McIntyre's nominee, Labonne Enterprises Pty Ltd (**Labonne**), to take up 2,500,000 shares (**Labonne Shares**) of the shortfall shares under the Rights Issue Offer. The issue of the Labonne Shares to Labonne under the Subscription

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Agreement is subject to shareholder approval. A summary of the key terms of the Subscription Agreement is set out below.

Labonne is an associate of Macallum Group Limited (**Macallum Group**) which is the largest shareholder of the Company. Macallum Group and its associates hold 22.12% of the voting power in the Company. The issue of the Labonne Shares to Labonne will result in an increase of the voting power of Macallum Group and its associates in the Company from 22.12% to 22.66%. See the table below for further details.

(b) **Resolution 6** - Mr Gregory Hall, a Director of the Company to take up 250,000 shares (**Hall Shares**) of the shortfall shares under the Rights Issue Offer. The issue of the Hall Shares under the Subscription Agreement is subject to shareholder approval. A summary of the key terms of the Subscription Agreement is set out below.

The Company is seeking approval for the issue of Labonne Shares to Labonne in accordance with Item 7 of Section 611 of the Corporations Act and Listing Rule 10.11 and Hall Shares to Mr Gregory Hall in accordance with Listing Rule 10.11. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

6.2 Brief summary of key terms of Subscription Agreements

- (a) Parties: Alligator Energy Limited, Labonne Enterprises Pty Ltd ACN 076 606 829 which is controlled by Mr Peter McIntyre and under a separate subscription agreement Mr Gregory Hall, both Directors of the Company.
- (b) Maximum number of shares to be issued to Labonne: 2,500,000 shares and 250,000 to Mr Gregory Hall.
- (c) Issue price: \$0.04 which is the same as the issue price under the Rights Issue Offer.
- (d) Condition: Shareholder approval.
- (e) Warranties: The Company has given in favour of Labonne and Mr Gregory Hall (under their respective subscription agreement) basic warranties which are standard for agreements of this nature.

6.3 Relevant Legislation - Chapter 2E of the Corporations Act, Listing Rule 10.11 and Listing Rule 7.1

Listing Rule 10.11

Listing Rule 10.11 requires that an entity must obtain the approval of Shareholders to issue Securities to a Related Party and in doing so must provide the information specified in Listing Rule 10.13, unless an exception applies.

A "Related Party" is defined widely in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company, any entity that controls (or is reasonably likely to control) a public company, and any entity that is controlled by a person or entity which is otherwise a Related Party, or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company.

Mr Peter McIntyre is a Related Party of the Company because he is a Director of the Company. Mr McIntyre controls Labonne and as a result Labonne is also a Related Party of the Company.

Mr Gregory Hall is a Related Party of the Company because he is a Director of the Company.

Listing Rule 7.1 - Issues exceeding 15% of capital

Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without the prior approval of a majority of disinterested shareholders, or the issue otherwise comes within one of the exceptions to Listing Rule 7.1

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(15% Rule). However, under Listing Rule 7.2 (Exception 14), if approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. Therefore the issue of the Shares to the Directors under Resolutions 5 and 6 (inclusive), if passed, will not count towards the Company's 15% Capacity under Listing Rule 7.1.

6.4 Information for Shareholders

Listing Rule 10.13

For the purposes of Listing Rule 10.13 and for all other purposes the following information is provided to Shareholders:

(a) **10.13.1 and 10.13.4: Name and relationship of the Related Party**

The Related Parties are Labonne, an entity controlled by Mr McIntyre who is a Director of the Company and Mr Gregory Hall also a Director of the Company.

(b) **10.13.2: Maximum Number of Securities to be issued (if known) or the formula for calculating the number of Securities to be issued**

The maximum number of Equity Securities to be issued to Labonne is 2,500,000 Shares and Mr Gregory Hall is 250,000 Shares.

(c) **10.13.3: Date by which the Securities will be issued**

The Company will issue the Shares as soon as possible but in any event within one month following this Meeting.

(d) **10.13.4: Issue price and terms of the Securities**

The Shares will:

- (1) be issued at the Rights Issue Price being \$0.04 per Share; and
- (2) rank pari passu with Shares currently on issue in the Company.

(e) **10.13.6A: Intended use of funds raised**

The funds raised will be applied by the Company (together with funds raised under the Rights Issue Offer) to the use of funds as set out in section 1.5 of the Offer Document.

(f) **10.13.6: Voting exclusion statement**

The relevant voting exclusion statements are set out in Resolutions 5 and 6 in the Notice of Meeting.

6.5 Regulatory Requirements – Section 611 of the Corporations Act

This requirement only applies to Labonne in respect of Resolution 5 .

Section 606 of the Corporations Act prohibits a person from acquiring an interest in a company if the acquisition would result in that person's voting power (as defined in the Corporations Act) in the Company increasing (relevantly), where the persons voting power increases from 20% or below to more than 20% or from a starting point above 20% and below 90%. However, there are certain specified exceptions to the general prohibition contained in Section 606 of the Corporations Act. In particular, Item 7 of Section 611 of the Corporations Act exempts an acquisition agreed to by a resolution passed at a general meeting on which no votes were cast in favour of the resolution by the person proposing to make the acquisition or their associates.

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If shareholders pass Resolution 5 the issue of the Labonne Shares to Labonne will have the effect of Labonne and its associates increasing their shareholding from a starting point that is above 20% and below 90%.

In order for Labonne and its associates to be entitled to acquire a relevant interest from a starting point that is above 20% and below 90%, the proposal must be approved by a resolution passed at a general meeting of the Company. Accordingly the Company is putting Resolution 5 to Shareholders for consideration. This Explanatory Memorandum proposes to provide sufficient detail (as required in Item 7 of Section 611 of the Corporations Act) for shareholders to appropriately consider the Resolutions. Shareholders are urged to read and consider the Notice and this Explanatory Memorandum prior to making a decision as to how to vote on the Resolutions.

Item 7 of Section 611 requires that Shareholders be provided with the following information:

- (a) The identity of the person proposing to be issued Shares and their associates

The Shares are proposed to be issued to Labonne who is an associate of Macallum Group. Macallum Group and its associates currently hold 22.12% of the voting power in the Company.

- (b) The maximum extent of the increase in that person's voting power

On issue of the Labonne Shares to Labonne, the voting power of Macallum Group and its associates (which includes Labonne) will increase from 22.12% to 22.67%.

The table below sets out the extent of the increase in Labonne's and each of its associate's voting power in the Company and the dilutionary effect of that increase. The table is based on the current shareholding of Labonne and its associates, Macallum Group and Kincardine (Qld) Pty Ltd. The table assumes that no further issue of Shares have taken place.

Shareholder	Current shareholding	%	Shares to be issued	Shareholding post-issue*	%
Macallum Group Limited	72,931,429	20.78%		72,931,429	20.62%
Kincardine (Qld) Pty Ltd	2,443,807	0.70%		2,443,807	0.69%
Labonne Enterprises Pty Ltd	2,256,720	0.64%	2,500,000	4,756,720	1.35%
Greg Hall	156,250	0.04%	250,000	406,250	0.11%
Other Shareholders	273,108,667	78%		273,108,667	77.23%
Total Shares on issue	350,896,873	100%		353,646,873	100.00%

*Note: The above table assumes that no other securities are issued and any options on issue have not been exercised.

- (c) The maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition

See the table in (b) above.

- (d) The voting power that each of that person's associates would have as a result of the acquisition

See the table in (b) above.

6.6 Regulatory Requirements in respect of Resolution 5 – Regulatory Guide 74

The Company provides the following further information to Shareholders:

- (a) Reasons for Resolution 5 only

Explanatory Memorandum

The Company proposes to issue Shares to Labonne following the agreement by Labonne under the Subscription Agreement to take up 2,500,000 of the shortfall shares under the Rights Issue Offer.

- (b) When the issue of the Shares is to occur

The Shares will be issued within 10 business days after Shareholder approval is given.

- (c) Material terms of the Share Subscription

A summary of the material terms of the Subscription Agreement is set out in Section 6.2.

- (d) Terms of any other relevant agreement between Labonne and the Company (or any of their associates) that is conditional on (or directly or indirectly depends on) shareholder approval of the issue of the Shares

There are no other relevant agreements between Labonne and the Company (or any of their associates) that is conditional on (or directly or indirectly depends on) shareholder approval of the issue of the Shares.

- (e) Intentions of Labonne and its associates – Company's business

Other than as disclosed in this Explanatory Memorandum, in respect of the intentions of Labonne and its associates:

- (1) There is no present intention to change the business of the Company;
- (2) There is not present intention to inject further capital into the Company;
- (3) There is no present intention to change the future employment of the present employees of the Company;
- (4) There is no proposal whereby any property will be transferred between the Company and Labonne or their associates; and
- (5) There is no present intention to otherwise redeploy the fixed assets of the Company.

- (f) Intentions of Labonne and its associates – financial or dividend distribution policies

There is no present intention by Labonne and its associates to significantly change the financial or dividend distribution policies of the Company.

- (g) Interest of Directors

Mr Peter McIntyre is a nominee of Macallum Group on the Board of the Company. As Labonne is controlled by Mr McIntyre, he has interest in the issue of the Shares to Labonne.

- (h) Details of any person who is to become a Director of the Company on approval of Resolution 5.

The Board will remain unchanged after Shareholder approval is given for Resolution 5. There is no intention to appoint any further Directors on the approval of the Resolution.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by shareholders to make a decision in relation to benefits contemplated by the Resolutions.

Directors' Recommendation

John Main, Robert Sowerby, Paul Dickson, Andrew Vigar being the Directors who are not a party to the outcome of this resolution, recommend that you vote in favour of these resolutions.

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Each of Peter McIntyre and Mr Gregory Hall has a material personal interest in Resolution 5 and 6 respectively and do not make any recommendation.

7. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the resolutions set out in the Notice of Meeting.

Attached to the Notice of Meeting is a proxy form for use by Shareholders. All Shareholders are invited and encouraged to attend the AGM or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a Shareholder from attending and voting at the AGM in person.

8. Conclusion and Recommendation

- (a) Your Directors believe that the proposals described above are in the best interests of the Company.
- (b) The Directors (with Mr Dickson abstaining) recommend that shareholders vote in favour of Resolution 1.
- (c) The Directors (with Mr Hall abstaining) recommend that shareholders vote in favour of Resolution 2.
- (d) The Directors recommend that shareholders vote in favour of Resolution 3.
- (e) The Directors recommend that shareholders vote in favour of Resolution 4.
- (f) The Directors (with Mr McIntyre abstaining) recommend that shareholders vote in favour of Resolution 5.
- (g) The Directors (with Mr Hall abstaining) recommend that shareholders vote in favour of Resolution 6.

9. Voting entitlement

For the purposes of determining voting entitlements at the AGM, Shares will be taken to be held by the persons who are registered as holding the Shares at 7pm (Eastern Standard Time) on 18 November 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

10. Glossary

For the purposes of the Notice of Meeting and Explanatory Memorandum:

AGM or Annual General Meeting means the Annual General Meeting of the Company to be held on 20 November 2015;

ASIC means the Australian Securities & Investments Commission;

ASX means the ASX Limited;

Board means the board of directors of the Company;

Business Day means a week day on which banks are open for general banking business in Brisbane;

Closely Related Party (as defined in the *Corporations Act*) of a member of the Key Management Personnel for an entity means:

Explanatory Memorandum

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph;

Company or Alligator Energy Ltd means Alligator Energy Ltd ACN 140 575 604;

Corporations Act means *Corporations Act 2001* (Cth);

Directors means the directors of the Company from time to time;

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting;

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

Listing Rules or ASX Listing Rules means the Official Listing Rules of the ASX as amended from time to time;

Meeting means the Annual General Meeting to be held on 21 November 2014 as convened by the accompanying Notice of Meeting;

Notice of Meeting or Notice means the notice of meeting which accompanies this Explanatory Memorandum;

Offer Document means the S708AA(2) Rights Issue Offer Document dated 21 August 2015.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Participating Directors means those non-executive directors who are eligible to participate in the Director's Fee Plan;

Resolutions means the resolutions set out in the Notice of Meeting;

Shares means fully paid ordinary shares in the Company from time to time;

Shareholders means the holders of Shares in the Company;

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution;

Subsidiaries has the meaning given to that term in the Corporations Act;

Trading Day has the meaning given to that term in the Listing Rules;

Volume Weighted Average Market Price has the meaning given under the Listing Rules; and

Explanatory Memorandum

Annexure 1

Summary of Director Fee Plan

- (g) All non-executive Directors of the Company will be entitled during the term of the Plan to elect to be paid some or all of their remuneration (excluding the Superannuation Guarantee Levy which will be paid separately) for director's services (but excluding executive services) by way of an issue of Shares.
- (h) An Election Notice may be given by a Participating Director within 10 Business Days after each quarter and will specify:
 - (1) the amount of any Outstanding Remuneration that a Participating Director wishes to be paid by way of Plan Shares; and
 - (2) whether the Participating Director wishes to have the Plan Shares issued in his or her own name or in the name of a nominee.
- (i) The obligation of the Company to issue any Plan Shares is subject to obtainment of any approvals which may be required under:
 - (1) the Listing Rules; and
 - (2) the Corporations Act 2001 (Cth).
- (j) The issue price of each Directors Share will be determined on the basis of the volume-weighted average price of Shares for the last 30 Business Days of the quarter for which the Election Notice is given by a Participating Director and any fractional entitlement to be issued Plan Shares will be rounded up to the nearest whole number.
- (k) The Company will:
 - (1) issue the Plan Shares in lieu of any Outstanding Remuneration as specified in the Election Notice within five Business Days of receipt of an Election Notice;
 - (2) Not deduct PAYG where the director has provided the company with a Tax File Number
 - (3) forthwith deliver a statement of holding in respect of the Plan Shares; and
 - (4) cause the Plan Shares to be listed on ASX as soon as reasonably practicable.
- (l) Unless otherwise approved by shareholders of the Company, the maximum number of Plan Shares which may be issued by the Company in each 12 months during the term of the Plan will be 4,500,000 Plan Shares.



ALLIGATOR ENERGY LTD

ACN: 140 575 604

REGISTERED OFFICE:
SUITE 3
36 AGNES STREET
FORTITUDE VALLEY QLD 4006



SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

AGE

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote, hereby appoint:

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The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 9:30am (Brisbane time) on Friday 20 November 2015 at Hopgood Ganim, Level 7 Waterfront Place, 1 Eagle St, Brisbane Qld 4000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

For Against Abstain

Consideration of Financial Statements

1. Re-election of Director - Mr Paul Andrew George Dickson

☐☐☐

2. Re-election of Director - Mr Gregory Campbell Hall

☐☐☐

3. Adoption of Remuneration Report

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4. Approval of Non-Executive Director's Fee Plan and Issue of Plan Shares in Lieu of Director Fees

☐☐☐

5. Issue of Shares to Labonne Enterprises Pty Ltd under Chapter 2E of the Corporations Act and LR 10.11

☐☐☐

6. Issue of Shares to Mr Gregory Campbell Hall under Chapter 2E of the Corporations Act and LR 10.11

☐☐☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 9.30am (Brisbane time) on Wednesday 18 November 2015.

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Name:

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This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Email registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.