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ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES

ACN 140 575 604

FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2016

ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the company and its controlled entities, for the financial year ended 30 June 2016.

Directors

The following persons were Directors of Alligator Energy Limited ("the Company" or "Alligator") (together with its Controlled Entities referred to as "the Group") during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Main
Paul Dickson
Andrew Vigar
Robert Sowerby (resigned effective 31 December 2015)
Peter McIntyre
Gregory Hall (appointed 24 July 2015)

Principal activities and significant changes in nature of activities

The principal activity of the Group is uranium mineral exploration. There were no significant changes in the nature of the Group's activities during the year.

Dividends

There were no dividends paid to members during the financial year.

Operating and Financial Review

a) ***Operating Performance***

Alligator is pleased with its sound operating performance over the financial year as reflected in the following key indicators:

- The Company operated its exploration site without any lost time injuries
- There were no reportable environmental issues
- Compliance was maintained with obligations under the Exploration Agreement with the Northern Land Council and Traditional Owners.
- There was full compliance with all applicable agreements, regulations and laws.

b) ***Operations for the year***

<u>*Exploration*</u>

The Board and management of Alligator continued the strategy of exploring exclusively for uranium deposits with a resource potential of greater than 100Mlb U_3O_8 in the Beatrice Joint Venture tenement (51% Alligator and 49% Cameco) and in its own Tin Camp creek tenement.

Beatrice JV Tenements

a) Drilling program

During the first half of the financial year, a 2,257 metre shallow air-core drilling program was conducted in the Beatrice JV tenement in the Alligator Rivers region of the Northern Territory. The BT-1, BT-4, BT9 and Beatrice prospect targets were tested. These target areas were covered by shallow alluvial and colluvial sediments. The air-core drilling program was designed to test for uranium mineralization, anomalous geochemical responses and alteration under these sediments. Drill spacing was generally broad and designed to identify the response from a large (>100Mlb U3O8) deposit. Air-core drilling is a shallow drilling technique used primarily for first pass testing of an area for mineralization and geochemical anomalies in the weathered bedrock/regolith zone. Holes were drilled through cover material and the soft weathered bedrock/regolith "to refusal" when hard, fresh bedrock was encountered.

Drilling results at each project were as follows:

Beatrice Prospect
(24 holes were drilled approximately 50m apart at approx. 100m line spacing)

The drilling program was designed to test for southerly extensions of outcropping, high-grade uranium mineralisation. The target was defined by a coincident north south trending SAM conductor response and uranium in soil samples extending several hundred metres south from the outcropping mineralization. Although moderate uranium anomalism up to medium grade mineralisation was intersected in holes BTA15-013 (1m@222ppm U3O8), BTA15-014 (7m@311ppm U3O8), BTA15-015 (2m@598ppm U3O8), BTA15-016 (2m@358ppm U3O8), and BTA15-019(1m@218ppm U3O8) it was primarily confined to the upper part of the regolith profile. This probably reflects secondary dispersion from the outcropping mineralisation rather than from insitu mineralisation extending south under the scree from the outcropping uranium.

Surface sampling, mapping and pitting undertaken showed the outcropping uranium mineralization to be a confined to narrow, 5-10m wide, 150m long, north-easterly trending zone (>1,000ppm U3O8) with a peak value of 9,491ppm U3O8. The mineralisation appears to be best developed at the intersection of this north east trending structure and the north-south trending SAM conductor. Sulphur analyses of drill samples indicated the SAM conductor is probably caused by sulphide in north-south trending zones. The intersections of these zones with the NE trending structure fault zone is considered to be the locus of mineralisation. The results from the drilling preclude the presence of a large (>100Mlb U3O8) uranium deposit at Beatrice and no further work is warranted.

BT-1
(38 drill holes were drilled about 100 metres apart on lines approximately 500 metres apart)

Moderate uranium anomalism, more than 50 times background and greater than 50ppm U3O8, is evident in holes BTA15-074 and BTA15-081 located adjacent to the Beatrice Fault zone. These holes are 1000m apart. A broader zone of regolith anomalism defined by uranium assays 10 - 50 times background (10-50ppm U3O8) extends for more than 2000m along the Beatrice fault.

Strong uranium decay (pathfinder) element anomalism was identified over a strike length in excess of 2000m coincident with this uranium anomaly and is open along strike. The associated radiogenic groundwater emanating from the Beatrice Fault mark this area of anomalous uranium and pathfinder elements as a significant regional feature requiring further assessment.

The source of the uranium and its pathfinder products may be from within the Beatrice Fault or from a large mineralized zone under the Kombolgie sandstone immediately north of the Beatrice Fault.

BT-4
(11 shallow holes were drilled on three traverse lines paced approximately 400 metres apart)

The drilling tested a strong and well-defined but alluvium covered SAM conductor target. It showed a fault zone and alteration accurately matched the location and extent of the SAM feature but no significant uranium was encountered. The rock types encountered were not considered optimal hosts for uranium mineralisation. BT-4 is considered tested and no follow work is planned.

Reconnaissance drill testing- BT-9
(14 holes were drilled with an approximate line spacing of 500m)
The BT-9 target, located south east from BT1 was identified as a zone with very high uranium decay (pathfinder) elements in sandstone which remains only partly defined. It has not been covered by a SAM survey.

Assays of drill material showed up to 134ppm U3O8ppm and very high values of pathfinder elements in schistose host rocks of the Cahill Formation. These are very encouraging results and further work is warranted.

b) Sampling of Covering Sandstone for Uranium Pathfinder Elements:

A program of sampling the sandstone cover rocks covering the basement rocks, which host the large unconformity uranium deposits and analysing these for uranium pathfinder elements commenced at the BT 2, BT 12 and BT 1 target areas and for selected core samples from BT2. Geological mapping was carried out as sampling progressed. This work was aimed at better defining and ranking pathfinder anomalies to justify and SAM or other geophysical surveys.

Tin Camp Creek Tenement:

Sampling of covering sandstone and pathfinder element analysis revealed a strong anomaly at the TCC4 target in the Tin Camp Creek tenement. Additional sampling of sandstone and old reconnaissance drill holes in 2015 showed the anomalism extends over more than 2,000 metres with a peak response over 1,000 metres long. Further processing of geophysical data from the 2015 SAM survey has defined a coincident anomaly associated with this radiogenic isotope anomaly. This is a prime drill target.

In June preparations were underway for more sandstone sampling on TCC2, TCC4 and TCC 13, three targets ranked as high priority. These targets are characterized by strong uranium pathfinder element anomalism and geophysical features interpreted as the response from alteration associated with uranium mineralization within an area with favourable host rocks.

Mamadawerre Project

As a result of focusing exploration efforts on the Tin Camp Creek and Beatrice Projects, it was decided to withdraw from the Farm-in and Joint Venture arrangement for this project.

Identification of province-scale uranium zone

All available exploration data collected by Alligator, other exploration companies and government agencies in the Tin Camp Creek and Beatrice tenements since exploration for uranium began in the late 1960's was compiled and reviewed.

The principal data sets used in the review included:

- Rock chip and drill-hole sample analyses and radiometric survey results to identify uranium mineralization and occurrences greater than 200ppm U3O8;
- Results of sampling and analysis of sandstone cover rocks and spring waters escaping from within or at the base of the sandstone cover rocks for uranium radiogenic decay isotopes (pathfinder elements) a technique being developed by Alligator to identify uranium mineralisation in the basement rocks beneath the sandstone cover;
- Geophysical data; including magnetic, electromagnetic and sub-audio magnetic (SAM) survey results. These assist in the identification of alteration, structures and stratigraphy interpreted as favourable for uranium mineralization; and
- Geological maps to trace stratigraphic units, lithotypes, structures and alteration interpreted to be favourable for hosting or controlling uranium deposits

This work showed that most of the uranium mineralisation, anomalism and pathfinder elements within the two tenements are confined to a large, curvilinear zone stretching over 40 kilometres.

The zone begins near the Violet prospect close to the western boundary of the Beatrice tenements and extends to the spring waters containing highly anomalous pathfinder elements emerging from beneath the sandstone at Orion North near the northern boundary of the Tin Camp Creek tenement.

This province-scale feature trends across exposed basement as well as covering sandstone and is interpreted to reflect mineralisation within and extending laterally away from the Beatrice Fault Zone and its splays. It has been named the "***Violet-Orion Zone***". It provides a clear focus for future exploration and gives great confidence that the pathfinder anomalies selected for further testing in 2016 represent real targets.

Figure 1 shows the location of the "***Violet-Orion Zone***" and that few of the pathfinder element and sandstone covered targets within it have been drill tested. All of the 2016 exploration targets are within this zone.

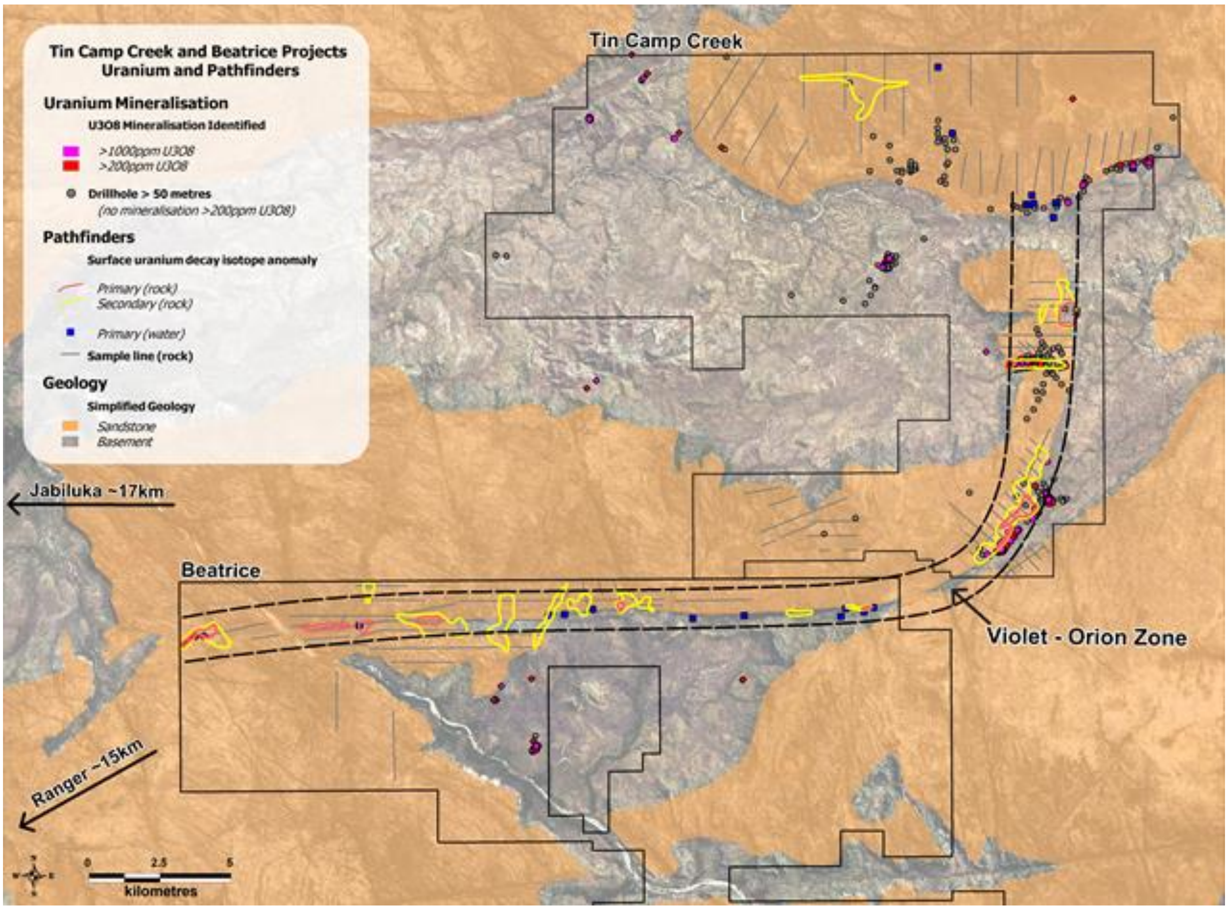


Figure 1- Known uranium deposits, mineralisation and occurrences plus uranium pathfinder elements define the Violet-Orion Zone.

Corporate

Beatrice Project JV

The Company completed its Stage 2 expenditure obligation in the first half of the financial year and earned 51% interest in the Beatrice uranium project. The company is in the process of having the 51% interest registered with the Northern Territory Department of Mines and Energy. This brought to an end the sole funding period and a Joint Venture Management Committee was formed to oversee the future exploration activities for the Project.

The Group's Joint Venture partner, Cameco Australia Pty Ltd (Cameco) elected not to contribute to Phase 1 of the 2016 exploration program. Consequently the Group will increase its interest in the Joint Venture by solely funding the work program. Cameco may choose to recommence funding of its reduced interest at the commencement of future phases of the work program. A Phase 1 budget of $639,000 has been approved by the JV Management Committee and at 30 June 2016 had resulted in an increase in ownership interest of approximately 2%.

Exploration Development Credits

In early 2016, Alligator advised shareholders that the Australian Taxation Office (ATO) had accepted its application to participate in the Exploration Development Incentive scheme (Scheme). One hundred percent of the Company's 2015 exploration expenditure was deemed eligible to participate in the Scheme.

Eligible Exploration Development Incentive expenditure incurred during the 2015 income tax year, as set out in the tax return, amounted to $2,225,499. On 28 April 2016, the Board approved the distribution of $667,650 (at the 30% tax rate) in exploration credits to shareholders with a Record Date of 26 May 2016. The credit amounts to $1,855 per one million shares and Notices were issued to eligible shareholders on 27 June 2016.

Director Fee Plan

Shareholders in a general meeting approved a Directors' Fee Plan on 20 November 2015 that allows directors to apply for shares in lieu of receiving cash payments for non-executive fees. This arrangement was proposed in order to assist the Group to conserve cash balances for exploration.

At 30 June 2016 the Company had reached the ceiling approved by shareholders for issue of Fee Plan shares, being 4,500,000 ordinary shares in the twelve month period commencing on 20 November 2015. The directors have therefore resolved, subject to shareholder approval to be obtained at the AGM, to continue the election to receive Fee Plan shares in lieu of receiving cash payments for the each quarter leading up to this meeting. Applications at 30 June 2016 which are subject to shareholder approval comprise 634,740 shares at $0.014 per share in lieu of $8,886 cash payments for the March 2016 quarter and 990,625 shares at $0.04 per share in lieu of $39,625 cash payments for the June 2016 quarter. Further Fee Plan applications are expected for the September 2016 quarter. Where approval for the deferred Fee Plan share issue is not obtained, all accrued directors fees will be paid in cash.

In addition, to avoid excessive dilution of existing shareholders through issue of large numbers of Fee Plan shares to the directors in lieu cash payments of fees while the company's shares are less than four cents each, the directors also resolved to set a future floor price of 4 cents for the election and issue of further Fee Plan shares.

For clarification, if a director was entitled to a quarterly fee of $10,000 and received shares rather than cash then at the floor price of four cents/share that director would be granted 250,000 shares. However if the 30 day VWAP of the company's shares was just two cents at the end of the relevant quarter the director would have only received 125,000 shares valued at $5,000.

With shareholder approval, to be sought at the AGM, it is proposed that the director would be "made whole" either by payment of cash or additional shares at the end of December, 2016.

Research & Development

During the second half of the financial year the Company received its 2015 R&D tax offset claim, in relation to the Company's R&D program, totalling $604,574.

Alligator's R&D program is focused on developing innovative techniques for identifying and targeting covered and fully-preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone. In particular, investigation and experimentation is being undertaken on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetics (SAM) geophysical techniques.

Interpretation and modelling of radiogenic isotope results from aggregated sandstone and groundwater samples collected over the 2014 and 2015 seasons has also been undertaken. This yielded a better understanding of the three dimensional distribution and attenuation rate for these isotopes around known uranium occurrences and the unconformity. Investigations were also focused on new and better methods for processing SAM/TFEM geophysical data to define basement conductors associated with large uranium occurrences.

The company's R&D program is considered an important component of the company's strategy to realise the potential of the Alligator Rivers Uranium Province.

In compliance with terms of consent to operate and in collaboration with a ranger group formed by the Traditional Owners to protect and manage their country, Alligator completed a weed management program at the Tin Camp Creek and Beatrice project areas. A collaborative effort involving Alligator, Traditional Owners and CSIRO to develop and apply alternative and improved methods to control mimosa infestations in the project areas has also commenced.

c) ***Operating Loss***

The operating loss before tax and impairment charge increased by 22% for the financial year, principally as a result of (i) the addition of a further non-executive director to the board, being an individual who brings significant uranium and resource industry experience to the Group. The addition of this further non-executive to the board was offset from November 2015 by the resignation (without replacement) of the Group's CEO and Director; (ii) a 16% increase in employee benefits as a result of engaging an additional contract geologist on a full-time basis to February 2016 and the payment of the CEO's short term incentive in cash. This increase was largely offset by the reduction in share based payments for the year; (iii) legal fees increased principally as a result of advice associated with the transfer of a registered interest in the Beatrice tenements, business development and in advancing Traditional Owner negotiations associated with the processing of a further exploration license application held by the Group; and (iv) whilst savings were achieved in travel and investor relations activities the Company incurred direct expenditure of $22,000 in considering business development opportunities during the year.

The Group continued the focus on containing operating costs during the financial year with the termination of the second geologist in February 2016 and the appointment of an Executive Chairman on 1 January 2016 (at no additional cost to the Group) to take on certain responsibilities previously performed by the CEO.

At 30 June 2016, the directors conducted a review of the capitalised exploration and evaluation expenditure for the Group. In this regard the carried forward expenditures associated with the Mamadawerre Joint Venture had already been expensed at the half year, based on the intention to withdraw from the arrangement. In addition to this write off the directors resolved to raise an impairment provision against the costs associated with the activities to drill and define the Caramel resource. These costs were incurred over the period 2010- 2013. This decision was based upon the fact that the deposit is not regarded as economic in its own right and does not form part of the current focus of the Group's exploration activities. Where a discovery allows for the Caramel resource to be exploited as part of an overall development in the future, this provision will be reversed.

The decrease in interest income during the 2016 year was principally as a result of a lower interest rate environment coupled with lower average cash balances than in the prior period.

d) *Financial Position*

Net assets decreased by 37% during the financial year. This is principally as a result of the impairment charges against capitalised exploration and evaluation expenditure totalling $8,669k. The cash balance at 30 June 2016 had also decreased by $1,499k as a result of the significant expenditure associated with drilling in the first half of the financial year at the Beatrice Project.

During the year the Group incurred and capitalised exploration and evaluation costs of $2,860k (2015: $3,677k). In addition, R&D Tax Offsets relating to the 2015 tax year was received totalling $ 605k (2015: $471k). Under the Group's accounting policy for government grants, incentives and R&D offsets this amount was recorded against Capitalised Exploration & Evaluation Expenditure in the Statement of Financial Position, reducing this balance.

In September 2015, the Company completed a rights issue raising $1.6m. In addition two directors subscribed to a further $110k in share capital, at the rights issue price, after receiving approval from shareholders at the AGM.

The Company also issued 5,031,731 fully paid ordinary shares to directors under the Director Fee Plan approved by shareholders at the 2014 (531,731 shares) and 2015 (4,500,000 shares) AGMs. This resulted in fees due to directors of $100k (2015:$168k) being retained by the Company for re-investment in operating activities.

e) *Business strategies and prospects for future financial years*

Strategy and Business Plan

The Company remains focused on the discovery of world - class, high grade uranium deposits in the Alligator Rivers Uranium Province in western Arnhem Land. The Company has a pipeline of targets to assess on the Tin Camp Creek Project area and Beatrice Project areas. These targets fall principally within the Violet-Orion Zone defined by the Group in the first half of 2016. The Company also intends to actively progress its exploration applications to grant and begin initial assessment of these areas in the next two to three year period. The company will continue to assess further quality opportunities within the province.

The company has a clear minimum resource target of 100Mlbs U_3O_8. The company believes that exploration success can be maximized by ensuring multiple high quality target areas are tested as efficiently as possible with a strong technical focus supported by a targeted Research and Development Program.

Alligator continues to strive for operational excellence with particular regard to safety and minimising environmental impact. The 2015 operational audit by the Northern Territory Department of Mines, the Northern Land Council and the Federal Government's Supervising Scientist Division confirmed the company's ongoing compliance with its environmental and safety commitments.

Risk Factors

The Company is subject to the inherent risks which apply to some degree to all participants in the exploration and mining industries. These risks which could impact on the execution of the Company's strategy include the following:

Lack of discovery success
Mineral exploration involves a high degree of risk in relation to the probability of the discovery of a significant resource which can be commercially developed. Regardless of the application of experience, technical knowledge and careful evaluation, the discovery of commercial deposits of uranium cannot be assured. Alligator strives to reduce exploration risk by ensuring a high level of experience and technical skill is applied to planning and execution of exploration programs.

There is also no assurance that if deposits of uranium are discovered, commercial development of these resources will occur. The commercial viability of a particular resource is dependent on a number of factors including the quality and nature of the resource and future commodity price and exchange rate fluctuations, factors which are beyond the control of the Company.

Capital requirements
Alligator relies on the issue of its equity shares or through joint venturing or optioning of Alligator's mineral properties to fund its business strategy. There can be no assurance that Alligator will be able to raise such capital or establish such agreements on favourable terms. If Alligator is unable to obtain such additional capital, it may be required to reduce the scope of its future exploration or drilling programs, which could adversely affect its business, financial condition and results of operation. The ability to raise capital on favourable terms is dependent on a range of external factors including the strength of equity and capital markets in Australia and throughout the world, changes in government policies and commodity prices.

Land Access Issues
Aboriginal land issues and Aboriginal heritage issues may affect the ability of Alligator to pursue exploration, development and mining on Alligator's properties. The resolution of Aboriginal land and Aboriginal heritage issues is an integral part of exploration and mining operations and Alligator is committed to managing the issues effectively.

Environmental and Compliance Issues
The current or future operations of Alligator, including mineral exploration or development activities and commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, environmental protection, mine safety, land access and other matters. Such laws and regulations may vary in future. There can be no assurance, however, that all permits which Alligator may require for mineral exploration or construction of mining facilities and

conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which Alligator might undertake.

In relation to current activities, the Group is in compliance with governing laws and regulations and manages these risks through its existing operating procedures, Environmental Plans, internal audits and liaison with regulators and stakeholders.

Significant changes in the state of affairs

Other than the items discussed in the review of operations above, there were no significant changes in the state of affairs of the Group during the year.

Environmental Issues

The Group's operations are subject to environmental regulations in regards to its exploration activities. The Group is compliant with all aspects of these requirements. The directors are not aware of any environmental law that is not being complied with.

Matters subsequent to the end of the year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

a) The Group's operations in future financial years, or
b) The results of those operations in future financial years, or
c) The Group's state of affairs in future financial years.

Information on Directors

The following information on directors is presented as at the date of signing this report.

John Main – MSc.Hons and MAusIMM **Chairman, and acting Chief Executive Officer**

John has worked in the resources sector as an executive and as a geologist. He has more than 44 years of global experience in mineral exploration and evaluation, including executive positions with CRA and Rio Tinto. John has lead teams that have discovered eight mineral deposits which have been mined, are being mined or on which mines are being developed.

Other current directorships	John is Non-Executive Chairman of Macallum Group Limited
Former directorships (last three years)	Nil
Special responsibilities	Chairman of Board of Directors and a member of the Audit & Risk Management Committee
Interests in shares / options	76,755,030 ordinary shares (indirect)
Length of service	2 years and 11 months

Andrew Vigar - BSc (App. Geo.), FAusIMM, MSEG **Independent Non-executive Director**

Andrew has 40 years' experience in the minerals industry covering areas from regional exploration to mining, corporate and finance. He completed a degree in geology in 1977 and later studied Geostatistics and lectured in Ore Body Modelling at the University of Queensland. He has held mining company positions with Utah, Emperor, WMC, Pancontinental and CRA prior to consulting from 1996 for Vigar & Associates and SRK Consulting and then founded Mining Associates in Brisbane in 2003. He has since pursued a range of mineral related interests including public listed companies Drummond Gold (ASX:DGO) 2007, Crazy Horse (TSXV:CZH) 2009, Alligator Energy (ASX:AGE) 2011 and K92 Mining Inc (TSXV:KNT) in 2016. He established Mining Associates Limited in Hong Kong in 2009 and MA Operations in Brisbane in 2015.

He is a Fellow and long term supporter of the AusIMM, being a former local branch Treasurer, Chairman and Councillor. He was a founding member of the Hong Kong branch in 2012. He is the founder and Chairman of the highly successful Brisbane Mining Club.

Other current directorships	Nil
Former Directorships (last three years)	Andrew was formerly a Director of Krucible Metals Limited (now TopTung Limited).
Special responsibilities	Andrew is a member of the Company's Audit & Risk Management Committee
Interests in shares / options	1,716,309 ordinary shares (direct and indirect)
Length of service	5 years and 10 months

Information on Directors (continued)

Paul Dickson - B.Ed. SF Fin Grad Dip TA **Independent Non-executive Director**

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 Minett 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.

Other current directorships	Paul is a non-executive director of Terrain Minerals Limited (ASX Listed) and Condor Energy Services Limited
Former directorships (last three years)	Nil
Special responsibilities	Paul is Chair of the Company's Audit & Risk Management Committee
Interests in shares / options	4,098,454 ordinary shares (indirect)
Length of service	6 years and 7 months

Peter McIntyre - BSc. Eng; MSc. Mgmt **Non-executive Director**

Peter has more than 30 years of experience in the resources sector, including 15 years with WMC Ltd. He has been involved with the development of a number of major mining projects, and at a corporate level he has established and steered various companies through their early stages into significant businesses. Prior to its takeover, Peter established and was Managing Director of Extract Resources Limited during the critical discovery and pre-feasibility stage of the Husab Uranium Project, in Namibia.

Other current directorships	Peter is non-executive director of Macallum Group Ltd and Zamanco Minerals Ltd
Former directorships (last three years)	Nil
Special responsibilities	Nil
Interests in shares / options	79,023,823 ordinary shares (indirect)
Length of Service	2 years and 11 months

Gregory Hall – BE in Mining Engineering **Independent Non-executive Director (appointed 24 July 2015)**

Greg 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, Hillgrove Resources and Rex Minerals.

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.

DIRECTORS' REPORT
(continued)

Information on Directors (continued)

Greg is Past Board and Exco member of the Australian Uranium Association and is a VP on the SA Chamber of Mines and Energy Council.

Other current directorships	Greg is non-executive director of Torch Energy Pty Ltd
Former directorships (last three years)	Greg was an executive director of Hillgrove Resources Ltd and executive and non-executive director of Toro Minerals Ltd
Special responsibilities	Nil
Interests in shares / options	843,520 ordinary shares
Length of Service	1 year and 2 months

Company Secretary

Mike Meintjes - BCom (Hons), ACA, F Fin

Mike is a Chartered Accountant with more than 30 years professional services experience principally with a Big Four accounting firm and more recently in part-time contracting and consulting roles. During this time he gained extensive exposure to the mining and oil & gas sectors, including having advised a number of junior mineral explorers in both Western Australia and Queensland. Mike was appointed as company secretary on 15 May 2013 and has also been company secretary of TopTung Ltd, an ASX listed company, for the past four years and Resource Generation Ltd, and ASX and JSE listed company since November 2015.

Meetings of directors

The number of meetings of the Company's board of directors held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Directors' Meetings		Audit & Risk Mgmt Committee Meetings	
	Number held while a director	**Number attended**	**Number held while a director**	**Number attended**
John Main	7	7	2	2
Paul Dickson	7	7	2	2
Andrew Vigar	7	7	2	2
Peter McIntyre	7	7	-	-
Robert Sowerby	4	4	1	1
Greg Hall	7	7	-	-

Indemnification of Directors and Officers

Insurance premiums have been paid, during or since the end of the financial period, in respect of a contract of insurance indemnifying the insured against liability, of which payment does not contravene the Corporations Act (Cth) 2001 as amended. The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

Shares under Option

At the date of this report, the unissued ordinary shares of Alligator Energy Limited under option are as follows:

Grant date	Number under option	Expiry date	Issue price of shares
24 Mar 2014	700,000	7 March 2017	$0.15
2 May 2014	1,000,000	2 May 2017	Zero Strike Priced
26 Nov 2014	2,205,882	26 Nov 2017	Zero Strike Priced
21 April 2015	2,035,647	21 April 2018	Zero Strike Priced
7 June 2016	1,272,300	31 January 2017	Zero Strike Priced
7 June 2016	1,272,300	7 June 2019	Zero Strike Priced

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

During the year ended 30 June 2016, 1,526,736 ordinary shares were issued on vesting of performance options granted to employees under a short-term incentive scheme.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

REMUNERATION REPORT (AUDITED)

This report provides information regarding the remuneration disclosures required under S300A of the Corporations Act 2001 and has been audited.

a) Principles used to determine nature and amount of remuneration

The Board of Alligator Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short and long-term incentives.

Compensation arrangements are determined after considering competitive rates in the market place for similar sized exploration companies with similar risk profiles.

REMUNERATION REPORT (AUDITED) (continued)

Fixed Compensation
Key management personnel receive a fixed amount of base compensation which is based on factors such as length of service and experience. Any applicable statutory superannuation amounts will be paid based on this fixed compensation.

Part-time key management personnel are paid an hourly rate based on market factors for the skills and experience required.

Performance Related Compensation (short term)
The Company has a formal performance related remuneration policy which is linked to short-term incentives under the Employee Share Option Plan. This policy applies to senior management with the performance KPIs linked to the area each individual is involved in and has a level of control. The proportion attributed to each KPI is based on 20-25% of the total available performance incentive. Assessment of the performance by the Board must occur before 31 January following the performance year. Cash performance incentives paid to senior management are only based on exceptional circumstances.

Long Term Incentives
The current Employee Share Option Plan was approved at a shareholder general meeting in November 2014.

Incentives are paid in the form of options or rights and are intended to align the interests of the directors and group with those of the shareholders. The long term incentive applicable to senior management only vests when resource definition drilling commences upon a uranium deposit with the potential to contain 100 million pounds of uranium, or if a uranium deposit with a defined resource of no less than 100 million pounds of recoverable U_3O_8 is acquired or if there is a change of shareholding control (> 51%) of AGE.

Non-Executive Directors
The Group's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The total fees for all non-executive directors, as approved at the 2010 Annual General Meeting, are not to exceed $250,000 per annum.

Non-executive directors currently receive $42,000 per annum plus statutory superannuation. The non-executive chairman receives $54,000 per annum plus statutory superannuation. There are no termination or retirement benefits other than statutory superannuation.

The directors adopted a Directors' Fee Plan for non-executive directors with effect from the 2014 financial year. This Plan was approved by shareholders in general meeting in November 2014 and 2015 and applies for a 12 month period. The Fee Plan enables a director to elect, on a quarterly basis, to take all or a portion of their quarterly remuneration in shares based on the weighted average price of the company's shares for the thirty days before the end of each quarter. This Plan enables the company to conserve cash for exploration activities and for the year ended 30 June 2016, directors had elected to

REMUNERATION REPORT (AUDITED) (continued)

accept fee payments totalling $100,365 in shares for remuneration that had accrued over the financial year.

At 30 June 2016 the Company had reached the ceiling approved by shareholders for issue of Fee Plan shares, being 4,500,000 ordinary shares in the twelve month period commencing on 20 November 2015. The directors have therefore resolved, subject to shareholder approval to be obtained at the 2016 AGM, to continue the election to receive Fee Plan shares in lieu of receiving cash payments. Applications subject to shareholder approval comprise 1,625,365 shares totalling $48,511.

Options were last granted to non-executive directors based on shareholder approval at the 2010 Annual General Meeting. This arrangement was intended to align directors' interests with shareholders' interests. The options did not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share upon payment to the Company of the exercise price. The options were valued using the Black-Scholes methodology.

Engagement of Remuneration Consultants

During the year the Group did not engage remuneration consultants.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase congruence between shareholders, directors and executives. The methods applied to achieve this objective include performance based incentives and the adoption of a Directors' Fee Plan. The company believes this policy has contributed to building shareholder wealth over the last 12 months in difficult market conditions for junior explorers.

The following table shows the share price performance over the last two years:

	30 June 2016	**30 June 2015**
Closing share price	$0.014	$0.037

b) Employment Details of Members of Key Management Personnel (KMP)

The following table provides employment details of persons who were, during the financial year, members of KMP of the Group. The table illustrates the proportion of the remuneration that was performance based.

KMP	Position held at 30 June 2016	Contract details	Proportions of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance	
			Cash	Shares	Options	Fixed salary/fee	Total
Peter Moorhouse	Ops Geologist	To 31 Dec 2016	-	-	10.3%	89.7%	100%
Mike Meintjes	Company Sec	Four wks notice	-	-	8.8%	91.2%	100%

The performance element of the KMP remuneration split into the long and short term components is set out in Note 18.

REMUNERATION REPORT (AUDITED) (continued)

c) Directors and executive officers remuneration

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

		Short-term Benefits	Post-employment Benefits	Share-based Payments		Termin-ation Benefits	Total	Value of options as % of Remuneration
		Salary and Fees	Superannuation	Shares	Options			
		$	$	$	$	$	$	%
Directors								
J Main	2015	13,500	5,130	40,500	-	-	59,130	-
	2016	13,500	5,130	40,500	-	-	59,130	-
A Vigar	2015	31,500	3,990	10,500	-	-	45,990	-
	2016	10,500	3,990	31,500	-	-	45,990	-
P Dickson	2015	26,250	3,990	15,750	-	-	45,990	-
	2016	28,875	3,990	13,125	-	-	45,990	-
P McIntyre	2015	-	3,990	42,000	-	-	45,990	-
	2016	-	3,990	42,000	-	-	45,990	-
R Sowerby	2015	150,000	14,250	-	66,244	-	230,494	28.7%
(resigned 31 Dec 2015)	2016	106,809*	10,147	-	3,122	-	120,078	2.6%
G Hall	2015	-	-	-	-	-	-	-
(appointed 24 July 2015)	2016	28,219	3,750	11,250	-	-	43,219	-
Key Management Personnel								
M Meintjes Company Secretary	2015	92,175	-	-	7,811	-	99,986	7.8%
	2016	82,500	-	-	7,990	-	90,490	8.8%
A P Moorhouse Exploration Manager	2015	137,615	13,073	-	18,822	-	169,510	11.1%
	2016	132,061	12,546	-	16,550	-	161,157	10.3%
Total	**2015**	**451,040**	**44,423**	**108,750**	**92,877**	**-**	**697,090**	**13.3%**
	2016	**402,464**	**43,543**	**138,375**	**27,662**	**-**	**612,044**	**4.5%**

*Short term benefits include a cash bonus of $24,750 based on achieving certain performance hurdles for the 2015 field season.

REMUNERATION REPORT (AUDITED) (continued)

d) Share based compensation

Details of options over ordinary shares in the Company that were granted as compensation to directors or key management personnel during the reporting periods and options that vested are as follows:

		Options Granted for year	Value of Options $	Note	Total Options vested for year	Options cancelled for year	Options available for vesting in future periods
Directors							
J Main	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-
A Vigar	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-
P Dickson	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-
R Sowerby	2015	4,411,764	56,250	(iii)	1,764,706	441,176	2,205,882
(resigned 31 Dec 2015)	2016	-	-	-	N/A	N/A	N/A
P McIntyre	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-
G Hall	2015	-	-	-	-	-	-
(appointed 24 July 2015)	2016	-	-	-	-	-	-
Key Management Personnel							
M Meintjes	2015	544,186	8,367	(i)(ii)(vi)(v)	176,471	-	720,657
Company Secretary	2016	562,500	2,531	(i)(ii)(vi)(v)	204,070	68,023	1,011,064
A P Moorhouse	2015	1,103,078	16,960	(i)(ii)(vi)(v)	423,529	1,017,647	1,544,254
Exploration Manager	2016	1,118,100	5,031	(i)(ii)(vi)(v)	413,654	137,885	2,110,815
Total	**2015**	**6,059,028**	**81,577**		**2,364,706**	**1,458,823**	**3,647,161**
	2016	**1,680,600**	**7,562**		**617,724**	**205,908**	**2,762,829**

REMUNERATION REPORT (AUDITED) (continued)

Details of options in above table:

Note	Number issued	Grant Date	Expiry date	Exercise Price	Vesting	Fair value
(i)	200,000	7 Mar 14	7 Mar 17	$ 0.15	Immediate	$0.0297
(ii)	617,647	2 May 14	31 Jan 15	-	*see note	$0.051
	617,647	2 May 14	2 May 17	-	*see note	$0.051
(iii)	2,205,882	26 Nov 14	31 Jan 15	-	*see note	$0.034
	2,205,882	26 Nov 14	26 Nov 17	-	*see note	$0.034
(iv)	823,632	21 April 15	31 Jan 16	-	*see note	$0.041
	823,632	21 April 15	21 April 18	-	*see note	$0.041
(v)	840,300	7 June 16	31 Jan 17	-	*see note	$0.012
	840,300	7 June 16	7 June 19	-	*see note	$0.012

* The options were issued under a short and long term incentive plan based on KPI performance and discovery performance. The options are zero strike priced.

During the year 617,724 (2015: 2,364,706) options vested as a result of key management personnel meeting short term KPIs. These options were zero strike priced and were automatically converted into ordinary shares.

(b) Equity instrument disclosures relating to key management personnel

(i) Share holdings

The number of ordinary shares in the company held during the financial year by directors and key management personnel and their personally related entities is set out below:

Name	*Balance at the start of the year*	*Other changes(incl Fee Plan issues)*	*Received on vesting of Perf Options*	*Balance at the end of the year*
2016				
J Main	1,955,045*	1,868,556	-	3,823,601
A Vigar	606,170	1,110,139	-	1,716,309
R Sowerby	8,695,954**	-	-	N/A
P Dickson	3,183,914	914,540	-	4,098,454
P McIntyre	1,536,145*	4,556,249	-	6,092,394
G Hall	-	843,520	-	843,520
M Meintjes	176,471	62,500	204,070	443,041
A Moorhouse	423,529	-	413,654	837,183
Total	16,577,228	9,355,504	617,724	17,854,502

*In addition to the above, 72,931,429 (2015: 58,345,143) ordinary shares are held beneficially by a related party to the director.
** Resigned as a director effective 20 November 2015 and as CEO effective 31 December 2015.

REMUNERATION REPORT (AUDITED) (continued)

(ii) *Options*

The numbers of options over ordinary shares in the company held during the financial period by each director of Alligator Energy and other key management personnel of the company, including their personally related parties, are set out as follows:

Name	*Balance at the start of the year*	*Granted*	*Forfeited*	*Other Changes*	*Balance at the end of the year*	*Vested and exercisable*	*Unvested*
2016							
J Main	-	-	-	-	-	-	-
A Vigar	1,500,000	-	(1,500,000)	-	-	-	-
R Sowerby	3,205,882	-	(1,000,000)	(2,205,882)	N/A	-	-
P Dickson	1,500,000	-	(1,500,000)	-	-	-	-
P McIntyre	-	-	-	-	-	-	-
G Hall	-	-	-	-	-	-	-
M Meintjes	820,657	562,500	(68,023)	(204,070)	1,111,064	100,000	1,011,064
A Moorhouse	1,644,254	1,118,100	(137,885)	(413,654)	2,210,815	100,000	2,110,815
	8,670,793	1,680,600	(4,205,908)	(2,823,606)	3,321,879	200,000	3,121,879

End of the Remuneration Report

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

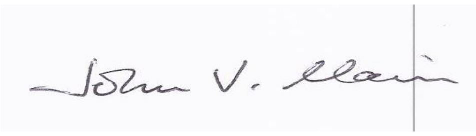
Non-audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. During the year, the Group's auditors have not performed any non-audit services in addition to their assurance duties.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 22.

This Directors' Report, incorporating the remuneration report, is signed in accordance with a resolution of Directors.



John Main
Chairman

Brisbane, 21 September 2016

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ALLIGATOR ENERGY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 21 September 2016

ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Other income – interest received		23,460	73,383
Other income- profit on sale of PP&E		-	16,082
		23,460	89,465
Accounting and audit fees		(41,870)	(40,058)
Consultants and professional fees		(41,000)	(41,000)
Depreciation		(12,232)	(16,173)
Directors' fees		(240,319)	(197,100)
Employee benefits expense		(248,424)	(214,662)
Training		(15,952)	(100)
Legal fees		(109,243)	(63,295)
Occupancy expenses		(62,462)	(57,542)
Share-based payments		(48,921)	(79,584)
Stock exchange and share registry fees		(55,928)	(44,162)
Investor relations		(19,670)	(45,840)
Travel and accommodation expenses		(8,846)	(30,238)
Insurance		(54,921)	(58,168)
Business Development		(22,232)	-
Impairment charge	9	(8,668,595)	(1,215)
Other expenses		(60,878)	(37,869)
Loss before income tax		(9,688,033)	(837,541)
Income tax benefit (expense)	20	-	-
Loss for the year		(9,688,033)	(837,541)
Other comprehensive income		-	-
Total comprehensive income for the year		(9,688,033)	(837,541)
Loss attributable to members of the parent entity		(9,688,033)	(837,541)
Total comprehensive income attributable to members of the parent entity		(9,688,033)	(837,541)
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company			
Basic loss per share	5	2.8	0.29
Diluted loss per share	5	2.8	0.29

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	864,240	2,363,512
Trade and other receivables	7	30,103	72,321
Inventory		19,693	51,983
Total Current Assets		914,036	2,487,816
Non-Current Assets			
Trade and other receivables	7	233,761	237,261
Property, plant and equipment	8	174,945	256,373
Exploration expenditure	9	12,413,907	18,827,156
Total Non-Current Assets		12,822,613	19,320,790
Total Assets		13,736,649	21,808,606
LIABILITIES			
Current Liabilities			
Trade and other payables	10	225,054	404,148
Total Current Liabilities		225,054	404,148
Non-Current Liabilities			
Provisions	11	159,539	159,539
Total Non-Current Liabilities		159,539	159,539
Total Liabilities		384,593	563,687
Net Assets		13,352,056	21,244,919
EQUITY			
Contributed equity	12	27,864,177	26,076,197
Reserves		50,783	426,817
Accumulated losses		(14,562,904)	(5,258,095)
Total Equity		13,352,056	21,244,919

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Contributed equity $	Options reserve $	Accumulated losses $	Total $
Balance at 1 July 2014		22,200,940	458,233	(4,468,554)	18,190,619
Total comprehensive income for the year		-	-	(837,541)	(837,541)
Transactions with owners in their capacity as owners					
Equity contributions (net)		3,812,257	-	-	3,812,257
Share options - expired		-	(48,000)	48,000	-
Share options - exercised		63,000	(63,000)	-	-
Share options - value of expense		-	79,584	-	79,584
Balance at 30 June 2015		26,076,197	426,817	(5,258,095)	21,244,919
Total comprehensive income for the year		-	-	(9,688,033)	(9,688,033)
Transactions with owners in their capacity as owners					
Equity contributions (net)		1,746,249	-	-	1,746,249
Share options - expired		-	(383,224)	383,224	-
Share options - exercised		41,731	(41,731)	-	-
Share options - value of expense		-	48,921	-	48,921
Balance at 30 June 2016		27,864,177	50,783	(14,562,904)	13,352,056

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $ Inflows / (Outflows)	2015 $ Inflows / (Outflows)
Cash flows from operating activities			
Interest received		26,139	78,897
Payments to suppliers		(828,837)	(725,897)
R&D offset and Collaborative Grants received		604,574	1,099,190
Net cash inflow(outflow) from operating activities	17	(198,124)	452,440
Cash flows from investing activities			
Payments for exploration expenditure		(2,911,541)	(3,640,998)
(Payments for) / receipts from security deposits		3,500	(13,669)
Payments for purchase of property, plant and equipment		(38,992)	(146,762)
Proceeds from sale of property, plant and equipment		-	20,000
Net cash inflow(outflow) from investing activities		(2,947,033)	(3,781,429)
Cash flows from financing activities			
Proceeds from capital raising		1,687,088	3,932,985
Payment of capital raising costs		(41,203)	(288,978)
Net cash inflow(outflow) from financing activities		1,645,885	3,644,007
Net increase (decrease) in cash held		(1,499,272)	314,768
Cash at beginning of financial year		2,363,512	2,048,744
Cash at the end of financial year	6	864,240	2,363,512

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Alligator Energy Limited and Controlled Entities (the "Group").

The separate financial statements of the parent entity, Alligator Energy Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 21 September 2016 by the directors of the Company. The Company is publicly listed and incorporated in Australia.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board (AASB) and comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern Principles

The financial statements have been prepared on a going concern basis that presumes the realisation of assets and the discharge of liabilities in the normal course of operations for the foreseeable future.

During the year the Group made a loss before tax of $ $9,688,033 (2015: $837,541), and net assets excluding capitalised exploration and evaluation assets have decreased by $1,479,614 to $938,149. The ability of the Group to continue on a going concern basis is dependent upon the ability of the Group to raise additional capital through existing shareholders or new strategic investors. The directors are confident of being able to secure additional funding and believe the consolidated entity is a going concern and will be able to pay its debts as and when they fall due and payable.

These financial statements do not give effect to any adjustments which could be necessary should the company be unable to continue as a going concern and therefore be required to realise its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. Given the past losses, the difficulty in forecasting future cash flows for the group and the other matters described above, there is exists a material uncertainty that the consolidated entity will achieve the above and continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of entities controlled by Alligator Energy Limited at the end of the reporting period. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 16.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control

Note 1 Summary of Significant Accounting Policies (continued)

ceases. All inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Note 1 Summary of Significant Accounting Policies (continued)

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20 - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Note 1 Summary of Significant Accounting Policies (continued)

c. Property, Plant and Equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Exploration and Development Expenditure

Expenditure is accumulated separately for each area of interest until such time as the area is abandoned or sold. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

If an area of interest is abandoned or is considered to be of no further commercial interest the accumulated exploration costs relating to the area are written off against profit or loss in the year of abandonment. Some exploration expenditure may also be written off where areas of interest are partly relinquished. In cases where uncertainty exists as to the value, provisions for possible diminution in value are established.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

e. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

f. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

Note 1 Summary of Significant Accounting Policies (continued)

f. Financial Instruments (continued)

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified as "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

Gains and losses are recognised in profit and loss through the amortisation process and when the financial asset is derecognised.

(iii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 1 Summary of Significant Accounting Policies (continued)

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value, less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Note 1 Summary of Significant Accounting Policies (continued)

h. Employee Benefits (continued)

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model or the prevailing market price for zero-priced options. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, and other short-term highly liquid investments with original maturities of six months or less.

k. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable, when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised using the effective interest rate method.

All revenue is stated net of the amount of goods and services tax (GST).

Note 1 Summary of Significant Accounting Policies (continued)

l. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

n. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

o. Inventories

Inventories are measured at the lower of cost and net realisable value.

p. Government Grants, Incentives, and R&D tax offsets

The Company has adopted the capital approach to accounting for research and development tax offsets under the revised regime, pursuant to AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. Under this approach the grant or incentive is recorded directly in the balance sheet against the underlying asset to which the offset, grant or incentive relate.

q. Site Rehabilitation

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of building structures and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Costs associated with rehabilitating drilling activity during the field season are generally incurred during the financial year in which the drilling occurred.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Note 1 Summary of Significant Accounting Policies (continued)

r. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

– ***AASB 9: Financial Instruments and associated Amending Standards*** (applicable to annual reporting periods beginning on or after 1 January 2018).

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items.

  The directors do not anticipate that the adoption of AASB 9 will have an impact on the Group's financial instruments.

– ***AASB 15: Revenue from Contracts with Customers*** (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

  The new standard will not impact the Group until such time as an economic deposit is identified and developed.

– ***AASB 16: Leases*** (applicable to annual reporting periods beginning on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors do not anticipate that the adoption of AASB 16 will impact the Group's financial statements as the only lease in place at 30 June 2016 is a short term lease for the corporate office.

– ***AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*** (applicable to annual reporting periods beginning on or after 1 January 2016)

This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method per AASB 3.

The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016. As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of AASB 2014-3.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128).

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income

(OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;

the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and

any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. The directors do not anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements.

Note 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

Exploration and evaluation expenditure

The Group has capitalised exploration expenditure of $12,413,907 (30 June 2015: $18,827,156). This amount includes costs directly associated with exploration and the purchase of exploration properties. These costs are capitalised as an intangible asset until assessment and/or drilling of the permit is complete and the results have been evaluated. These direct costs include employee remuneration, materials, permit rentals and payments to contractors. The expenditure is carried forward until such a time as the area moves into the development phase, is abandoned or sold. Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources and the difficulty in forecasting cash flows to assess the fair value of exploration expenditure there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements. The Directors are of the opinion that the exploration expenditure after raising an impairment provision for the costs associated with the exploring and evaluating the Caramel deposit on the Tin Camp Creek tenement is recoverable for the amount stated in the financial report.

Provision for site restoration

The group estimates the cost of rehabilitating disturbances as a result of exploration activity. These estimates are based on the requirements of current legislation, comprise an estimate of the external costs to rehabilitate and are consistent with the amounts reported to the Department of Mines and Energy in the Northern Territory.

Note 3 Segment information

Operating segments are identified, and segment information disclosed, on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, the Board of Directors confirms that the Group continues to operate in one operating segment, being mining and exploration, with its potential revenue on successful development being predominantly sourced in Australia.

Note 4 Dividend

No dividend has been paid during the year ended 30 June 2016 (2015: nil) and none is proposed.

Note 5 Earnings per share

	2016 Cents	2015 Cents
(a) Basic earnings per share		
Loss attributable to the ordinary equity holders of the Company	(2.8)	(0.29)
(b) Diluted earnings per share		
Loss attributable to the ordinary equity holders of the Company	(2.8)	(0.29)

	2016 $	2015 $
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit (loss) attributable to ordinary equity holders of the Company used in calculating basic earnings per share	(9,688,033)	(837,541)
Diluted earnings per share		
Profit (loss) attributable to ordinary equity holders of the Company used in calculating diluted earnings per share	(9,688,033)	(837,541)

	2016 Number	2015 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	345,561,078	291,898,885
Adjustments for calculation of diluted earnings per share:		
Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	345,561,078	291,898,885

	2016 $	2015 $

Note 6 Current assets - Cash and cash equivalents

Cash at bank and in hand	214,240	234,702
Term deposits	650,000	2,128,810
	864,240	2,363,512

The effective interest rate on term deposits was 1.58% (2015: 2.02%).

Reconciliation of cash
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	864,240	2,363,512

Note 7 Trade and other receivables

Current

GST receivable	28,598	69,473
Other receivables	1,505	2,848
	30,103	72,321
Non-Current		
Security deposits	233,761	237,261

Other receivables
These amounts generally arise from transactions outside the usual operating activities of the Company.

Note 8 Non-current assets – Property, plant and equipment

Plant and Equipment – at cost	745,106	706,115
Accumulated depreciation	(570,161)	(449,742)
	174,945	256,373

Carrying value at beginning of financial year	256,373	254,938
Additions	38,992	146,762
Disposals / written off		(3,918)
Depreciation expensed	(12,232)	(16,163)
Depreciation capitalised to exploration expenditure	(108,188)	(125,246)
Carrying value at end of financial year	174,945	256,373

	2016 $	2015 $

Note 9 Non-current assets – Exploration expenditure

Exploration & Evaluation phase costs

	2016 $	2015 $
Geological, geophysical, drilling and other expenditure – at cost	12,413,907	18,827,156
The capitalised exploration and evaluation expenditure carried forward above has been determined as follows:		
Opening balance	18,827,156	15,622,265
Expenditure incurred or tenements acquired during the period	2,859,920	3,676,964
R&D Offset (Note 1(p))	(604,574)	(470,858)
Impairment write-down	(885,130)	(1,215)
Impairment provision- Caramel deposit	(7,783,465)	-
	12,413,907	18,827,156

Farm-in costs incurred in relation to the Beatrice project to the completion of Stage 2 in January 2016 have been included in capitalised exploration expenditure as acquisition costs under AASB 6. The Beatrice Joint Venture partner (Cameco Australia Pty Ltd) has elected not to contribute their equity interest (currently 49%) to joint venture expenditure since this date and consequently all further expenditure which results in a dilution of their interest has also been treated as an acquisition cost.

At 30 June 2016, the directors conducted a review of the capitalised exploration and evaluation expenditure for the Group. In this regard the carried forward expenditures associated with the Mamadawerre Joint Venture had already been expensed at the half year, based on the intention to withdraw from the arrangement. In addition to this write off the directors resolved to raise an impairment provision against the costs associated with the activities to drill and define the Caramel resource. These costs were incurred over the period 2010- 2013. This decision was based upon the fact that the deposit is not regarded as economic in its own right and does not form part of the current focus of the Group’s exploration activities. Where a discovery allows for the Caramel resource to be exploited as part of an overall development in the future, this provision will be reversed.

Note 10 Current liabilities –Trade and other payables

	2016 $	2015 $
Trade and other payables	143,976	160,919
Accrued expenses	70,511	233,189
Employee Entitlements	10,567	10,040
	225,054	404,148

The average credit period on purchases is 30 days. No interest is charged on trade payables.

Note 11 Non-Current liabilities - Provisions

	2016 $	2015 $
Site restoration	159,539	159,539
	159,539	159,539

Note 12 Contributed Equity and Reserves

a) Ordinary Shares

	2016 Shares	2016 $	2015 Shares	2015 $
Ordinary shares fully paid	359,936,109	27,759,446	311,200,459	26,013,197

Movements of ordinary share capital are as follows:

Date	Details	Number of shares	Issue Price cents	$
30 June 2014	**Balance**	**205,761,162**		**22,200,940**
01 Aug 2014	Share Placement	30,750,000	4c	1,230,000
04/10 Sept 2014	Rights Issue	67,574,625	4c	2,702,985
	Capital Raising costs			(288,978)
3 Dec 2014	Director's Fee Plan	2,574,113	4.3c	109,750
19 Jan 2015	Director's Fee Plan	1,125,000	2.6c	29,250
11 Feb 2015	Performance Option Vesting	2,747,059	2.3c	63,000
21 April 2015	Director's Fee Plan	668,500	4.4c	29,250
30 June 2015	**Balance**	**311,200,459**		**26,076,197**
10 July 2015	Director's Fee Plan	269,231	3.9c	10,500
22 Sept 2015	Rights Issue	39,427,183	4.0c	1,577,087
	Capital Raising Costs			(41,203)
28 Oct 2015	Director's Fee Plan	262,500	4.0c	10,500
2 Dec 2015	Share Subscriptions	2,750,000	4.0c	110,000
27 Jan 2016	Director's Fee Plan	2,045,455	2.2c	45,000
29 Feb 2016	Performance Option Vesting	1,526,736	2.7c	41,731
18 April 2016	Director's Fee Plan	2,454,545	1.4c	34,365
30 June 2016	**Balance**	**359,936,109**		**27,864,177**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 12 Contributed Equity and Reserves (continued)

b) Share Options

	2016		**2015**	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
On issue at beginning of financial year	16,227,178	$0.11	11,950,000	$0.18
Options issued during year	2,544,600	$0.00	8,483,060	$0.00
Options cancelled during year	(8,758,912)	$0.20	(1,000,000)	$0.15
Options exercised during year	(1,526,736)	$0.00	(3,205,882)	$0.00
On issue at end of financial year	8,486,130	$0.01	16,227,178	$0.11

At 30 June 2016 the Company had 8,486,130 unlisted options on issue under the following terms and conditions:

Number under option	**Expiry date**	**Issue price of shares**
700,000	7 Mar 2017	$0.15
1,000,000	2 May 2017	(*)
2,205,882	26 Nov 2017	(**)
2,035,647	21 Apr 2018	(***)
1,272,300	31 Jan 2017	(****)
1,272,300	7 June 2019	(****)

Options exercisable as at 30 June 2015	8,950,000
Options exercisable as at 30 June 2016	700,000

The weighted average remaining contractual life of options outstanding at year-end was 1.48 years (2015: 1.14 years).

The weighted average fair value of options granted (excluding the zero strike priced performance options) during the year was nil, as no options other than zero strike priced performance options were issued (2015: nil).

Note 12 Contributed Equity and Reserves (continued)

The following option tranches have vesting conditions as follows:

(*)- 1,000,000 zero strike priced options expiring on 2 May 2017 issued under the Employee Share Option Plan approved by shareholders on 10 August 2011 in relation to the 2014 field season. These options were issued to key personnel and only vest based on criteria linked to the commencement of resource drilling on a significant discovery or a change of shareholding control. The grant of these options is part of a long term incentive plan established for key personnel. The number of options granted was based on 15% of the estimated annual cost for these personnel and the weighted average share price for the three days immediately prior to grant.

(**)-2,205,882 zero strike priced options expiring on 26 November 2017 issued under the Employee Share Option Plan to the CEO and approved by shareholders in general meeting on 21 November 2014. These options were issued to the CEO in relation to the 2014 field season and only vest based on criteria linked to the commencement of resource drilling on a significant discovery or a change of shareholding control. The grant of these options is part of a long term incentive plan established for key personnel. The number of options granted was based on 50% of the annual cash remuneration cost and the weighted average share price for the three days immediately prior to grant.

(***)-2,035,647 zero strike priced options expiring on 21 April 2018 issued under the amended Employee Share Option Plan approved by shareholders on 21 November 2014 in relation to the 2015 field season. These options were issued to key personnel and only vest based on criteria linked to the commencement of resource drilling on a significant discovery or a change of shareholding control. The grant of these options is part of a long term incentive plan established for key personnel. The number of options granted was based on 15% of the estimated annual cost for these personnel and the weighted average share price for the thirty days immediately prior to grant.

(****)-1,272,300 zero strike priced options expiring on 31 January 2017 issued under the amended Employee Share Option Plan approved by shareholders on 21 November 2014. These options were issued to key personnel and only vest based on criteria linked to key performance indicators associated with the individual's role and responsibilities for the 2016 field season. The grant of these options is part of a short term incentive plan established for key personnel. The number of options granted was based on 15% of the estimated annual cost for these personnel and an assumed floor price of 4 cents per share.

(****)-1,272,300 zero strike priced options expiring on 7 June 2019 issued under the amended Employee Share Option Plan approved by shareholders on 21 November 2014 in relation to the 2016 field season. These options were issued to key personnel and only vest based on criteria linked to the commencement of resource drilling on a significant discovery or a change of shareholding control. The grant of these options is part of a long term incentive plan established for key personnel. The number of options granted was based on 15% of the estimated annual cost for these personnel and an assumed floor price of 4 cents per share.

Note 12 Contributed Equity and Reserves (continued)

c) Option Reserve

The option reserve records items recognised as expenses on valuation and issue of share options and reversals for options that expired without being exercised.

d) Directors' Fee Plan

The directors have adopted a Directors' Fee Plan in lieu of taking remuneration payments in cash. This Plan was adopted with the objective of conserving cash-flow for exploration related activities and was approved by shareholders in a general meeting on 20 November 2015 for a period of 12 months.

The Plan has been in place and operating since December 2013 on the basis of an annual 12 month approval by shareholders. The Plan operates on a quarterly election basis where all or part of the remuneration entitlements for that quarter can be converted into shares at the weighted average share price for the last thirty days leading up to the end of the quarter.

In relation to the year ended 30 June 2016, 5,031,731 (2015: 4,367,613) fully paid ordinary shares were issued under the Plan in lieu of directors' remuneration payments totalling $100,364 (2015:168,250).

At 30 June 2016 the Company had reached the ceiling approved by shareholders for issue of Fee Plan shares, being 4,500,000 ordinary shares in the twelve month period commencing on 20 November 2015. The directors have therefore resolved, subject to shareholder approval to be obtained at the AGM, to continue the election to receive Fee Plan shares in lieu of receiving cash payments for the each quarter leading up to this meeting. Applications at 30 June 2016 which are subject to shareholder approval comprise 634,740 shares at $0.014 per share in lieu of $8,886 cash payments for the March 2016 quarter and 990,625 shares at $0.04 per share in lieu of $39,625 cash payments for the June 2016 quarter. Further Fee Plan applications are expected for the September 2016 quarter. Where approval for the deferred Fee Plan share issue is not obtained, all accrued directors fees will be paid in cash

In addition, to avoid excessive dilution of existing shareholders through issue of large numbers of Fee Plan shares to the directors in lieu cash payments of fees while the company's shares are less than four cents each, the directors also resolved to set a future floor price of 4 cents for the election and issue of further Fee Plan shares.

For clarification, if a director was entitled to a quarterly fee of $10,000 and received shares rather than cash then at the floor price of four cents/share that director would be granted 250,000 shares. However if the 30 day VWAP of the company's shares was just two cents at the end of the relevant quarter the director would have only received 125,000 shares valued at $5,000.

With shareholder approval, to be sought at the AGM, it is proposed that the director would be "made whole" either by payment of cash or additional shares at the end of December, 2016.

Note 12 Contributed Equity and Reserves (continued)

e) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide value for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes equity attributable to equity holders, comprising of contributed equity, reserves and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets or adjust the level of activities undertaken by the Group.

The Group monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Group's exposure to borrowings as at 30 June 2016 totals $nil (2015: $nil). The Group will continue to use capital market raisings to satisfy anticipated funding requirements.

The Group's strategy to capital risk management is unchanged from prior years.

Note 13 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2016 **$**	**2015** **$**
Financial assets			
Cash and cash equivalents	6	864,240	2,363,512
Trade and other receivables	7	263,864	309,582
Total financial assets		1,128,104	2,673,094
Financial liabilities			
Trade and other payables	10	225,054	404,148
Total financial liabilities		225,054	404,148

Financial Risk Management Policies

The Audit & Risk Committee has been delegated responsibility by the Board of Directors for, among other issues, monitoring and managing financial risk exposures of the Group.

Note 13 Financial Risk Management (continued)

The Group's overall risk management strategy seeks to meet its financial requirements, while minimising potential adverse effects on financial performance. It includes the review of the use of credit risk policies and future cash flow requirements.

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise or the Board's objectives, policies and processes for managing the risks from the previous period.

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through ensuring, to the extent possible, that counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Group has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the Company in accordance with the policy of only investing surplus cash with major financial institutions. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	**Consolidated Group**	
		2016	**2015**
		$	**$**
Cash and cash equivalents:			
– AA- rated	6	864,240	2,363,512

Note 13 Financial Risk Management (continued)

b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group considers liquidity risk as significant as the Company is currently seeking further cash injections in order to progress exploration and R&D activities and in this regard to ensure that it has sufficient cash funding to meet its obligations as they fall due. This risk is managed by regular review of future period cash flows and operational activity budgets and maintaining sound relationships with shareholders and potential investors

c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Company's exposure to interest rate risk is summarised in the table below:

		Fixed Interest maturing in:				
	Floating Interest Rate	1 year or less	Over 1 year, less than 5	Non-Interest bearing	Total	Weighted Average Interest rate
2015						
Financial assets						
Cash at bank	-	-	-	51,868	51,868	-
Cash at bank	182,834	-	-	-	182,834	1.5%
Term Deposits	-	2,128,810	-	-	2,128,810	2.02%
Receivables	-	-	-	309,582	309,582	-
Financial Liabilities						
Trade Creditors and accruals	-	-	-	(404,148)	(404,148)	-
2016						
Financial assets						
Cash at bank	-	-	-	24,540	24,540	-
Cash at bank	189,700	-	-	-	189,700	0.5%
Term Deposits	-	650,000	-	-	650,000	1.9%
Receivables	-	-	-	263,864	263,864	-
Financial Liabilities						
Trade Creditors and accruals	-	-	-	225,054	225,054	-

Note 13 Financial Risk Management (continued)

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how the Company's (loss) /profit reported at the end of the reporting period would have been affected by interest rate movements that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Carrying Value $	+1 % interest rate $	-1 % interest rate $
2015			
Interest bearing cash	2,311,644	23,116	23,116
2016			
Interest bearing cash	839,700	8,397	8,397

Net Fair Values of financial assets and liabilities
The carrying amounts of all financial assets and financial liabilities approximate their net fair values.

Note 14 Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditor, its related practices and non-related audit firms:

	Consolidated Group	
	2016 **$**	**2015** **$**
Remuneration of the auditor of the parent entity for:		
– auditing or reviewing the financial statements	29,500	28,800
	29,500	28,800

Note 15 Contingencies

To the best knowledge of the board the Group had no material contingent liabilities at year end.

Note 16 Controlled Entities

a) Subsidiaries of Alligator Energy Limited

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy disclosed in note 1 (a). Unless otherwise stated, they have issued share capital consisting solely of ordinary shares held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	**Country of Incorporation**	**Percentage Owned (%)***	
		2016	**2015**
TCC Project Pty Ltd	Australia	100%	100%
Northern Prospector Pty Ltd	Australia	100%	100%
BT Project Pty Ltd	Australia	100%	-

* *Percentage of voting power is in proportion to ownership*

b) Acquisition of Controlled Entities

There were no acquisitions during the year ended 30 June 2016.

During the year a new subsidiary was incorporated being BT Project Pty Ltd. This company was dormant at year end.

Note 17 Cash Flow Information

		Consolidated Group	
		2016 $	2015 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax			
Loss after income tax		(9,688,033)	(837,541)
R&D Offset & Grants capitalised		604,574	574,751
Non-cash flows in loss:			
–	depreciation	12,232	16,173
–	share based payment expenses (incl Director Fee Plan share issues)	149,285	247,834
–	Profit on sale of PP&E	-	(16,082)
–	Impairment write off/provision	8,668,595	1,215
–	Other	12,375	(14,623)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
–	(increase)/decrease in trade and term receivables	17,694	532,788
–	(increase)/decrease in inventory	-	(51,983)
–	increase/(decrease) in trade payables and accruals	24,627	(159,881)
–	increase/(decrease) in provisions	527	159,789
Cash flow from operations		(198,124)	452,440

Note 18 Key Management Personnel disclosures

Key management personnel compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each of member of the Group's key management personnel (KMP) for the year ended 30 June 2016.

	2016 $	2015 $
Short-term employee benefits	402,464	451,040
Post-employment benefits	43,542	44,423
Other long-term benefits	-	-
Share-based payments	166,037	201,627
	612,044	697,090

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Group's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes (including the Director Fee Plan) as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

Note 19 Share based payments

Granted during the year

On 24 June 2016, 2,544,600 zero strike priced options were issued to four employees or contractors under the Company's Employee Share Option Plan. The zero strike priced options have performance related criteria as set out in Note 12 (b) and have expiry dates of 31 January 2017 (1,272,300 Short Term Incentive options) and 7 June 2019 (1,272,300 Long Term Incentive options).

Contracted but subject to shareholder approval

Directors' Fee Plan- see Note 12 (d)

In relation to the year ended 30 June 2016, 5,031,731 (2015: 4,367,613) fully paid ordinary shares were issued under the Plan in lieu of directors' remuneration payments totalling $100,364 (2015:168,250). This resulted in the Plan reaching its cap of 4,500,000 ordinary shares.

At 30 June 2016, Director Fee Plan applications which are subject to shareholder approval comprise 634,740 shares at $0.014 per share in lieu of $8,886 cash payments for the March 2016 quarter and 990,625 shares at $0.04 per share in lieu of $39,625 cash payments for the June 2016 quarter. The total unpaid amount of $48,511 is currently included in Accrued Expenses- Note 10.

Options granted to key management personnel during the last two financial years are as follows:

	Grant Date		*Number*
2015	26 November 2014	(a)	4,411,764
	21 April 2015	(a)	1,647,264
2016	7 June 2016	(a)	1,680,600

(a) The options issued will only vest if certain performance criteria are met. Further details of these options are provided in the directors' report, and note 12 (b). The options hold no voting or dividend rights, have not been listed and are not transferable

A summary of the movements of all Company options are shown in Note 12(b).

Share issues in lieu of Non- Executive Director Fees

Shares granted or issued to key management personnel as share-based payments (in lieu of cash payments for directors' fees under the Director's Fee Plan) are set out for both 2015 and 2016 in Note 12 (a). Included under employee benefits expense in the Consolidated Statement of Profit or Loss is $100,364 which relates to equity settled share based payments transactions (2015: $168,250).

Note 20 Income tax

	Consolidated 2016 $	Consolidated 2015 $
(a) Numerical reconciliation of income tax expense / (income) to prima facie tax payable:		
Total profit/(loss) before income tax	(9,688,033)	(837,541)
Tax at the Australian tax rate of 28.5% (2015 - 30%)	(2,761,089)	(251,262)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	13,942	23,875
Other	17,817	14,235
	(2,729,330)	(213,152)
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	(2,729,330)	213,152
Income tax (benefit) expense	-	-
(b) The components of income tax expense		
Current tax	-	-
Deferred tax	-	-
Adjustments for current tax of prior periods		
	-	-
(c) Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Exploration expenditure	3,252,963	5,348,147
Interest receivable	48	854
Total	3,253,011	5,349,001
Set-off of deferred tax liabilities pursuant to set-off provisions	(3,253,011)	(5,349,001)
Net deferred tax liabilities	-	-

Note 20 Income tax (continued)

	Consolidated 2016 $	Consolidated 2015 $
(d) Deferred tax assets:		
The balance comprises temporary differences attributable to:		
Tax losses	6,202,790	6,252,777
Accruals and provisions	25,176	77,440
Business capital costs	67,272	33,592
Total deferred tax assets	6,295,238	6,363,809
Set-off of deferred tax assets pursuant to set-off provisions	(3,253,011)	(5,349,001)
Net adjustment to deferred tax assets for tax losses not recognised	(3,042,227)	(1,014,808)
Net deferred tax assets	-	-

(e) Tax losses:

	2016 $	2015 $
Unused tax losses for which no deferred tax asset has been recognised	10,674,481	3,382,693
	10,674,481	3,382,693
Potential tax effect at 30%	3,042,227	1,014,808

Unused losses which have not been recognised as an asset, will only be obtained if:
(i) the economic entity derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
(ii) the economic entity continues to comply with the conditions for deductibility imposed by the law; and
(iii) no changes in tax legislation adversely affect the economic entity in realising the losses.

The unused tax losses will be reduced by any amounts that are included in the Group's research and development offset claim for the 2016 tax year.

The Company registered for participation in the Exploration Development Incentive introduced for the first time in the 2015 tax year. This Scheme allows the Group to distribute a portion of the greenfield exploration expenditure incurred in the 2015 tax year and deductible under the Income Tax Act (and included in unused tax losses carried forward in (e) above) to Australian resident shareholders as a credit to offset against personal income tax (individuals) or as a franking credit (companies). The exploration credits distributed on 27 June 2016 in relation to greenfield exploration expenditure incurred in the 2015 tax year totalled $667,650. This distribution reduces the carried forward tax losses by an equivalent amount. The Company plans to once again register for the Scheme in relation to the 2016 tax year.

Note 20 Income tax (continued)

(f) Tax consolidation legislation

Alligator Energy Limited and its wholly-owned Australian subsidiaries have implemented the income tax consolidation legislation from 1 July 2010. Alligator Energy Limited is the head entity of the tax consolidated group for the year ended 30 June 2016. The Australian Taxation Office has been notified of the formation of the Alligator Energy Limited tax consolidated group.

Each entity in the Group recognises its own current and deferred tax assets and liabilities, except for any amounts resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each Group entity is then subsequently assumed by the parent entity.

The tax consolidated group has entered into tax sharing and funding arrangements. Under the terms of these agreements, the wholly-owned entities reimburse the head company for any current income tax payable by the head company arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and therefore amounts receivable or payable under an accounting tax sharing agreement with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. In the opinion of the Directors, the tax sharing agreement is also a valid arrangement under the tax consolidated legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by Alligator Energy Limited. Expenses and revenues arising under the tax sharing agreement are recorded as a component of income tax expense.

(g) Exploration Development Incentive Scheme

On 29 February 2016, Alligator advised that the Australian Taxation Office (ATO) had accepted its application to participate in the Exploration Development Incentive scheme (Scheme). One hundred percent of the Company's 2015 exploration expenditure was deemed eligible to participate in the Scheme.

Eligible Exploration Development Incentive expenditure incurred during the 2015 income tax year, as set out in the tax return, amounted to $2,225,499. On 28 April 2016, the Board approved the distribution of $667,650 (at the 30% tax rate) in exploration credits to shareholders with a Record Date of 26 May 2016. The credit amounts to $1,855 per one million shares and Notices were issued to eligible shareholders on 27 June 2016.

The distribution of these credits has reduced the Group's carried forward tax losses at 30 June 2016 by a similar amount.

Note 21 Commitments

Exploration commitments

So as to maintain current rights to tenure of various exploration and mining tenements, the Company will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. These outlays (exploration expenditure and rent), which arise in relation to granted tenements, inclusive of tenement applications granted subsequent to 30 June 2016, are as follows:

	2016 $	2015 $
Exploration expenditure commitments payable:		
- within one year	586,012	637,963
- later than one year but not later than five years	378,130	47,223
- later than five years	-	-
	964,142	685,186
Royalties	46,465	174,300

Minimum expenditure covenants under the Department of Mines and Energy Guidelines must be based on realistic and practical work programs and proposed expenditure levels. These covenants may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished. The exploration expenditure commitments set out above include expenditure covenants submitted for the 2016/17 financial year totalling $550,000.

Cash security bonds totalling $209,113 (2015: $209,113) are currently held by the relevant governing authorities to ensure compliance with granted tenement conditions. The Company is currently in the process of lodging a security deposit for its 51% share of the $40,000 Beatrice Project bond held by the Northern Land Council.

Mamadawerre Farm-in and Joint Venture

The Group provided notice to Cameco Australia Pty Ltd on 28 February 2016 that it would be withdrawing from the Mamadawerre Farm-in and Joint Venture. No further commitments exist in relation to this agreement and the steps are being progressed to secure the release of the cash security bond of $15,707.

Beatrice Farm-in and Joint Venture

On 19 December 2014, Alligator signed an exploration agreement (Farm-in and Joint Venture) with Cameco Australia Pty Ltd (Cameco) to earn an interest in ELs24291 and 26796 and ELAs 26793, 26794, 26795 (collectively the Beatrice Project) which are located south of the Tin Camp Creek project area in the Alligator Rivers Province.

Note 21 Commitments (continued)

At 31 December 2015, the Group had met its Stage 1 and Stage 2 expenditure commitments and consequently has earned a registered interest of 51% in the Project tenements. A Joint Venture was formed with effect from 1 January 2016 in the interests and voting rights in the same proportion as the interest in the underlying tenements.

Cameco Australia Pty Ltd has elected not to fund its pro-rata share of the 2016 Phase 1 Joint Venture budget and consequently their interest is being diluted. Based on Joint Venture expenditure between 1 January 2016 and 30 June 2016 the Group has earned approximately a further 2 % interest.

On definition of a resource of 75Mlb U3O8 resource (inferred + indicated + measured), the JV must commence a NI43-101 compliant Prefeasibility Study (PFS) within 12 months of identifying a qualifying resource. 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 Beatrice 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 less the initial PFS payment ($2 million).
- 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).

Operating lease commitments

Non-cancellable operating lease rentals are as follows:

	2016	**2015**
	$	**$**
Within one year	39,483	76,972
Later than one year but not later than five years	-	39,884
Later than five years	-	-
	39,483	116,856

In May 2014 the Company entered into a three year lease on an office in Fortitude Valley, Brisbane with a 4% annual increment.

Note 22 Events occurring after the balance sheet date

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

a) The Group’s operations in future financial years, or
b) The results of those operations in future financial years, or
c) The Group’s state of affairs in future financial years.

Note 23 Related party transactions

a) The Group’s main related parties are as follows:

i) Parent entity

The parent entity within the Group is Alligator Energy Limited.

ii) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 18: Key Management Personnel.

b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the year there were no such transactions (2015: nil)

Note 24 Parent entity financial information

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2016 $	2015 $
Balance Sheet		
Current assets	885,438	2,418,343
Total assets	13,725,191	21,741,884
Current liabilities	355,995	494,214
Total liabilities	355,995	494,214
Issued capital	27,864,177	26,076,197
Option reserve	50,783	426,817
Accumulated losses	(14,545,764)	(5,129,344)
Total equity	13,369,196	21,247,670
Loss for the year	(9,673,644)	(843,843)
Total comprehensive income for the year	(9,673,644)	(843,843)

b) Guarantees entered into by the parent entity

The Parent Entity has provided no financial guarantees.

c) Contingent liabilities of the parent entity

The Parent Entity did not have any contingent liabilities as at 30 June 2016 (30 June 2015: Nil).

d) Contractual commitments for the acquisition of property, plant or equipment

The Parent Entity had contractual commitments as at 30 June 2016 to acquire field related equipment totalling $nil (2015: $nil).

Note 25 Company Details

The registered office and principal place of business of the Company as at 30 June 2016 was:

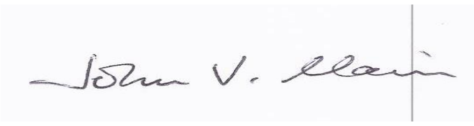
Suite 3, 36 Agnes St
Fortitude Valley
Brisbane QLD 4006

Phone (07) 3852-4712

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Alligator Energy Limited, in the opinion of the directors of the Company:

1. the financial statements and notes, as set out on pages 23 to 60, are in accordance with the *Corporations Act 2001*, including:
    a. complying with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS) and the *Corporations Regulations 2001*; and
    b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



John Main
Chairman
Brisbane, 21 September 2016

CORPORATE GOVERNANCE STATEMENT

The ASX Corporate Governance Council Principles and Recommendations (3rd Edition) Statement for the 30 June 2016 financial year will be lodged on the Company's website at www.alligatorenergy.com.au at the time of issuing the Annual Report.

COMPETENT PERSON'S STATEMENT

Information in the directors' report included in this Financial Report is based on current and historic Exploration Results compiled by Mr Andrew Peter Moorhouse who is a Member of the Australasian Institute of Geoscientists. Mr Moorhouse is employed by the Company as the Exploration Manager, 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 Moorhouse consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Independent Auditor's Report to the members of
Alligator Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Alligator Energy Limited ("the company") which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

PKF Hacketts Audit
ABN 33 873 151 348

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Opinion

In our opinion:

a) the financial report of Alligator Energy Limited is in accordance with the *Corporations Act 2001*, including:

   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
   ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter – going concern

Without qualification to the opinion expressed above, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 15 to 20 of the Directors' Report for the year ended 30 June 2016. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Alligator Energy Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001.*

PKF HACKETTS

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 21 September 2016