



ALLIGATOR ENERGY LIMITED

ACN 140 575 604

**31 December 2021
HALF YEAR FINANCIAL REPORT**

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

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The information in this report should be read in conjunction with the Annual Report for the year ended 30 June 2021 which is available from the Alligator Energy Limited website:
www.alligatorenergy.com.au

ALLIGATOR ENERGY LIMITED

ACN 140 575 604

DIRECTORS' REPORT

The Directors of Alligator Energy Limited (the 'Company', 'Alligator', 'AGE') and its controlled entities (the 'Group') present their report, together with the financial statements of the Group, for the half-year ended 31 December 2021.

Directors

The following persons were Directors of Alligator Energy Limited ('Alligator') during the half-year and up to the date of this report, unless stated otherwise:

Paul Dickson	Non-Executive Chairman
Andrew Vigar	Non-Executive Director
Peter McIntyre	Non-Executive Director
Gregory Hall	Managing Director & CEO

Principal activities

The principal activities of the Group are uranium and other energy minerals exploration. There were no significant changes in the nature of the Group's activities during the half-year.

Dividends

There were no dividends paid to shareholders during the half-year.

Review of operations

(i) Exploration and R&D activities

Samphire Project, South Australia

Drilling commenced at the Blackbush uranium deposit in November 2021, focussed on the higher-grade zone of the deposit with the aim of increasing the confidence level of the existing resource, along with potential extensional work. Planned drilling and infrastructure arrangements were discussed with the immediate local landowner, with proactive engagement with other local landowners regarding native seed collection, rangeland seeding and future opportunities for native tree planting.

A Work Area Clearance under the existing NTMA was undertaken and approved, allowing access to all primary drill targets. Further engagement with the local indigenous group is proposed, to seek further clearances in time and address all archaeological recommendations from the recent approvals.

Drilling was successfully completed on 8 of the 14 planned sonic core holes prior to year-end, targeting known uranium-bearing zones in the high-grade western portion of the Blackbush deposit, with drilling of the remaining holes completed during January 2022.

Initial hand-held scintillometer survey of the core detected extensive zones of radiation emanation where anticipated as indicated by nearby historical drilling. Detailed geological logging and core sampling is being undertaken with samples of the first 4 holes submitted to Bureau Veritas' Adelaide-based laboratory by the end of the quarter for analysis, and additional holes sampled and submitted during January 2022.

Post quarter end, assay results from the first sonic drill hole core were received and confirmed high-grade uranium over the anticipated intervals within the Blackbush resource.

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DIRECTORS' REPORT

Review of operations (cont.)

Under the terms originally announced on 18 May 2021, Alligator, through its wholly owned subsidiary S Uranium Pty Ltd, completed the acquisition on 22 September 2021 of a 100% interest in EL 6350 from Stellar Resources which was satisfied through the issue of 7,105,263 AGE shares (\$646,579). The issue of the shares, which was subject to Ministerial consent, was approved by Shareholders at the EGM held on 29 June 2021. The Ministerial consent was received during the half-year and the shares allotted to Stellar Resources.

EL6350 is a split tenement, with the main area of interest being directly adjacent to Alligator's existing tenure at the Samphire Uranium Project. The Project is deemed prospective for paleochannel hosted mineralisation as seen at Blackbush and Plumbush.

Alligator Rivers Province (ARUP) – TCC, Beatrice and Nabarlek North Projects

Following the grant of the Nabarlek North licenses in the 2021 financial year, AGE commenced geological reviews and exploration planning for the licenses. There was limited ability to access the tenements during COVID related access restrictions. However a Work Program meeting and consultations with relevant stakeholders and Traditional Owners were conducted during the half-year, with approvals received for a geophysics survey and drilling north of the historic U40 prospect.

Planned geophysics (IP and ground gravity) is being targeted for the 2022 field season with preferred contractors unavailable in the prior field season. Intrepid geophysics have been engaged to undertake proprietary 2.5D EM inversion of historic Airborne EM across the Nabarlek North Project. The deliverables from this process are anticipated in the June 2022 quarter with interpretation and modelling to feature in the design of ground-based geophysical surveys and drill targeting.

The Nabarlek North tenement package is located 11 km to the north of the historic Nabarlek uranium mine (24 Mlbs @ 1.84% U₃O₈), and 200 metres from the high-grade U40 Prospect (includes 6.3m at 7.23% (72,300ppm) U₃O₈) both of which are situated on the adjacent tenement owned by DevEx Resources Limited. The evidence from structural trend information publicly available is that the structures that U40 sits within trend into the tenement now granted to Alligator, and this "U40 Project Extension" area will be included in our initial IP survey within the region, with this survey being expanded to other key targets within the Nabarlek North package.

Work programs for the TCC and Beatrice Projects are focused principally on desktop reviews to ensure that the titles are maintained in good standing.

Piedmont Project, northern Italy

Alligator continues to note the increased strategic interest in sustainable sources of nickel and cobalt, particularly from battery manufacturing companies and trading groups within Europe. Additionally, nickel has now been listed on the US critical minerals list. Most European based car manufacturers have indicated their desire to source sustainably-mined strategic minerals. Alligator believes the vastly under-explored Piedmont nickel-cobalt region, with its historical high grades within and around old workings, has strong potential in the arena.

Planning of geophysical surveys proposed to be undertaken during the 2022 field season (European Summer) were the priority works conducted during the half-year. The Company has been liaising with UK-based geophysics contractors to undertake potential ground EM surveys across several prospects,

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DIRECTORS' REPORT

Review of operations (cont.)

culminating in a reconnaissance field trip by potential contractors in October 2021 to establish accessibility and aid with survey design. This reconnaissance trip was supported by AGE's Italian contractors with positive reports received for accessibility across all granted prospects.

In addition to geophysical reconnaissance a site visit was facilitated for a potential strategic partner with interest in the Project. This trip also revealed the installation of a new forestry road cutting within the company's Sella Bassa licence (under application) which intersects a portion of the mineralisation at the historic Isola workings. Works are being planned to undertake a mapping and sampling trip of this fresh exposure which is understood to show broader disseminated mineralisation across the prospect than previously identified.

Big Lake Uranium (BLU), South Australia

Alligator's preferred contractors, SkyTEM, completed an airborne electromagnetic (AEM) survey in June 2021 over the Project with final report and processed data received during the half-year. The purpose of the survey was to delineate interpreted palaeochannels within the Eyre Formation of the Tertiary sediments that would form a favourable environment for uranium deposition.

Preliminary interpretation of the Airborne EM has highlighted several large sinuous conductive features interpreted as potential palaeochannel systems that meander throughout the licence. Initially EM profiles were correlated with historic drilling demonstrating a strong affiliation of conductive horizons with historically logged sand units. Referencing analogous palaeochannel systems of the Eyre and Namba Formations such as Beverley, Gould's Dam and Honeymoon, it has been inferred these conductive sand horizons relate to saline groundwaters passing through subsurface palaeodrainage systems in which roll front and REDOX uranium mineral occurrences can develop.

A 2D seismic re-processing program was also piloted to investigate the shallow (<500m) profiles of publicly available 2D seismic data, which has been collected by petroleum companies to exclusively explore for oil and gas in reservoirs more than 2000m below surface. This pilot program was able to resolve the complex sedimentary sequences of the Tertiary Lake Eyre Basin (Namba and Eyre Formations) and Cretaceous Eromanga Basin (Winton and Cadna-owie Formations). From this data there is evidence of channel cut-and-fill from various levels of the stratigraphy. This broadens the exploration target in the Big Lake licence to much deeper than initially envisaged.

Pots end of year, Alligator has recruited and employed an experienced structural and sedimentary basin geologist to advance the combined geophysics and seismic work at BLU, and plan initial stratigraphic drill programs.

Alligator issued an Acquisition Notice and finalised the Contract of Sale for the purchase of EL6367 as per the Farm-in and Share Sale Agreement with the shareholders of Big Lake Uranium Pty Ltd in late December 2021.

Research and Development

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 the Alligator Rivers region.

The focus of the program has related to experimentation on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetics (SAM) Geophysical techniques.

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DIRECTORS' REPORT

Review of operations (cont.)

Additional R&D work is being undertaken in analysing the existing oil and gas publicly available seismic data and using the 2D part of this aimed at the shallower sediments only. This work will be further evaluated when our new geologist commences.

(ii) Financial

The loss for the consolidated group for the half-year was \$1,068,974 (Half-year to 31 December 2020: \$382,286 loss). The loss for the period includes an impairment write down of exploration and evaluation expenditure holding costs (due to limited exploration activity) in the ARUP of \$79,192 (Half-year to 31 December 2020: \$26,060).

Since the acquisition of the Samphire Project in October 2020 and the improved sentiment and outlook for the uranium sector, the Company's overhead cost base has grown significantly, particularly in the areas of use of consultants (legal and remuneration related), payment of employee and share-based benefits (including switches from part-time to full-time roles and vesting of STIs), fees and charges related to the increased volume of trading on the ASX and market capitalisation, appointment of an external investor relations consultant and increased business development activities (including the Traxys marketing fee).

The Company continues to pursue future uranium opportunities and projects in target regions and ongoing search for a strategic partner for the Piedmont Project.

There were no additional expenses incurred because of the COVID-19 pandemic, whilst the employee benefits expense for the previous six-month period was reduced due to the receipt of the Federal Government's Cash Boost totalling \$Nil (Half-year 2020: \$38,040).

Share Placements

In August 2021, Alligator completed a placement of A\$10.7 M fully paid ordinary shares to institutional, sophisticated and professional investors. The placement was principally undertaken with institutional funds in Australia, Hong Kong and the United States.

The funds raised are being used to:

- Progress an extended work program at the Samphire Uranium Project, including the current year's planned resource drilling program, ANSTO testing and finalisation of a Scoping Study;
- Planning and establishment of a Samphire uranium extraction in-situ field leach trial during 2022 and into 2023, along with increased resource and exploration drilling, initial environmental studies, and early initiation of project approvals;
- An initial on-ground geophysics survey at the Nabarlek North project (ARUP) with subsequent drill testing, adjacent the high grade U40 prospect; and
- The remaining funds to be applied to the Big Lake Uranium Project, Piedmont Project strategic partner establishment, working capital requirements and Alligator's continued evaluation of other advanced uranium opportunities.

In October 2021, Alligator completed a further placement to a small number of significant and supportive institutional investors to raise A\$11m.

The funds raised will enable Alligator to accelerate, add to and extend the following work programs:

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DIRECTORS' REPORT

Review of operations (cont.)

- *Samphire Uranium Project:*
 - Increase the quantum and proportion of sonic core resource drilling at Samphire, and continue this program into 2022, to ensure best quality information for resource enhancement and hydrogeology;
 - With initial drilling, undertake hydrogeology study, groundwater monitoring, initiate social impact plan, other baseline monitoring, and project approvals scoping; and
 - Add an IX pilot program for uranium extraction to the field leach trial planned post the Scoping Study, required for a future feasibility study;
- Enlarge the Nabarlek North IP and drilling program in the ARUP, along with advancing other exploration projects;
- Assist in the evaluation and funding of potential future uranium project opportunities; and
- Strategic partner opportunities with Traxys and working capital requirements.

Loyalty (Bonus) Option Issue

In recognition of the continuing support received from our Shareholder base, in October 2021 Alligator undertook a Loyalty (Bonus) Option issue to all eligible Shareholders (as detailed in a prospectus dated 21 October 2021) at a record date of 29 October 2021.

The Loyalty Options were issued on a one for ten basis with an exercise price of \$0.045 per option. The Loyalty Options expired on 1 February 2022 (see below for matters subsequent to the end of the half-year for details of the outcome).

Performance Shares

Performance Shares associated with the BLU Farm-in and Share Sale Agreement (approved by Shareholders at the 2019 AGM) were allotted in early December 2019 after obtaining a Listing Rule 6.1 waiver. The waiver granted by the ASX included the following disclosure requirements in each Quarterly, Half Year and Annual Report:

- Number of Performance Shares on issue at the end of the Half Year: 30,000,000
- Summary of the terms and conditions of the Performance Shares: See Note 6
- Performance Shares converted or cancelled during the Half Year: 30,000,000
- Performance Share milestones met during the Half Year: 30,000,000

The value of the allotted remaining Performance Shares will be measured if and when the associated milestone is met and conversion to Fully Paid Ordinary Shares has occurred.

Matters subsequent to the end of the half-year

On 7 February 2022, the Company confirmed successful completion of the one for ten Loyalty (Bonus) Option Offer to Shareholders registered at the Record Date of 29 October 2021. The Bonus Options allowed holders to subscribe for fully paid ordinary shares in Alligator at 4.5 cents per share prior to the expiry date of 1 February 2022. A total of 272.4M Bonus Options were issued to eligible Shareholders based on the jurisdiction of residency. On completion of the Offer, 182.8M of the Bonus Options had been exercised, raising additional funds of \$8.2M (\$1.6M received prior to 31 December 2021).

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DIRECTORS' REPORT

Review of operations (cont.)

The impact of the Coronavirus (COVID-19) pandemic is ongoing and remains a significant matter around the globe. Management is monitoring these developments and any potential future impact on the financial position and performance of the Group. However, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 8 February 2022, the Company advised that it has secured a twelve-month option to acquire a 100% interest in the Exploration Licences that form the Piedmont Farm-in and Joint Venture with Chris Reindler and Partners. The twelve-month option is conditional on obtaining renewal of the Laghetto Exploration Licence, which is expected shortly, and translating the Binding Term Sheet into a full form agreement. Alligator has agreed to pay a \$75,000 option fee, and should the option be exercised, a purchase consideration of (i) \$350,000 (in a mix of cash and shares); and (ii) a 1% Net Smelter Royalty (NSR) on any future production from the Laghetto Exploration Licence.

On 8 February 2022, the Company confirmed that, effective 7 February 2022, it has been added to the Solactive Global Uranium and Nuclear Components Total Return Index (SOLURANT Index). The Global X Uranium ETF (NYSE:URA) tracks the SOLURANT Index and consequently Alligator Energy will be added to the ETF. The Global X Uranium ETF is the largest Exchange Traded Fund in the uranium sector with net assets of approximately US\$1.16 billion as of 1 February 2022.

No other matter or circumstance has arisen since 31 December 2021 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.

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.



Paul Dickson
Chairman
Brisbane, 11 March 2022

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 half-year ended 31 December 2021, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Alligator Energy Limited and the entities it controlled during the half year.

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

11 MARCH 2022
BRISBANE

PKF Brisbane Audit ABN 33 873 151 348

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Note	31 December 2021 \$	31 December 2020 \$
Revenue			
Other income – interest		4,489	1,281
Expenses			
Accounting and audit fees		(15,058)	(330)
Consultants and professional fees		(70,264)	(4,064)
Directors' fees		(87,342)	(78,840)
Employee benefits expense		(218,674)	(103,751)
Share-based payments		(106,480)	(8,035)
Depreciation		(3,017)	(2,861)
Occupancy expenses		(22,731)	(12,843)
Stock exchange and share registry fees		(172,850)	(50,735)
Travel and accommodation expenses		(3,608)	(3,013)
Insurance		(38,005)	(34,905)
Investor relations		(60,241)	(4,158)
Business development		(151,767)	(47,810)
Impairment of E&E costs	5	(79,192)	(26,060)
Foreign exchange (loss)/gain		(951)	(43)
Other expenses		(43,285)	(6,119)
		<hr/>	<hr/>
Loss before income tax		(1,068,974)	(382,286)
Income tax		-	-
Loss for the period		<hr/> (1,068,974) <hr/>	<hr/> (382,286) <hr/>
Other comprehensive income		-	-
Total comprehensive loss for the period		<hr/> (1,068,974) <hr/>	<hr/> (382,286) <hr/>
Loss attributable to members of the parent entity		<hr/> (1,068,974) <hr/>	<hr/> (382,286) <hr/>
Total comprehensive loss attributable to members of the parent entity		<hr/> (1,068,974) <hr/>	<hr/> (382,286) <hr/>
Loss per share:		Cents	Cents
Basic earnings/(loss) per share		(0.04)	(0.02)
Diluted earnings/(loss) per share		(0.04)	(0.02)

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	31 December 2021 \$	30 June 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents		22,477,927	1,631,104
Trade and other receivables		398,095	50,721
Total Current Assets		22,876,022	1,681,825
Non-Current Assets			
Other assets		359,403	259,403
Property, plant and equipment		38,335	28,265
Exploration expenditure	5	14,796,604	11,845,947
Total Non-Current Assets		15,194,342	12,133,615
Total Assets		38,070,364	13,815,440
LIABILITIES			
Current Liabilities			
Trade and other payables		568,045	191,199
Total Current Liabilities		568,045	191,199
Non-Current Liabilities			
Provisions		278,406	278,406
Total Non-Current Liabilities		278,406	278,406
Total Liabilities		846,451	469,605
Net Assets		37,223,913	13,345,835
EQUITY			
Contributed equity	6	64,446,509	39,534,274
Reserves		43,064	8,247
Accumulated losses		(27,265,660)	(26,196,686)
Total Equity		37,223,913	13,345,835

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Contributed equity \$	Options Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2020	33,834,239	9,704	(25,216,610)	8,627,333
Total comprehensive loss for the period	-	-	(382,286)	(382,286)
Transactions with owners in their capacity as owners:				
Share options – value of expense	-	8,035	-	8,035
Options lapsed	-	-	-	-
Issue of ordinary shares	5,680,028	-	-	5,680,028
Capital raising costs	(122,241)	-	-	(122,241)
Balance at 31 December 2020	39,392,026	17,739	(25,598,896)	13,810,869
Balance at 1 July 2021	39,534,274	8,247	(26,196,686)	13,345,835
Total comprehensive loss for the period	-	-	(1,068,974)	(1,068,974)
Transactions with owners in their capacity as owners:				
Share options – value of expense	-	34,817	-	34,817
Options lapsed	-	-	-	-
Issue of ordinary shares	26,409,072	-	-	26,409,072
Capital raising costs	(1,496,837)	-	-	(1,496,837)
Balance at 31 December 2021	64,446,509	43,064	(27,265,660)	37,223,913

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Interest received	4,489	1,281
Payments to suppliers and employees	(844,435)	(311,599)
Net cash outflow from operating activities	(839,946)	(310,318)
Cash flows from investing activities		
Payments for exploration expenditure	(618,992)	(196,447)
Payments for security deposits	(100,000)	-
Payments for purchase of fixed assets	(18,019)	-
Receipt of Accelerated Discovery Initiative (ADI) funding	129,537	-
Payments for Samphire Project transaction costs	-	(63,576)
Cash acquired as part of the Samphire Project transaction	-	642,949
Net cash inflow/(outflow) from investing activities	(607,474)	382,926
Cash flows from financing activities		
Proceeds on issue of shares	21,690,007	1,606,845
Proceeds on exercise of options	2,100,970	-
Payment of capital raising costs	(1,496,735)	(27,031)
Net cash inflow from financing activities	22,294,242	1,579,814
Net increase in cash held	20,846,822	1,652,422
Cash and cash equivalents at the beginning of the financial period	1,631,105	903,949
Cash and cash equivalents at the end of financial period	22,477,927	2,556,371

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 1 General information and summary of significant accounting policies

Basis of preparation of half-year financial statements

These consolidated interim financial statements and notes represent those of Alligator Energy Limited (the Company) and Controlled Entities (the Group or Consolidated Entity). Alligator Energy Limited is a publicly listed company incorporated and domiciled in Australia.

These general purpose interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements are presented in Australian dollars.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information, or all the notes of the type normally included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These interim financial statements have been approved and authorised for issue by the Directors on the 11 March 2022. The interim financial report have been prepared on the basis of historical cost, except for the statement of cashflows. Cost is based on the fair values of consideration in exchange for assets.

The impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity have been assessed based on known information and adjustments to carrying values recorded, if any, or note disclosures made as appropriate.

Significant accounting policies

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements, except in relation to the matter discussed below.

New and revised accounting requirements applicable to the current half-year reporting period

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current period or any prior period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 1 General information and summary of significant accounting policies (continued)

Going Concern

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 six months ended 31 December 2021, the Group made an operating loss before tax of \$1,068,974 (2020: \$382,286). Cash outflows from operating and exploration-related investing activities during the same period were \$1,463,419 (2020: \$570,341). The Group's ability to continue on a going concern basis is therefore dependent upon its ability to manage its current cash resources, raise additional capital through farm-out arrangements with strategic partners or share issues to existing shareholders or new investors. The Directors are confident of being able to manage the current cash resources and if necessary secure additional funding arrangements and believe the Group is a going concern and will be able to pay its debts as and when they fall due and payable.

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

The Group has capitalised exploration expenditure of \$14,796,604 (30 June 2021: \$11,845,947). This amount includes costs directly associated with exploration and the purchase of interests in exploration titles. 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, rentals, camp costs and payments to contractors for services such as drilling and geotech surveys. 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 is recoverable for the amount stated in the financial report.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 2 Critical accounting estimates and judgements (continued)

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 Tourism, Industry and Trade in the Northern Territory and the Department of Energy and Minerals in South Australia.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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.

The geographical segments (for potential revenue on successful development) have been assessed as being Australia and Italy.

The geographical location of assets is disclosed below:

	31 December 2021 \$	30 June 2021 \$
<i>Australia</i>		
Current assets	22,853,234	1,674,742
Property, plant & equipment	38,335	28,265
Other non-current assets	359,403	259,403
Capitalised exploration expenditure	14,175,255	11,295,896
	<u>37,426,227</u>	<u>13,258,306</u>
<i>Italy</i>		
Current assets	22,788	7,083
Property, plant & equipment	-	-
Other non-current assets	-	-
Capitalised exploration expenditure	621,349	550,051
	<u>644,137</u>	<u>557,134</u>

ALLIGATOR ENERGY LIMITED**ACN 140 575 604****NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021****Note 3 Segment information (continued)**

	31 December 2021	30 June 2021
	\$	\$
Total		
Current assets	22,876,022	1,681,825
Property, plant & equipment	38,335	28,265
Other non-current assets	359,403	259,403
Capitalised exploration expenditure	14,796,604	11,845,947
	<u>38,070,364</u>	<u>13,815,440</u>

The basis of accounting adopted by both geographic segments is consistent with Group policies.

The only revenue during the period related to interest and other income and was generated solely by the Australian segment.

The interest free intercompany loan between Australia and Italy totalling \$610,284 (30 June 2021: \$562,524) which is denominated in AUD has been eliminated in the above disclosure.

At 31 December 2021 the liabilities of the Italian entity excluding the intercompany loan totalled \$4,790 (30 June 2021: \$2,690).

There were no employees in the Italian segment during or at the end of the financial period.

Note 4 Dividends

No dividend has been paid during the half-year ended 31 December 2021 and none is proposed.

Note 5 Exploration expenditure

	31 December 2021	30 June 2021
	\$	\$
Exploration phase		
Geological, geophysical, drilling and other expenditure – at cost	<u>14,796,604</u>	<u>11,845,947</u>
<i>The capitalised exploration expenditure carried forward has been determined as follows:</i>		
Opening balance	11,845,947	7,917,262
Expenditure incurred or tenements acquired during the period	952,807	510,941
Acquisition of the Big Lake Project	1,560,000	-
Accelerated Discovery Initiative (ADI) funding	(129,537)	-
Acquisition of the Samphire Project (*)	646,579	3,441,246
Impairment write-off (expenditure incurred during the period)	<u>(79,192)</u>	<u>(23,502)</u>
	<u>14,796,604</u>	<u>11,845,947</u>

(*) – in the current six month period this relates to the acquisition of EL 6350 from Stellar Resources Limited.

ALLIGATOR ENERGY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 5 Exploration expenditure (cont)

The Group assesses whether there are indicators that assets, or group of assets, may be impaired at each reporting date.

At 31 December 2021 an assessment of the carrying value of the capitalised exploration and evaluation expenditure for the ARUP, Piedmont, Cooper Basin and Samphire areas of interest was conducted. All areas continue to be regarded as being highly prospective for the discovery of commercially viable mineral resources and no impairment triggers under the requirements of AASB 6 were identified.

On 22 September 2021, Alligator issued 7,105,263 fully paid ordinary shares to acquire 100% of EL 6350 (southern end of the Samphire Project) from Stellar Resources Limited.

On 21 December 2021, Alligator issued 30,000,000 fully paid ordinary shares to acquire 100% of EL 6367 (Big Lake Project) through the conversion of 30,000,000 Acquisition Performance Shares under the terms of the Farm-in and Share Sale Agreement (Agreement) announced on 5 December 2019 and the extension of the Earn-in Period approved by shareholders at an EGM on 29 June 2021.

Exploration commitments

So as to maintain current rights to tenure of the exploration and mining tenement holdings, the Group is required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. The committed outlays for a minimum level of exploration expenditure (covenant) and annual tenement rentals are as follows:

	31 December 2021 \$	30 June 2021 \$
Exploration expenditure commitments payable:		
- within one year	926,851	282,964
- later than one year but not later than five years	784,500	144,500
- later than five years	-	-
	<hr/> 1,711,351	<hr/> 427,464
Estimated royalties payable within one year	117,900	67,900
Farm-in expenditure (Piedmont)	<hr/> 177,260*	<hr/> 238,319*

* - relates to the minimum amount still to be expended before 6 April 2023 to complete the Phase 2 commitment and to form the joint venture.

Minimum expenditure covenants under the Department of Primary Industries and Resources Guidelines (Northern territory) 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 or on agreement with the Department including certain relaxation due to ability to access exploration ground due to the COVID 19 pandemic. The exploration expenditure commitments set out above include expenditure covenants for the 2022 financial year totalling \$50,000 (2021: \$50,000).

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 5 Exploration expenditure (continued)

Cash security bonds totalling \$359,403 (30 June 2021: \$259,403) were held by the relevant governing authorities at 31 December 2021 to ensure compliance with granted tenement conditions.

The Group has lodged a cash backed bank guarantee of \$40,000 (as a security bond) (30 June 2021: \$40,000) with the Northern Land Council in relation to its interest in the Beatrice Project.

Piedmont Project - CRP Farm-in and Joint Venture

On 28 November 2018, the Company signed a Farm-in Agreement with Chris Reindler and Partners (CRP) to earn up to a 70% interest in four mineral titles in northern Italy. After completing Phase 1 under the Agreement in November 2018 the Company is now required to solely fund and manage a further \$400,000 program of work (Phase 2) which will include a geophysics program. At 31 December 2021 a minimum of \$177,260 is still to be spent to meet this commitment and complete the Phase 2 program.

CRP secured the required drilling permits for Phase 2 in April 2020 however due to the travel restrictions associated with COVID 19 the parties agreed to extend the timeframe for completing the Phase 2 work program to 7 April 2023 and to amend the obligation to a geophysics program. Alligator agreed to fund all tenement related costs on a 100% basis from 2019 under the expenditure obligations.

Alligator can withdraw from the Phase 2 work program at any time at its sole election. If Alligator does not complete the Phase 2 work program, it will have earned no interest and will have no further rights in the mineral titles.

Upon Alligator completing the Phase 2 work program and earning a 51% interest in the titles, a joint venture will be formed and Alligator has the right to earn a further 19% interest (70% total) by solely funding, managing and completing a further \$1.25M program of work.

Big Lake Uranium Project – Farm-in and Share Sale

Alligator finalised a farm-in and share sale agreement for the Big Lake Uranium (BLU) project in the Cooper Basin region of South Australia in late 2019. The Company is required to expend \$220,000 before 21 July 2021 at which time it has the right to elect to acquire Big Lake Uranium Pty Ltd, the tenement holder, by electing to convert the 30,000,000 Acquisition Performance Shares into fully paid ordinary shares on a one for one basis. This election was made in December 2021 and the acquisition completed on 23 December 2021.

ALLIGATOR ENERGY LIMITED**ACN 140 575 604****NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021****Note 6 Equity securities issued****(a) Ordinary Shares**

Issues of ordinary share capital during the half year:

Date	Details	Number of shares	Issue Price \$	\$
1 July 2021	Balance	2,368,079,299		39,534,274
2 July 2021	Traxys Agency Agreement (Note 1)	18,979,412	0.017	322,650
2 July 2021	Director fee plan	438,462	0.039	17,100
July/Sept 2021	Payment for services	1,019,585	0.018	30,000
9 Aug 2021	Share placement	395,540,774	0.027	10,690,008
Sept-Dec 2021	Listed Option Exercise	31,017,366	0.015	465,260
16 Sept 2021	Employee Performance Award	2,559,380	0.028	71,663
22 Sept 2021	EL 6350 Purchase (Note 2)	7,105,263	0.091	646,579
11 Oct 2021	Share Placement	176,000,000	0.0625	11,000,000
Nov/Dec 2021	Bonus Option Exercise (Note 3)	36,351,372	0.045	1,635,812
21 Dec 2021	Acquisition Performance Share conversion	30,000,000	0.051	1,530,000
	Capital raising costs			(1,496,837)
31 Dec 2021	Balance	3,067,090,913		64,446,509

Notes:

1. Consideration covering the first two year period of the Agency Agreement with Traxys North America LLC for product marketing & offtake services, finance & logistics support, development finance, and future opportunities evaluation. Fee of US\$250,000 settled upfront in fully paid ordinary shares.
2. Acquisition of a 100% interest in EL 6350 from Stellar Resources Limited which was satisfied through the issue of fully paid ordinary shares.
3. Fully paid ordinary shares issued under the one for ten Loyalty Option offered to all eligible Shareholders on the Record Date of 2 October 2021, priced at \$0.045 and expiring 1 February 2022

ALLIGATOR ENERGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 6 Equity securities issued (continued)

(b) Performance Shares

On 10 December 2019, following approval by Shareholders at the AGM, the Company allotted 60,000,000 unlisted Performance Shares (30,000,000 Acquisition and 30,000,000 Contingent Consideration Shares) linked to milestones under the Big Lake Uranium Farm-in Agreement.

The Performance Shares have the following conversion rights:

- Subject to the below clauses, a Performance Share will convert into one fully paid ordinary share in the Company (Share), subject to satisfaction of the milestone set out below applicable to the relevant tranche of Performance Shares (collectively, the Milestones, each a Milestone), on the date specified in the Milestone applicable to the relevant Performance Share:
 - i) For the Acquisition Performance Shares: on completion of the farm-in work program, expending at least \$220,000, electing to acquire all of the shares in Big Lake Uranium Pty Ltd (BLU) before 21 July 2021 (extended to 31 December 2021 after securing Shareholder approval at an EGM held on 29 June 2021);
 - ii) For the Contingent Consideration/Discovery Performance Shares: on discovery and definition of a JORC compliant Inferred Resource of 25 million lbs U3O8 at 1,000ppm uranium or greater on the Big Lake Uranium Project within eight years.
- The Company will issue the holder with a new Share certificate for the Shares as soon as practicable following the conversion of a Performance Share into a Share.
- The Milestones must be achieved before the date presented in each Milestone (Expiry Date).
- For a class of Performance Shares if a Milestone is not achieved before the Expiry Date, then all of the Holders' Performance Shares of that class will automatically consolidate into one Share only (Automatic Conversion).
- Notwithstanding anything else in these terms, the conversion of a Performance Share is subject to compliance at all times with the Corporations Act and the ASX Listing Rules.
- The Shares into which Performance Shares will convert will rank *pari passu* in all respects with existing Shares and will confer rights identical with all other Shares then on issue.

The Milestones may only be amended with approval of Shareholders in General Meeting and a voting exclusion statement applies in relation to any holder of Performance Shares.

The Performance Shares were issued for no consideration and reflect an option that the Company holds, on completion of the farm-in expenditure of \$220,000 with encouraging exploration results, to acquire all of the shares in Big Lake Uranium Pty Ltd. The allottees of the Performance Shares are the Big Lake Uranium Pty Ltd shareholders.

The value of the Performance Shares allotted will be measured when milestones have been met and conversion to Fully Paid Ordinary Shares has occurred.

ALLIGATOR ENERGY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 6 **Equity securities issued (continued)**

On 21 December 2021, the Company confirmed that the milestone associated with the Acquisition Performance Shares had been met and elected to acquire all of the shares in Big Lake Uranium Pty Ltd.

(c) *Unlisted Options*

On 21 December 2020 the Company issued on a 1:2 basis 125,846,088 listed options (ASX: AGEOB) as part of the Share Placement to sophisticated and professional investors. The listed options have an exercise price of \$0.015 and expire on 24 June 2022. At 31 December 2021 exercise notices totalling 31,017,366 listed options had been received and fully paid ordinary shares issued for the consideration received.

On 14 October 2021 the Company completed a \$11 M placement of 176 million fully paid ordinary shares at an issue price of \$0.0625 along with three attaching premium priced unlisted options for every four New Shares exercisable at \$0.081 at any time on or before four years from the date of issue (1 December 2025). The issue of the unlisted options was subject to Shareholder approval which was obtained at the AGM held on 26 November 2021.

24,886,282 unlisted zero priced employee and contractor performance options are on issue at 31 December 2021. These options will only vest if the short term and long term performance conditions are met and expire over periods through to September 2024.

Note 7 Contingent liabilities

There have been no changes in contingent liabilities since the end of the previous annual reporting period, 30 June 2021.

Note 8 Events occurring after the end of the interim period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and continues to be a significant matter around the globe. Management is monitoring these developments and any potential future impact on the financial position and performance of the Group. However, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 7 February 2022, the Company confirmed successful completion of the one for ten Loyalty (Bonus) Option Offer to Shareholders registered at the Record Date of 29 October 2021. The Bonus Options allowed holders to subscribe for fully paid ordinary shares in Alligator at 4.5 cents per share prior to the expiry date of 1 February 2022. A total of 272.4M Bonus Options were issued to eligible Shareholders based on the jurisdiction of residency and on completion of the Offer 182.8M of these Bonus Options had been exercised, raising additional funds of \$8.2M (\$1.6M received prior to 31 December 2021).

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 8 Events occurring after the end of the interim period (continued)

On 8 February 2022, the Company advised that it has secured a twelve-month option to acquire a 100% interest in the Exploration Licences that form the Piedmont Farm-in and Joint Venture with Chris Reindler and Partners. The twelve-month option is conditional on obtaining renewal of the Laghetto Exploration Licence, which is expected shortly, and translating the Binding Term Sheet into a full form agreement. Alligator has agreed to pay a \$75,000 option fee, and should the option be exercised, a purchase consideration of (i) \$350,000 (in a mix of cash and shares); and (ii) a 1% Net Smelter Royalty (NSR) on any future production from the Laghetto Exploration Licence.

On 8 February 2022, the Company confirmed that effective 7 February 2022 it has been added to the Solactive Global Uranium and Nuclear Components Total Return Index (SOLURANT Index). The Global X Uranium ETF (NYSE:URA) tracks the SOLURANT Index and consequently Alligator Energy will be added to the ETF. The Global X Uranium ETF is the largest Exchange Traded Fund in the uranium sector with net assets of approximately US\$1.16 billion as of 1 February 2022.

No other matter or circumstance has arisen since 31 December 2021 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.

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' DECLARATION

The Directors declare that:

1. The consolidated financial statements and notes, as set out on pages 8 to 21 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to S303(5) of the *Corporations Act 2001*.



Paul Dickson
Chairman

Brisbane, 11 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ALLIGATOR ENERGY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Alligator Energy Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2021, and 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 half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alligator Energy Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

Responsibility of the Directors for the Financial Report

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

PKF Brisbane Audit ABN 33 873 151 348

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Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

11 MARCH 2022
BRISBANE

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

COMPETENT PERSON'S STATEMENT

The information included in the Directors' Report in relation to exploration activities during the half year ended 31 December 2021 is extracted from the Quarterly Activities Reports for the quarters ended 30 September and 31 December 2021 and are available to view on the Company's website- www.alligatorenergy.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.