



ALLIGATOR ENERGY LTD

ACN 140 575 604

Ph (07) 3839 3904
PO Box 338, Spring Hill, Qld 4004
Suite 2, 128 Bowen Street, Spring Hill, QLD 4000

6 October 2020

Release of 2020 Annual Report and Corporate Governance Statement

Alligator Energy (ASX: **AGE**, '**Alligator**' or '**the Company**') is pleased to release the Annual Report for the year ended 30 June 2020 together with the 2020 Corporate Governance Statement. A copy of these documents can be found on the Company's website at [www.alligatorenergy.com.au/investor information](http://www.alligatorenergy.com.au/investor%20information)

The Company is scheduled to hold its Annual General Meeting of Shareholders on Friday 20 November and in accordance with Listing Rule 3.13.1 advises that receipt of nominations from persons wishing to be considered for election as a director must be received by 14 October 2020.

Approved for release.

Greg Hall
CEO & Executive Director

FOR FURTHER INFORMATION, PLEASE CONTACT

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| Mr Greg Hall CEO & Director Alligator Energy Ltd Email: gh@alligatorenergy.com.au | Mr Mike Meintjes Company Secretary Alligator Energy Ltd Email: mm@alligatorenergy.com.au |
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Alligator Energy Ltd

2019/2020

Annual Report



ACN 140 575 604



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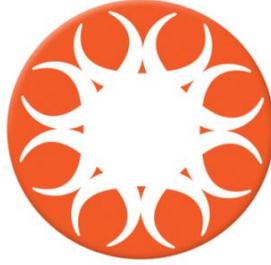
Highlights 2019-20

Samphire Uranium Project – Whyalla Region, South Australia

- ✿ In June 2020 Alligator announced the signing of a Binding Terms sheet to acquire the Samphire Uranium Project, south of Whyalla in South Australia.
- ✿ The Samphire Project comprises 47Mlbs^{1,2} uranium resources in the Blackbush and Plumbush uranium deposits, with potential for future development in an improving uranium market, as well as exploration upside.
- ✿ Subsequent to year end, Alligator confirmed that a Share Purchase Agreement had been executed with Samphire Uranium Limited. Meeting documents for both Alligator and Samphire meetings of shareholders to consider approval of the proposed transaction and to enable Samphire to conduct an in-specie distribution of the Alligator consideration shares have been dispatched. Shareholder approvals were obtained on 1 October 2020 with completion of the transaction targeted for 7 October 2020.

Alligator Rivers Uranium Projects – TCC, Beatrice and Nabarlek North Application, Northern Territory, Australia

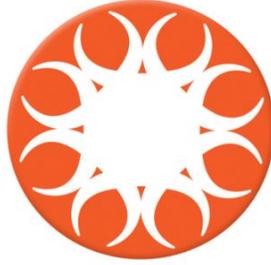
- ✿ On-ground project work in Arnhem land was suspended in early 2020 after the NLC and NT Government restricted access to remote indigenous communities due to the COVID-19 virus outbreak.
- ✿ Final stakeholder meetings were held and the TO / NLC Access Agreement for the Nabarlek-North tenement package was finalised and signed by all parties. Granting of these licenses has been deferred by consent with a view to finalising on easing of access restrictions.
- ✿ Initial on-ground work for the Nabarlek-North tenements has been planned, including target ground truthing, IP survey and initial survey work along strike from DevEx Resource's high grade U40 prospect. With access restrictions continuing, this work is unlikely to commence until the 2021 field season.
- ✿ Beatrice licenses and EL25002 (TCC) successfully renewed for a further 2 years.
- ✿ Myra camp inspection and fire clearing was undertaken late last year and early this year, with some re-logging of historical holes as part of future targeting work.
- ✿ Alligator holds the second largest granted exploration license footprint (648.3km²) in the ARUP which will almost double with the granting of the Nabarlek North licenses to 1141.26km².



Highlights 2019-20 (continued)

Big Lake Uranium Project – Cooper Basin, South Australia

- ☼ Alligator finalised a Farm-in and Share Sale agreement for the Big Lake Uranium project (BLU) in the Cooper Basin region of South Australia targeting In-Situ Recovery (ISR) style uranium in a favorable setting.
- ☼ An initial visit for familiarisation and planning purposes was undertaken in late February, just prior to cross border restrictions due to COVID.
- ☼ Efforts to secure a geophysics crew for an airborne EM survey were commenced but continue to be hampered by the cross-border travel restrictions.
- ☼ Alligator was successful in its Stage 2 application to the South Australian Government's Accelerated Discovery Initiative (ADI) for the BLU with the award of \$152,400 in co-funding of exploration expenses associated with a regional geophysical survey to delineate paleochannels and to prepare the initial proof of concept.
- ☼ Presentations were made in early 2020 to the Boards of the two Native title groups over the BLU tenement, being the Yandruwandha Yawarrawarrka Traditional Land Owners Aboriginal Corporation and the DierI Aboriginal Corporation. Access agreements for future on-ground exploration have been initiated with both groups and are progressing well.



Highlights 2019-20 (continued)

Energy Minerals – Piedmont Ni-Co Project, northern Italy

- ☀ Drill permits were granted for Alpe Laghetto license and pathway for exploration updated, with the Italian Government authority having determined that no environmental study is required for AGE drilling.
- ☀ Two new applications were granted. Both the Monte Ventolaro license (34.28km²) covering a continued geological trend north of the primary Alpe Laghetto Ni-Co-Cu JV license and Alpe Cruvinho license (3.44km²) 35km west of Torino investigating high grade Co have now been permitted by the local Turin mines department.
- ☀ Alpe Laghetto and Castilo di Gavala licenses were renewed for a further 2 years with no limit set on future renewals.
- ☀ Alligator continues search for strategic partner to advance the Piedmont Ni-Co project along with the Gula anomalous Au (60.8g/t) and Castilo di Gavala anomalous Cu (6.38%) projects. Post year end an Information Memorandum (IM) has been prepared to go out to strategic partners in Q3 2020.

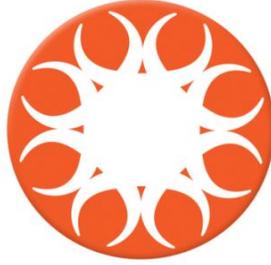
Notes:

Blackbush Inferred Mineral Resource Estimate (JORC 2012) comprising 64.5 million tonnes at a grade of 230ppm eU₃O₈ containing 14,850 t (32.7 mill lbs) U₃O₈ at a 100ppm cut-off grade ; (see page 16).

Plumbush Inferred Mineral Resource Estimate (stated in compliance with JORC 2004) of 21.8 million tonnes at grade of 292ppm eU₃O₈, containing 6,300t (13.9MIbs) of mineralisation at a 100ppm eU₃O₈ cut-off grade ; (see page 16).

Mineral Resource Estimate footnotes are also set out on page 16

1. See ASX:USA release 27 Sept 2013 for which the Competent Persons were Mr Russell Bluck and Mr Marco Scardigno.
2. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. See ASX:USA release 27 Sept 2013 and 1 Oct 2019 Samphire Annual Report for which the Competent Persons were Mr Russell Bluck and Mr Marco Scardigno. Refer also to Cautionary Statement on page 83.



Highlights 2019-20 (continued)

Corporate

- ✿ During the year Alligator successfully completed a capital raising initiative covering both a share placement to professional and sophisticated investors and the offer of a Share Purchase Plan (SPP) to existing Shareholders raising a total of \$950,000.
- ✿ Upon the commencement of restrictions and uncertainty associated with COVID 19, Alligator tightened its expenditure to ensure assets and key experienced staff were maintained to ensure best shareholder value and future opportunity.
- ✿ Evaluation of a range of additional external uranium and energy mineral opportunities was ramped up during the COVID restricted times when on-ground exploration was limited.
- ✿ Distribution Notices for JMEI Credits relating to the 2019-20 tax year were dispatched to Shareholders who participated in 2018-19 capital raisings conducted through both a rights issue and subsequent placement by BW Equities. A total of \$336,958 in JMEI Credits (calculated at a tax rate of 27.5%) were distributed to this eligible group of Shareholders.
- ✿ An R&D Offset for the 30 June 2019 tax year of \$198,487 was received relating to the incorporation of the techniques being developed in the conduct of the TCC4 drilling campaign.



Chairman & Chief Executive Officer's Letter

The 2019 / 2020 financial year has been one of growth for Alligator Energy with farm-in and acquisition of new projects, and agreements over new substantial exploration areas. It has also been a year of some important milestones in the uranium and nuclear industry.

However, it has also been one of uncertainty, worry and grief for people globally, a massive impact on employment and economies, and devastation for some industries and sectors.

The resources industry and many of its associated sectors have remained relatively stable during COVID 19, with some belt tightening necessary. But the sustained increase in most resource commodities needed for everyday living has seen the operations industry maintain good employment levels and ensure the all-important payment of State and Federal taxes and royalties is maintained. The export income earned by the resources industry is now around 58% of the total export income for Australia¹, and will be the backbone of earnings income needed to fund ongoing support for other sectors as we move through and to a new normal post COVID 19.

Investment into the exploration industry was temporarily reduced during the uncertainty earlier in 2020, but funding interest for key commodities has now picked up. The uranium price itself increased almost continually during the first 6 months of this year by over 30%, mainly due to suspension or slowdown of key uranium operations in Saskatchewan and Kazakhstan. However, the price is being maintained around US\$30 per lb as more and more investors understand the very tight uranium supply chain, combined with ongoing nuclear power growth, with 15% occurring in nuclear power over the last 5 years, and this is not slowing.

Electricity generated from the world's nuclear reactors increased for the seventh consecutive year in 2019². There were six reactors connected to the grid in 2019, and 55 still under construction. A range of smaller, older reactors were shut down – some prematurely for political reasons, taking zero emissions power out of grids and mostly replacing this with carbon generating power. But despite this, the quantum of nuclear power generated globally still increased.

Post year end there has been increased certainty in uranium markets, with the US Department of Commerce releasing its draft Amendment to the Russian Suspension Agreement. This allows for Russian sourced nuclear fuel material to be maintained in the US at around 20 to 24% of US reactor requirements for some years, then declining to 15%. What is important here is that the US utilities now know the ratios of uranium supply they can contract, and hence can tender and enter into long term contracts with some confidence. With declining secondary supplies, this should lead to an increase in long term uranium contracting to producers and suppliers – already evident through the reported increase in tenders coming out during the year.



Chairman & Chief Executive Officer's Letter (continued)

Alligator Energy is continuing to be very active in securing more opportunities for shareholders and investors in the uranium space. Our work over many years with Traditional Owners and the Northern Land Council has secured an agreement over 8 tenements of the Nabarlek North project in western Arnhem Land. This area is of high potential value, in that it contains many targets that line up with Alligator's model of the highly prospective Lower Cahill-Archean gneiss contact (deemed the favourable setting for potential large-scale mineralisation), and has a lesser thickness of the overlying sandstone unit.

The Nabarlek North Agreement also offers Traditional Owners, at their option, a future opportunity to become joint venture partners into an economic discovery. Alligator is a strong believer in direct employment, wide engagement and cultural support to Traditional Owners of the lands we work in, and this joint venture option is something we have been striving to put in place for many years. Our approach to working with indigenous groups as partners is now being transferred to our new projects in South Australia.

The farm-in and right to acquire the Big Lake Uranium project (Big Lake) was Alligator's first expansion of uranium exploration outside the Northern Territory. Big Lake has exceptional qualities as a uranium exploration target, including: exhibiting the properties of many world class ISR uranium regions associated with hydrocarbon basins; shallow sandstone hosted amenable to rapid and low-cost exploration; in a jurisdiction (South Australia) with excellent uranium experience and familiarity in industry, Government and public; with a known uranium endowment and an untested model for uranium endowment in channels. While COVID restrictions have delayed work, Alligator is ready to proceed on this exploration.

In June this year, Alligator announced the signing of a Binding Terms Sheet for the acquisition of the 47 Mlb Samphire Uranium Project and exploration tenements south of Whyalla in South Australia. At time of writing, the two companies, Alligator and Samphire Uranium Limited, had completed a Share Purchase Agreement, received necessary regulatory approvals, completed due diligence and obtained shareholder approvals at meetings held on 1 October 2020. The Samphire Project, based on previous testwork, represents the potential for a future ISR style or open pit operation. Alligator will make further announcements regarding this project post completion of the acquisition.

Both the Big Lake and Samphire Projects compliment Alligator's strategy in the exploration and sourcing of economically viable uranium deposits in favourable jurisdictions for uranium mining. West Arnhem Land, Big Lake and Samphire all represent opportunities for uranium projects that could be profitable through all uranium price cycles.



Chairman & Chief Executive Officer's Letter *(continued)*

Alligator is farming into, and has direct lease applications, in an historic Ni Co Cu Au mining area in the Piedmont region, northwest Italy. The Company has undertaken ground truthing and sampling, has released sample assay results indicating high grade nickel (up to 2.24%), cobalt (up to 0.19%), gold (up to 60 g/t) and Cu up to 6%), and has had a globally experienced nickel expert advise on future directions and potential. Alligator's Piedmont project region has 17 occurrences of >0.5% Ni mineralisation making this a potential world class exploration province. The Company has now received drilling permits and is following up direct investment and partner interest within Europe to fund a broader and deeper EM geophysics program along with drilling.

The European Commission, the administrative arm of the European Union, has listed 30 critical raw materials that it wants to secure sustainable supply of, at the same time avoiding becoming dependent on any of them. Cobalt is one of these and is critical to the targeted significant increases in the EV and battery industries within Europe.

On behalf of the Board we thank all our shareholders and stakeholders for continuing to support and work with Alligator in the 2020 year and look forward to advancing work programs in our project areas as current events allow.

We extend special thanks for the support and understanding of the Traditional Owners and local communities on whose lands we explore and to our high performing and dedicated exploration and business teams for the great work they do on your behalf.

Paul Dickson, Chairman
2 October 2020

Greg Hall, CEO and Executive Director
2 October 2020

Notes:

1. Source – Minerals Council of Australia website
2. Source – World Nuclear Association website



Tenement Register

| Title No | Title Name | Title Holder | AGE % | Size Km ² | State | Status |
|---|-----------------|--------------------------|-------|----------------------|-------------|-------------|
| ARUP (NT) Uranium | | | | | | |
| EL24921 | Tin Camp Creek | TCC Project P/L | 98 | 76.79 | NT | Granted |
| EL24922 | Tin Camp Creek | TCC Project P/L | 98 | 194.59 | NT | Granted |
| EL25002 | Tin Camp Creek | TCC Project P/L | 100 | 11.55 | NT | Granted |
| EL24291 | Beatrice | Alligator Energy Ltd | 100 | 337.21 | NT | Granted |
| EL26796 | Beatrice | Alligator Energy Ltd | 100 | 19.77 | NT | Granted |
| EL27252 | Nabarlek North | Northern Prospector P/L | 100 | 6.75 | NT | Application |
| EL27253 | Nabarlek North | Northern Prospector P/L | 100 | 5.61 | NT | Application |
| EL26793 | Beatrice | Alligator Energy Ltd | 100 | 17.97 | NT | Application |
| EL26794 | Beatrice | Alligator Energy Ltd | 100 | 12.30 | NT | Application |
| EL26795 | Beatrice | Alligator Energy Ltd | 100 | 93.60 | NT | Application |
| EL27777 | Nabarlek North | Northern Prospector P/L | 100 | 30.23 | NT | Application |
| EL27778 | Nabarlek North | Northern Prospector P/L | 100 | 23.51 | NT | Application |
| EL28176 | Oenpelli | Northern Prospector P/L | 100 | 40.26 | NT | Application |
| EL28293 | Stevens | Northern Prospector P/L | 100 | 20.13 | NT | Application |
| EL28315 | Stevens | Northern Prospector P/L | 100 | 15.19 | NT | Application |
| EL28389 | Nabarlek North | Northern Prospector P/L | 100 | 110.83 | NT | Application |
| EL28390 | Nabarlek North | Northern Prospector P/L | 100 | 33.58 | NT | Application |
| EL28863 | Arla Bay | Northern Prospector P/L | 100 | 176.46 | NT | Application |
| EL28864 | Arla Bay | Northern Prospector P/L | 100 | 171.4 | NT | Application |
| EL28865 | Arla Bay | Northern Prospector P/L | 100 | 178.32 | NT | Application |
| EL28950 | Arrara | Northern Prospector P/L | 100 | 84.73 | NT | Application |
| EL29991 | Nabarlek North | Northern Prospector P/L | 100 | 26.87 | NT | Application |
| EL29992 | Nabarlek North | Northern Prospector P/L | 100 | 63.81 | NT | Application |
| EL29993 | Nabarlek North | Northern Prospector P/L | 100 | 57.06 | NT | Application |
| EL31452 | Howard | Northern Prospector P/L | 100 | 71.72 | NT | Application |
| EL31453 | Elcho | Northern Prospector P/L | 100 | 54.88 | NT | Application |
| EL31454 | Howard | Northern Prospector P/L | 100 | 6.59 | NT | Application |
| EL31480 | Nabarlek North | Northern Prospector P/L | 100 | 188.44 | NT | Application |
| EL32075 | Nabarlek North | Northern Prospector P/L | 100 | 16.26 | NT | Application |
| EL32389 | Nabarlek North | Northern Prospector P/L | 100 | 1.17 | NT | Application |
| EL32390 | Nabarlek North | Northern Prospector P/L | 100 | 0.79 | NT | Application |
| EL32391 | Nabarlek North | Northern Prospector P/L | 100 | 1.09 | NT | Application |
| Cooper Basin (SA) Uranium – Farm-In | | | | | | |
| EL6367 | Big Lake | Big Lake Uranium Pty Ltd | 0*** | 818 | SA | Granted |
| Piedmont (NW Italy) Ni-Co – Farm-In/JV | | | | | | |
| P38V | Laghetto | Ivrea Minerals Pty Ltd | 0* | 29.48 | PIE (Italy) | Granted |
| P39V | Gavala | KEC Exploration Pty Ltd | 0* | 10.82 | PIE (Italy) | Granted |
| P29V | Galerno | KEC Exploration Pty Ltd | 0* | 5.66 | PIE (Italy) | Application |
| N/A** | Valmaggia | AGE Minerale srl | 100* | 3.48 | PIE (Italy) | Application |
| Piedmont (NW Italy) Ni-Co – AGE | | | | | | |
| P0043O | Monte Ventolaro | AGE Minerale srl | 100 | 34.28 | PIE (Italy) | Granted |
| P0045T | Cruvinho | AGE Minerale srl | 100 | 3.44 | PIE (Italy) | Granted |
| N/A** | Sella Bassa | AGE Minerale srl | 100 | 36.72 | PIE (Italy) | Application |

*- subject to a Farm-in and Joint Venture Agreement with Chris Reindler and Partners in northern Italy

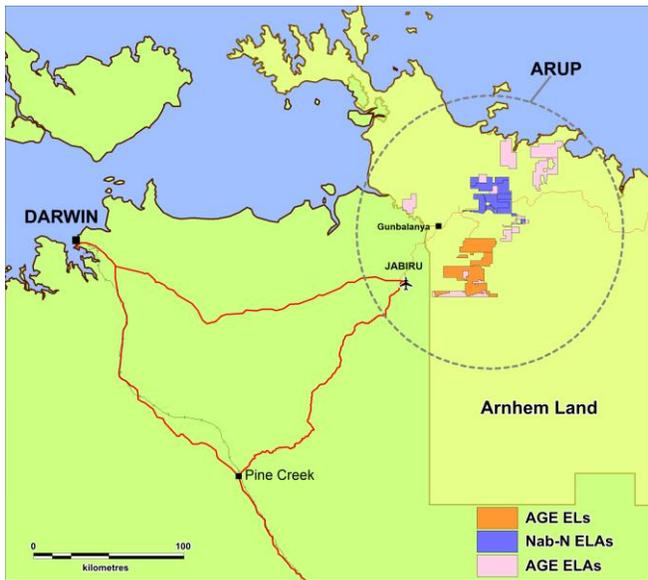
**- title numbers still to be assigned

***-subject to Farm-in and Joint Venture agreement with Big Lake Uranium Pty Ltd



Project Locations

**ALLIGATOR RIVER URANIUM PROVINCE
(ARUP) ARNHEM LAND, NT, AUSTRALIA**



PIEDMONT PROJECT – NORTHERN ITALY



BIG LAKE PROJECT – COOPER BASIN, SOUTH AUSTRALIA





**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES**

ACN 140 575 604

**FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2020**

**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 Alligator Energy Limited (“the Company” or “Alligator”) and its controlled entities, for the financial year ended 30 June 2020.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paul Dickson (Chairman)
Andrew Vigar
Peter McIntyre
Gregory Hall

Principal activities and significant changes in nature of activities

The principal activities of the Group are uranium and other energy mineral exploration and their potential future development. 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’s operating performance over the financial year was affected by the access and travel restrictions introduced by Australian Federal and State Governments from March 2020 to the end of the financial year. Notwithstanding the Company continued to meet its operating KPIs including:

- ☼ Operation of all exploration sites without any lost time injuries
- ☼ There were no reportable environmental issues
- ☼ Compliance was maintained with obligations under the Exploration Agreements with the Northern Land Council and Traditional Owners (as amended for COVID related restrictions)
- ☼ There was full compliance with all other applicable agreements, regulations and laws

b) Operations for the year

Overview

During the year work continued on re-assessing Alligator’s tenements within the ARUP to evaluate existing uranium targets, in order to rank these in accordance with the conclusions of the regional geological review conducted during 2019.

The Piedmont Project in Italy was advanced through finalisation of the drilling permit. This now enables the Company to re-initiate the process of searching for a strategic partner focused on EV materials for the European market.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**DIRECTORS REPORT
(continued)**

Alligator continued to evaluate additional exploration and resource project opportunities within the uranium and energy metals space. The targeting considerations included being complimentary to the Company's current skill set and strategy, preferably allowing year-round exploration work and adding to our existing small resource base. To this end a Share Purchase Agreement was executed for the Big Lake Uranium Project in South Australia and a binding Terms Sheet was executed with Samphire Uranium Limited.

Alligator Rivers Uranium Province

Tin Camp Creek Tenements (Alligator 98%) and Beatrice Project Tenements (Alligator 100%)

The NT Government and Northern Land Council (NLC) have placed restrictions on access into Arnhem Land following the outbreak of the COVID-19 pandemic, with access for essential services only. The restrictions have been put in place to protect vulnerable indigenous communities in the region, an approach fully supported by Alligator.

Desktop work has continued throughout the year to re-assess existing uranium targets across the Project area to rank these in accordance with the conclusions of the regional geological review conducted during 2019. Specifically, this involved a focus on primary lower Cahill stratigraphy with appropriate structures, similar to those which host the Territory's Ranger and Jabiluka deposits. Alligator personnel undertook a field trip to Arnhem Land during late 2019 to further analyse alteration and geochemical signatures in the Kombolgie sandstone directly overlying key uranium target sites.

In early 2020, the Company successfully concluded negotiations and executed an Exploration Agreement with the Traditional Owners in West Arnhem Land, Northern Territory for Exploration Licences 27252, 27253, 28389, 28390, 29991, 29992, 29993 and 31480, collectively referred to as the Nabarlek North Project. The terms of the Agreement were negotiated with the Northern Land Council (representative body for the Traditional Owners) under the Aboriginal Land Rights (Northern Territory) Act 1976. The Agreement, for bilateral benefit of the parties, allows Alligator to explore for uranium and other minerals and sets out the principles for agreeing a mining right on successful identification of a mineral resource.

The Exploration Agreement has been lodged with the Department of Primary Industries and Resources along with an application for grant of the Exploration Licences. This process is expected to be finalised once access restrictions to West Arnhem Land are lifted.

The Nabarlek North Project boundary is located around 11 kilometres from the historic Nabarlek mine which produced 24Mlbs @ 1.84% U₃O₈ (see Company ASX announcements for DevEx Resources Limited (ASX:DEV) on 4 October 2017). Limited historic work has been completed across the Project area with the majority of focus being proximal to the U40 prospect which is situated just 200m from the licence boundary.

The Exploration Agreement includes a one-off option to acquire a 25% interest in an economic uranium resource (if found), in exchange for a reduction in certain production related royalties and payments. This right arises once Alligator has completed a feasibility study for the application of a mining right and requires the Company to fund an independent economic review to assist the Traditional Owners assess the merits of exercising the option.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
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**DIRECTORS REPORT
(continued)**

Piedmont Project – Northern Italy – Farm-in + 100% owned tenements

Alligator is farming into, and has direct lease applications, in an historic Nickel-Cobalt-Copper mining area in the Piedmont region, northern Italy. The Company has access to multiple exploration permits over a 30km mineralised strike length, across which there has been minimal modern exploration.

In April 2020, Alligator received notice from the Turin based Mining Authority of approval for drilling permits for the Piedmont nickel-cobalt (copper gold) Farm-in and JV project in northern Italy. A selection of drill sites located on the Alpe Laghetto licence have now been approved with the renewal of the licence. While no work is currently occurring due to COVID 19 restrictions, these approvals pave the way to progress the project at the appropriate time.

Alligator has continued to note the increased strategic interest in sustainable sources of nickel and cobalt, in particular from battery manufacturing companies and trading groups within Europe. Most European based car manufacturers have indicated their desire to source sustainably mined strategic minerals, and Alligator believes the vastly under-explored Piedmont nickel-cobalt (copper gold) region has strong potential in this arena. The Company has re-started its engagement with European based investment interests and other previously identified strategic partners.

Following the granting of the new Monte Ventolaro and Alpe Cruvino licences in late 2019 the technical evaluation and data reviews of these licences has continued to allow the development of a strategic work program in conjunction with existing active licences.

Big Lake Uranium Project- South Australia – Farm-in

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 project is amenable to rapid and low-cost exploration targeting In Situ Recovery (ISR) style uranium within a favourable setting.

Evidence of uranium within the region occurs in gamma logging in oil and gas wells and was confirmed by initial exploration by others during 2009. Alligator is focussed on the locally untested model of down gradient channel deposition within this familiar mineralisation setting. The region has similarities with the Kazakhstan, Texas and Wyoming uranium fields.

The BLU project compliments Alligator’s existing strategy in the exploration for economically viable uranium deposits in favourable jurisdictions for uranium mining. Both the ARUP and now the BLU regions represent opportunities for uranium projects that can be profitable through low uranium price cycles.

The Company has held meetings with the two Traditional Owner (TO) groups in the region and has met with some of the oil and gas leaseholders to brief them on Alligator’s potential work. Indigenous Land Access Agreements are in the negotiation process with both TO groups.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**DIRECTORS REPORT
(continued)**

Alligator submitted a stage 2 application to the South Australian Government's Accelerated Discovery Initiative (ADI) for the BLU project having been successful with its stage 1 submission early in 2020 passing the Expression of Interest phase. Alligator was subsequently informed of a successful stage 2 application in June 2020 with the award of \$152,400 in co-funding of exploration expenses associated with geophysical surveys to delineate paleochannels, and the initial direct drilling costs to test the concept.

The project has a definitive exploration pathway with a low-cost strategy to test the uranium mineralisation model.

Samphire Uranium Project – South Australia – subject to conditional Share Purchase Agreement

Alligator and unlisted public company Samphire Uranium Ltd (Samphire) have signed a Binding Terms Sheet in June 2020 for the purchase by Alligator of Samphire's subsidiary, S Uranium Pty Ltd (SUPL). SUPL owns the following key uranium resource and exploration assets (Samphire Project):

- ☼ Blackbush Inferred Mineral Resource Estimate (JORC 2012) comprising 64.5 million tonnes at a grade of 230ppm eU₃O₈ containing 14,850 t (32.7Mlbs) U₃O₈ at a 100ppm cut-off grade¹;
- ☼ Plumbush Inferred Mineral Resource Estimate (stated in compliance with JORC 2004) of 21.8 million tonnes at grade of 292ppm eU₃O₈, containing 6,300t (13.9Mlbs) of mineralisation at a 100ppm eU₃O₈ cut-off grade²;
- ☼ Exploration Target – Host geology and anomalism extend beyond the current known mineralisation envelope with uranium intercepts obtained in drill holes up to 3km distant.

1. See ASX:USA release 27 Sept 2013 for which the Competent Persons were Mr Russell Bluck and Mr Marco Scardigno.
2. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. See ASX:USA release 27 Sept 2013 and 1 Oct 2019 Samphire Annual Report for which the Competent Persons were Mr Russell Bluck and Mr Marco Scardigno. Refer also to Cautionary Statement on page 83.

In consideration for the acquisition of SUPL, subject to shareholder approval and satisfaction of the other conditions precedent, Alligator will issue 679,561,608 AGE shares to Samphire who plan to immediately in-specie distribute the AGE shares to its shareholders. Samphire has share capital of 226,520,536 ordinary shares, hence each Samphire shareholder will receive three AGE shares for every Samphire share they hold. Upon successful completion of the transaction (subject to certain conditions precedent, including regulatory and both Company's shareholders approvals) the current 1,650 Samphire shareholders will collectively hold 32% of the expanded capital structure of AGE. Alligator has used on-market valuations of similar status uranium resource projects to inform the consideration agreed to acquire the Samphire Project.

Subsequent to year end the Company signed a full form Share Purchase Agreement based on the Binding Terms Sheet. An EGM has been scheduled for 1 October 2020 to enable Shareholders to consider and vote on the proposal to purchase SUPL based on the proposed share issue.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
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**DIRECTORS REPORT
(continued)**

Capital raisings

Alligator completed a capital raising initiative in late 2019 covering both a share placement to professional and sophisticated investors and the offer of a Share Purchase Plan (SPP) to existing Shareholders. A component of this initiative was subject to Shareholder approval which was obtained at the 2019 AGM.

The key elements of the capital raising initiative were as follows:

- ✿ A capital raising totalling \$650,000 through the Placement of 260M fully paid ordinary shares at \$0.0025, with a 1:2 attaching \$0.005 unlisted option expiring on 4 December 2020
- ✿ Tranche 1 of the placement totalling \$310,000 was completed in October 2019
- ✿ Tranche 2 of the placement for the remaining \$340,000 along with all attaching unlisted options was completed on 4 December 2019 after securing Shareholder approval at the 2019 AGM
- ✿ The SPP offer was successfully completed with the maximum raising of \$300,000 reached at the offer price of \$0.0025

Director Fee Plan

Shareholders at the annual general meeting on 26 November 2019 approved an extension to the Directors' Fee Plan for twelve months from that date (2020 Fee Plan). The 2020 Fee Plan allows directors to apply for shares in lieu of receiving cash payments for non-executive fees. This arrangement assists the Group to conserve cash balances for its exploration and other work. Shareholders at the 2019 AGM also approved the issue of 5,333,333 Plan Shares to extinguish an accrued Director Fee balance for the September 2019 quarter of \$16,000.

Research & Development

Alligator has been and continues to conduct an R&D program 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 Uranium Province. In particular, investigation and experimentation are being undertaken on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetics (SAM) geophysical techniques.

Junior Minerals Exploration Incentive (JMEI) Credit Distribution

Alligator confirmed in June 2020 that Distribution Notices for JMEI Credits relating to the 2019-20 tax year had been despatched to Shareholders who participated in 2018-19 capital raisings conducted through both a Rights Issue and subsequent Placement by BW Equities. A total of \$336,958 in JMEI Credits (calculated at a tax rate of 27.5%) were distributed to this eligible group of Shareholders.

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c) Operating Loss

The operating loss before tax and impairment charges reduced from \$1,040,589 in 2019 to \$985,479 in the current year principally as a result of the agreement to temporarily reduce Director Fees and Employee benefits from 1 October 2019 along with a tightening of costs during COVID, which was partially offset by higher legal costs due to the various corporate transactions.

The Company expensed tenement holding costs incurred for the financial year at the Alligator Rivers Projects due to there being minimal on-ground activity. This expenditure related principally to salaries, rentals, royalties and compliance activities and totalled \$163,881 (2019: \$248,369).

d) Financial Position

Net assets of the Group increased marginally during the financial year. The operating loss and increase in exploration expenditure for the period was largely offset by capital raisings and amounts received under the R&D offset for 2019.

The cash balance at 30 June was \$903,949 compared to \$775,017 at the same time in 2019.

During the year the Group incurred exploration and evaluation costs of \$383,706 (2019: \$1,427,882) and capitalised the portion that did not relate to the ARUP interests. In addition, R&D Tax Offsets relating to the 2019 tax year was received totalling \$198,487 (2019: \$34,249). 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.

e) Business strategies and prospects for future financial years

Strategy and Business Plan

Alligator's strategy is to advance its key resource and exploration targets, through direct and strategic partner investment, while evaluating and acquiring further uranium or energy minerals assets in target regions.

The Company has conducted a comprehensive re-evaluation of the regional and local geology for the ARUP region, which has enhanced the understanding of the stratigraphic and structural relationships that we believe are the proven key to mineralisation of large uranium deposits within the ARUP. This highlighted a broad prospective zone running from the western Beatrice project, through the eastern portion of the Tin Camp Creek project and into the Nabarlek North Application area as high priority for further work. Along this trend, 8 areas for immediate assessment were highlighted combined with 6 addition target areas within the Alligator licences.

AGE's existing large exploration footprint in the high-grade uranium Alligator Rivers region has been increased and enhanced through the Nabarlek North agreement and pending grant of titles, with advanced more efficient targets ready to be explored at the right stage in the market.

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The exploration for high grade uranium deposits in the ARUP region of the NT is now being augmented by additional uranium resource and exploration projects in South Australia with the potential for uranium deposits amenable to low cost ISR mining.

The Big Lake Uranium farm-in and acquisition is focussed on a new potential ISR area which contains uranium but has unproven potential. There is proven value in ISR uranium deposits located in the experienced regulatory regime of South Australia, which has one operating ISR mine and one on care and maintenance awaiting market improvement. In 2018, 55% of the world's uranium was produced from ISR mining.

The Sapphire Project (currently subject to conditional acquisition) south of Whyalla in SA offers an existing significant and potentially expandable uranium resource which is amenable to ISR or open pit, and with ability to mine to a higher grade cut-off for more effective economics.

Alligator has also identified a unique opportunity in the exploration and potential delineation of high-grade nickel–cobalt–copper deposits in the historic Piedmont province in northwest Italy, at a time of heightened interest within Europe for sustainable supply of strategic minerals for the EV, battery and future electronics industry. The Company has both farm-in and directly held leases and applications in the known Ni Co Cu region with access to multiple exploration permits over a 30km mineralised strike length, referred to as 'The Piedmont Project'.

Work on further opportunities and external project evaluation continues utilising existing experienced staff and key consultants. Alligator believes it is the right time in the uranium market to be evaluating further uranium resource project opportunities in particular.

Alligator Energy still has one of the few Board, Management and advisory teams that have discovered uranium projects, taken uranium projects through resource definition and into development, and managed and operated uranium mines.

Research & Development

The Group 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 Research and Development Program. R&D activities currently focus on identifying and targeting covered and fully-preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone in the ARUP.

Alligator is also utilising existing publicly available seismic data from Cooper Basin oil and gas exploration to try and assist the location of potential buried channels in the upper level sediments capable of containing uranium deposition traps.

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Risk Factors

The Group 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 or other minerals 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 or other minerals 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 farm-out/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 additional capital, it may be required to reduce the scope of its future exploration 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 factors including the strength of equity and capital markets in Australia and throughout the world, changes in government policies, commodity prices and the prospectivity of the Group's tenement holdings and identified prospects.

Land Access Issues

Aboriginal land issues and Aboriginal heritage issues in the ARUP and South Australia and designated conservation areas in northern Italy may affect the ability of Alligator to pursue exploration, development and mining on Alligator's properties. Alligator is committed to working with all stakeholders associated with land access for exploration and development in a complimentary and effective manner.

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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 including those associated with COVID-19 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 relation 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.

New Accounting Standards Implemented

The Group has adopted AASB 16: Leases with a date of initial application of 1 January 2019. There is no impact on the opening accumulated losses as at 1 July 2019 as the consolidated entity has chosen to apply the short-term lease exemption under AASB 16 to account for a non-cancellable operating lease (as defined by the previous leasing standard, AASB 17) for the office premises under a lease agreement which ended on 31 March 2020. Accordingly, the lease payment associated with this lease is recognised as an expense on a straight-line basis over the lease term.

Subsequently, a new lease agreement for the office premises was signed for 1 year from 1 May 2020 to 30 April 2021 with no option of renewal. The consolidated entity is recognising the lease payments as an expense on a straight-line basis over the lease term.

Matters subsequent to the end of the year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and has become 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 is rapidly developing 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.

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Subsequent to year end, Alligator confirmed that a Share Purchase Agreement had been executed with Samphire Uranium Limited based on the Binding Terms Sheet detailed in the market announcement of 11 June 2020. Meeting materials for both Alligator and Samphire meetings of shareholders to consider approval of the proposed transaction and to enable Samphire to conduct an in-specie distribution of the Alligator consideration shares have been dispatched. The meetings are to be held on 1 October 2020 with completion of the transaction targeted for 7 October 2020.

No other matter or circumstance has arisen since 30 June 2020 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.

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Information on Directors

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

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

Paul Dickson has over 29 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 and Proserpine Capital Partners Pty Ltd, a Private Equity business based in Melbourne. Paul currently works within the equity markets area for Henslow Pty Ltd.

| | |
|--|---|
| Other current directorships | Non-executive Director Cobold Metals Limited (Public Unlisted) |
| Former directorships (last three years) | Non-executive Chairman of Terrain Minerals |
| Special responsibilities | Member of the Audit & Risk Management Committee |
| Interests in shares / options | 16,458,991 ordinary shares (indirect) |
| Length of service | 11 years and 7 months |

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

Andrew has over 40 years of experience in the minerals industry covering all areas from 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. After 20 years with mining companies Utah (BHP), Emperor, WMC, Pancontinental and CRA (Rio Tinto) he commenced consulting in 1996 as Vigar & Associates before joining SRK Consulting for 5 years and then founded Mining Associates in Brisbane in 2003. He established the global operations of Mining Associates Limited based in Hong Kong in 2009 where he is Chairman. In addition to Mining Associates and various private family interests he was closely involved in the founding and listing of several public companies on the ASX and TSXV, including K92 Mining (TSXV:KNT). He is a Fellow of the AusIMM, a member of the Society of Economic Geologists and Fellow of the Australian Institute of Geoscientists.

| | |
|--|---|
| Other current directorships | Nil |
| Former Directorships (last three years) | Nil |
| Special responsibilities | Chair of the Company's Audit & Risk Management Committee |
| Interests in shares / options | 15,871,771 ordinary shares (direct and indirect) |
| Length of service | 10 years and 10 months |

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**DIRECTORS REPORT
(continued)**

Information on Directors (continued)

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

Peter has over 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 | Non-executive director of Macallum Group Ltd and Zamanco Minerals Ltd |
| Former directorships (last three years) | Nil |
| Special responsibilities | Nil |
| Interests in shares / options | 51,281,693 ordinary shares (indirect) and 98,314,286 ordinary shares held by a related party to the director. |
| Length of Service | 7 years and 11 months |

Gregory Hall – BE in Mining Engineering CEO and Executive Director

Greg, a Mining Engineer, has over 35 years' experience as an executive in the resources sector, particularly in uranium resource projects. He has held operational management roles at Olympic Dam (WMC) and Ranger Uranium Mine (North / Rio Tinto), and was founding Managing Director of Toro Energy Ltd (achieving WA's first fully approved uranium project) and CEO of Hillgrove Resources Ltd. Greg has a deep understanding of the international uranium and nuclear sector and is acquainted with commodity markets having been a Marketing Manager for Rio Tinto Uranium and Director Sales (Bauxite & Alumina) at Rio Tinto Aluminium.

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

| | |
|--|--|
| Other current directorships | Non-executive director of Copperstone Limited and Torch Energy Pty Ltd |
| Former directorships (last three years) | Nil |
| Special responsibilities | Nil |
| Interests in shares / options | 7,16,810,555 ordinary shares and 6,250,000 unlisted Long Term Incentive Performance options. |
| Length of Service | 5 years and 2 months |

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(continued)**

Information on Directors (continued)

CFO & Company Secretary

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

Mike is a Chartered Accountant with over 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 and gas sectors, including having advised a number of junior mineral explorers in both Western Australia and Queensland. Mike also holds the Company Secretarial role with Resource Generation Limited (ASX: RES).

Meetings of directors

The number of meetings of the Company's board of directors held during the year ended 30 June 2020, and the number of meetings attended by each director were:

| | Directors' Meetings | | Audit & Risk Mgmt Committee Meetings | |
|----------------|--------------------------------------|----------------------------|---|----------------------------|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Paul Dickson | 8 | 8 | 2 | 2 |
| Andrew Vigar | 8 | 8 | 2 | 2 |
| Peter McIntyre | 8 | 8 | - | - |
| Greg Hall | 8 | 8 | - | - |

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. The Directors have also executed Deeds of Access and Indemnity with the Company.

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 |
|-------------------|----------------------------|--------------------|------------------------------|
| 4 May 2018 | 4,250,000 | 2 May 2021 | Zero Strike Priced |
| 19 July 2019 | 13,750,000 | 19 July 2022 | Zero Strike Priced |
| 4 Dec 2019 | 130,000,000 | 4 Dec 2020 | \$0.005 |

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The Company has also issued 60,000,000 Performance Shares which convert into one (1) fully paid ordinary share, subject to satisfaction of the milestone set out below applicable to the relevant tranche of Performance Shares on the date specified in the Milestone applicable to the relevant Performance Share:

- ☼ 30,000,000 Acquisition Performance Shares: on completion of the farm-in work program, expending at least \$220,000, and Alligator electing to acquire all of the shares in Big Lake Uranium Pty Ltd (BLU) before 21 July 2021; and
- ☼ 30,000,000 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 five (5) years.

On 1 April 2020, the Board approved renewal of the CEO's employment contract which, subject to obtaining approval from Shareholders at the 2020 AGM, includes the grant of short term zero strike priced options and long term zero strike priced options which are linked to KPIs or other performance hurdles and a value of up to 50% of the base pay for short-term and 50% of the base pay for long-term.

Holders of Options and Performance Shares 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. 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.

During the year ended 30 June 2020 9,437,500 (2019: 5,602,841) ordinary shares were issued on vesting of performance options granted to employees and contractors under a short-term incentive scheme.

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.

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REMUNERATION REPORT (AUDITED) (continued)

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

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 or daily 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 of responsibility for each individual. The proportion attributed to each KPI is based on a range of 10-50% of the total available performance incentive. Assessment of the performance by the Board must occur in the quarter 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 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 50 million pounds of uranium, or if a uranium deposit with a defined resource of no less than 50 million pounds of recoverable U3O8 is acquired or, for options issues from the beginning of calendar year 2019, resource drilling commences upon a nickel/cobalt deposit with a potential to contain no less than 150,000t of nickel equivalent or there is a change of shareholding control (> 50%) of Alligator Energy Limited. The long-term incentives granted as options or rights have a three-year life.

Non-Executive Directors

The Group's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines the level of individual fees payable to non-executive directors which is then reviewed 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, must not exceed \$250,000 per annum.

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REMUNERATION REPORT (AUDITED) (continued)

Non-executive directors agreed that with effect from 1 October 2019 there would be a temporary reduction in fees from \$42,000 to \$33,000 per annum plus statutory superannuation. The non-executive Chairman agreed to a temporary reduction from \$54,000 to \$45,000 per annum plus statutory superannuation on the same basis. There are no termination or retirement benefits other than statutory superannuation.

The Directors have adopted a Directors' Fee Plan (Fee Plan) for non-executive directors with effect from the 2014 financial year. This Plan was subsequently updated and approved each year by shareholders in the general meeting. The Fee Plan applies for a twelve-month period from approval and 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.

The Fee Plan enables the company to conserve cash for exploration activities and for the year ended 30 June 2020, directors elected to accept fee payments totalling \$53,000 (2019: \$65,500) in shares for remuneration that had accrued during the financial year.

Options were last granted to non-executive directors based on shareholder approval at the 2010 Annual General Meeting.

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 the Fee Plan. The Company believes this policy is important in contributing to shareholder value in the current difficult market conditions for junior explorers. The following table shows the share price performance over the last two years:

| | 30 June 2020 | 30 June 2019 |
|---------------------|---------------------|---------------------|
| Closing share price | \$0.004 | \$0.002 |

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REMUNERATION REPORT (AUDITED) (continued)

b) Directors and executive officers' remuneration (KMP)

The following table of benefits and payments details, in respect to the financial year:

| | | Short-term Benefits | Post-employment Benefits | Share-based Payments | | Termination Benefits | Total | Value of options as % of Remuneration |
|---------------------------------|-------------|---------------------|--------------------------|----------------------|---------------|----------------------|----------------|---------------------------------------|
| | | Salary and Fees | Superannuation | Shares | Options | | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Directors | | | | | | | | |
| J Main | 2020 | - | - | - | - | - | - | - |
| (retired 27/11/18) | 2019 | 22,500 | 2,138 | - | - | - | 24,638 | - |
| A Vigar | 2020 | 27,000 | 3,349 | 8,250 | - | - | 38,599 | - |
| | 2019 | 31,500 | 3,990 | 10,500 | - | - | 45,990 | - |
| P Dickson | 2020 | 47,250 | 4,489 | - | - | - | 51,739 | - |
| Chairman | 2019 | 49,000 | 4,655 | - | - | - | 53,655 | - |
| P McIntyre | 2020 | - | 3,349 | 35,250 | - | - | 38,599 | - |
| | 2019 | - | 3,990 | 42,000 | - | - | 45,990 | - |
| G Hall | 2020 | 74,750 | 8,003 | 9,500 | 18,566 | - | 110,819 | 16.7% |
| CEO | 2019 | 89,783 | 9,166 | 13,000 | 21,000 | - | 132,949 | 15.8% |
| Key Management Personnel | | | | | | | | |
| M Meintjes | 2020 | 81,525 | - | - | 9,055 | - | 90,580 | 10.0% |
| CFO & Co Sec | 2019 | 99,215 | - | - | 11,274 | - | 110,489 | 10.2% |
| A P Moorhouse | 2020 | 55,990 | - | - | 9,887 | - | 65,877 | 15.0% |
| Exploration Manager | 2019 | 96,642 | - | - | - | - | 113,006 | 14.5% |
| Total | 2020 | 286,515 | 19,190 | 53,000 | 37,508 | - | 396,213 | 9.5% |
| | 2019 | 388,640 | 23,939 | 65,500 | 48,638 | - | 526,717 | 9.2% |

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**DIRECTORS REPORT
(continued)**

REMUNERATION REPORT (AUDITED) (continued)

c) 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 and the proportion that was performance based.

| KMP | Position held at 30 June 2019 | 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 |
| Greg Hall | CEO | Part-time to 31 March 2021 | - | - | 16.7% | 83.3% | 100% |
| Andrew Peter Moorhouse | Exploration Manager | Four wks notice | - | - | 15.0% | 85.0% | 100% |
| Mike Meintjes | CFO & Co Sec | Four wks notice | - | - | 10.0% | 90.0% | 100% |

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 or were cancelled 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 | 2020 | - | - | - | - | - | - |
| | 2019 | - | - | - | - | - | - |
| A Vigar | 2020 | - | - | - | - | - | - |
| | 2019 | - | - | - | - | - | - |
| P Dickson | 2020 | - | - | - | - | - | - |
| | 2019 | - | - | - | - | - | - |
| P McIntyre | 2020 | - | - | - | - | - | - |
| | 2019 | - | - | - | - | - | - |
| G Hall | 2020 | 12,500,000 | 22,500 | (ii) | 4,312,500 | 1,937,500 | 6,250,000 |
| CEO | 2019 | 681,818 | 3,000 | (i) | 1,718,185 | 1,009,091 | - |
| Key Management Personnel | | | | | | | |
| M Meintjes | 2020 | 5,000,000 | 9,000 | (iii) | 1,725,000 | 775,000 | 2,500,000 |
| CFO & Co Sec | 2019 | - | - | - | 1,133,523 | 340,909 | 1,824,761 |
| A P Moorhouse | 2020 | 5,000,000 | 9,000 | (iii) | 1,500,000 | 1,000,000 | 2,500,000 |
| Exploration Mgr | 2019 | - | - | - | 1,507,500 | 726,550 | 2,859,210 |
| Total | 2020 | 22,500,000 | 40,500 | | 7,537,500 | 3,712,500 | 11,250,000 |
| | 2019 | 681,818 | 3,000 | | 4,359,205 | 2,076,550 | 4,683,971 |

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(continued)**

REMUNERATION REPORT (AUDITED) (continued)

Details of options in above table:

| Note | Number issued/to be issued | Grant Date | Expiry date | Exercise Price | Vesting | Fair value |
|-------|----------------------------|------------|-------------|----------------|-------------|------------|
| (i) | 681,818 | 2 May 18 | 2 May 19 | - | * see note | \$0.011 |
| (ii) | 6,250,000 | 10 Dec 19 | 30 April 20 | - | **see note | \$0.003 |
| | 6,250,000 | 10 Dec 19 | 19 July 22 | - | **see note | \$0.001 |
| (iii) | 5,000,000 | 19 July 19 | 28 Feb 20 | - | ***see note | \$0.003 |
| | 5,000,000 | 19 July 19 | 19 July 22 | - | ***see note | \$0.001 |

* A total of 2,727,273 short-term incentive zero strike priced options were approved for issue to Greg Hall at the AGM held on 27 November 2018. These related to the twelve month period ended 31 March 2019. The amount estimated and included in the 2018 Remuneration Report (noted as being subject to obtaining Shareholder approval) was 2,045,455 zero strike priced options. The difference of 681,818 has been reflected as a 2019 grant above.

** Shareholders approved the grant of short-term and long-term performance options to the CEO at the 2019 AGM. The grant related to the employment contract period ended 31 March 2020 and are reflected above. The Board has also approved the grant of short term and long term options for the 12 month employment period ended 31 March 2021 and these will be tabled for Shareholder approval at the 2020 AGM.

*** The Board approved the grant of 2019 field season options to P Moorhouse and M Meintjes on 19 July 2019 being 2,500,000 each under the short term incentive scheme and 2,500,000 each under the long term incentive scheme. The Board has delayed the grant of performance options to these individuals for the 2020 field season due to the constrained level of field activities under the current COVID restrictions.

During the year 7,537,500 (2019: 4,359,205) options vested as a result of key management personnel meeting short term KPIs for the 2019 field season. These options were zero strike priced and were therefore automatically converted into ordinary shares.

The CEO employment contract for the twelve month period ended 31 March 2021 includes a performance component being short term incentive options linked to defined KPIs and comprising an amount of up to 50% of the twelve month base pay and long-term incentive options of 50% of the twelve month base pay. The grant of these zero strike priced options to the CEO is subject to Shareholder approval which will be sought at the 2020 AGM.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**DIRECTORS REPORT
(continued)**

REMUNERATION REPORT (AUDITED) (continued)

e) 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:

| <i>Name</i> | <i>Balance at the start of the year</i> | <i>Director Fee Plan issues</i> | <i>Rights Issue /On Market Purchase</i> | <i>Vesting of Perf Options</i> | <i>Other changes</i> | <i>Balance at the end of the year</i> |
|--------------|---|---------------------------------|---|--------------------------------|----------------------|---------------------------------------|
| 2020 | | | | | | |
| A Vigar | 10,453,983 | 6,250,000 | 800,000 | - | (1,632,212) | 15,871,771 |
| P Dickson | 10,458,991 | - | 6,000,000 | - | - | 16,458,991 |
| P McIntyre* | 31,038,905 | 13,875,000 | 8,000,000 | - | (1,632,212) | 51,281,693 |
| G Hall | 7,641,965 | 4,833,333 | 800,000 | 4,312,500 | (777,243) | 16,810,555 |
| M Meintjes | 3,535,300 | - | 2,000,000 | 1,725,000 | - | 7,260,300 |
| A Moorhouse | 3,347,021 | - | - | 1,500,000 | (2,507,488) | 2,339,533 |
| Total | 66,476,165 | 24,958,333 | 17,600,000 | 7,537,500 | (6,549,155) | 110,022,843 |

*In addition to the above, 98,314,286 (2019: 98,314,286) ordinary shares and nil (2019: 12,691,429) 2.1c listed options are held beneficially by a related party to the director at 30 June 2020.

(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:

| <i>Name</i> | <i>Balance at the start of the year</i> | <i>Granted</i> | <i>Forfeited/ Lapsed</i> | <i>Other Changes*</i> | <i>Balance at the end of the year</i> | <i>Vested and exercisable</i> | <i>Unvested</i> |
|-------------|---|-------------------|--------------------------|-----------------------|---------------------------------------|-------------------------------|-----------------|
| 2020 | | | | | | | |
| A Vigar | 883,038 | - | (883,038) | - | - | - | - |
| P Dickson | 1,461,443 | - | (1,461,443) | - | - | - | - |
| P McIntyre | 2,449,207 | - | (2,449,207) | - | - | - | - |
| G Hall | 382,157 | 12,500,000 | (2,319,657) | (4,312,500) | 6,250,000 | - | - |
| M Meintjes | 2,372,566 | 5,000,000 | (1,954,384) | (1,725,000) | 3,693,182 | - | - |
| A Moorhouse | 2,859,210 | 5,000,000 | (2,184,210) | (1,500,000) | 4,175,000 | - | - |
| | 10,407,621 | 22,500,000 | (11,251,939) | (7,537,500) | 14,118,182 | - | - |

*- includes the reduction in balance for options that vested on achievement of performance hurdles and converted into ordinary shares for G Hall, M Meintjes and P Moorhouse.

End of the Remuneration Report

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

**DIRECTORS REPORT
(continued)**

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 34.

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



**Paul Dickson
Chairman
Brisbane, 24 September 2020**

**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 2020, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

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

PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

BRISBANE
24 SEPTEMBER 2020

**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 2020**

| | Note | 2020 \$ | 2019 \$ |
|---|------|------------------|--------------------|
| Other income | | 5,783 | 38,667 |
| Accounting and audit fees | | (47,256) | (41,233) |
| Consultants and professional fees | | (20,842) | (3,956) |
| Depreciation | | (5,473) | (4,432) |
| Directors' fees | | (167,535) | (216,263) |
| Employee benefits expense | | (203,165) | (218,203) |
| Training | | (220) | (95) |
| Legal fees | | (115,676) | (54,750) |
| Occupancy expenses | | (57,490) | (58,889) |
| Share-based payments | | (47,105) | (62,261) |
| Stock exchange and share registry fees | | (48,879) | (53,330) |
| Investor relations | | (1,843) | (9,073) |
| Travel and accommodation expenses | | (17,492) | (23,589) |
| Insurance | | (63,353) | (58,174) |
| Interest | | (129) | - |
| Business Development | | (9,445) | - |
| Foreign exchange (loss)/gain | | 162 | 116 |
| Exploration & Evaluation expenditure | | (163,881) | (248,369) |
| Impairment charge | 9 | - | (5,651,460) |
| Other expenses | | (21,640) | (26,755) |
| Loss before income tax | | (985,479) | (6,692,049) |
| Income tax benefit / (expense) | 20 | - | - |
| Loss for the year | | (985,479) | (6,692,049) |
| Other comprehensive income | | - | - |
| Total comprehensive loss for the year | | (985,479) | (6,692,049) |
| Loss attributable to members of the parent entity | | (985,479) | (6,692,049) |
| Total comprehensive loss attributable to members of the parent entity | | (985,479) | (6,692,049) |
| | | Cents | Cents |
| Loss per share from continuing operations attributable to the ordinary equity holders of the Company | | | |
| Basic loss per share | 5 | (0.07) | (0.07) |
| Diluted loss per share | 5 | (0.07) | (0.07) |

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 2020**

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|--------------|--------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 6 | 903,949 | 775,017 |
| Trade and other receivables | 7 | 35,900 | 72,448 |
| Inventory | | - | 22,690 |
| Total Current Assets | | 939,849 | 870,155 |
| Non-Current Assets | | | |
| Trade and other receivables | 7 | 224,891 | 272,403 |
| Property, plant and equipment | 8 | 17,210 | 27,938 |
| Exploration expenditure | 9 | 7,917,262 | 7,895,687 |
| Total Non-Current Assets | | 8,159,363 | 8,196,028 |
| Total Assets | | 9,099,212 | 9,066,183 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 10 | 243,472 | 257,121 |
| Total Current Liabilities | | 243,472 | 257,121 |
| Non-Current Liabilities | | | |
| Provisions | 11 | 228,407 | 228,406 |
| Total Non-Current Liabilities | | 228,407 | 228,406 |
| Total Liabilities | | 471,879 | 485,527 |
| Net Assets | | 8,627,333 | 8,580,656 |
| EQUITY | | | |
| Contributed equity | 12 | 33,834,239 | 32,826,000 |
| Reserves | | 9,704 | 12,169 |
| Accumulated losses | | (25,216,610) | (24,257,513) |
| Total Equity | | 8,627,333 | 8,580,656 |

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 2020**

| Note | Contributed equity \$ | Options reserve \$ | Accumulated losses \$ | Total \$ |
|---|-----------------------------|--------------------------|-----------------------------|-------------|
| Balance at 1 July 2018 | 30,862,088 | 7,450 | (17,604,479) | 13,265,059 |
| Total comprehensive loss for the year | - | - | (6,692,049) | (6,692,049) |
| Transactions with owners in their capacity as owners | | | | |
| Equity contributions (net) | 1,945,385 | - | - | 1,945,385 |
| Share options – expired | - | (39,015) | 39,015 | - |
| Share options - exercised | 18,527 | (18,527) | - | - |
| Share options - value of expense | - | 62,261 | - | 62,261 |
| Balance at 30 June 2019 | 32,826,000 | 12,169 | (24,257,513) | 8,580,656 |
| Total comprehensive loss for the year | - | - | (985,479) | (985,479) |
| Transactions with owners in their capacity as owners | | | | |
| Equity contributions (net) | 985,051 | - | - | 985,051 |
| Share options - expired | - | (26,382) | 26,382 | - |
| Share options - exercised | 23,188 | (23,188) | - | - |
| Share options - value of expense | - | 47,105 | - | 47,105 |
| Balance at 30 June 2020 | 33,834,239 | 9,704 | (25,216,610) | 8,627,333 |

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 2020**

| | Note | 2020 \$ Inflows / (Outflows) | 2019 \$ Inflows / (Outflows) |
|---|------|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | | |
| Interest received | | 5,784 | 18,367 |
| Payments to suppliers | | (719,239) | (852,348) |
| Net cash inflow(outflow) from operating activities | 17 | (713,455) | (833,981) |
| Cash flows from investing activities | | | |
| Payments for exploration expenditure | | (327,763) | (1,402,888) |
| R&D offset grants received | | 232,736 | 52,109 |
| (Payments for) / receipts from security deposits | | 47,512 | (34,189) |
| Payments for purchase of property, plant and equipment | | (2,900) | (29,965) |
| Proceeds from sale of property, plant and equipment | | - | 20,300 |
| Net cash inflow(outflow) from investing activities | | (50,415) | (1,394,633) |
| Cash flows from financing activities | | | |
| Proceeds from capital raising | | 950,000 | 1,750,000 |
| Payment of capital raising costs | | (57,198) | (145,400) |
| Net cash inflow(outflow) from financing activities | | 892,802 | 1,604,600 |
| Net increase (decrease) in cash held | | 128,932 | (624,014) |
| Cash at beginning of financial year | | 775,017 | 1,399,031 |
| Cash at the end of financial year | 6 | 903,949 | 775,017 |

The accompanying notes form part of these financial statements.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

These consolidated financial statements and notes represent those of Alligator Energy Limited (the “Company” and its 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 24 September 2020 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, other authoritative pronouncements of the 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.

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 applicable.

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 year the Group made a loss before tax of \$985,479 (2019: \$6,692,049), and recorded net cash outflows from operating and investing activities of \$763,870 (2019: \$2,228,614). The cash balance at 30 June 2020 was \$903,949 (2019: \$775,017).

In concluding that the going concern basis is appropriate, a cashflow forecast for the forthcoming twelve months has been prepared. This forecast indicates that the ability of the Group to continue exploration and evaluation activities on a going concern basis is dependent upon raising additional capital through existing shareholders, placements or new strategic investors. The Directors are confident of being able to secure further funding, when required, and believe the Group is a going concern and will be able to pay its debts as and when they fall due and payable.

Notwithstanding the position outlined above, should the Group not be able to raise the additional capital, there is a material uncertainty as to whether the Group will be able to 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 statements.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

**ALLIGATOR ENERGY LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1 Summary of Significant Accounting Policies (continued)

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 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.

**ALLIGATOR ENERGY LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1 Summary of Significant Accounting Policies (continued)

b. Income Tax (continued)

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.

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.

**ALLIGATOR ENERGY LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1 Summary of Significant Accounting Policies (continued)

c. Property, Plant and Equipment (continued)

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.

| 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.

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.

**ALLIGATOR ENERGY LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1 Summary of Significant Accounting Policies (continued)

e. Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on the right to use or control an identified asset for a period of time, in exchange for a consideration. At the commencement of the lease the Group recognises a lease liability and a corresponding right of use asset. The lease liability is initially recognised at the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if this cannot be readily determined the incremental borrowing rate for the Group. The right of use asset is initially measured at the cost which comprises the initial amount of the lease liability plus initial direct costs incurred.

The right of use asset is depreciated to the earlier of the asset's useful life or the lease term using the straight line method and is recognised in the statement of comprehensive income in depreciation and amortisation. Where the lease transfers ownership of the underlying asset to the Group by the end of the lease term, the right of use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. The unwinding of the financial charge on the lease liability is recognised in the statement of comprehensive income in financial expenses.

The Group does not recognise leases that have a lease term of 12 months or less, or are of low value, as a right of use asset or lease liability. Lease payments associated with these leases are recognised as an expense in the consolidated statement of comprehensive income in operating expenses on a straight line basis over the lease term.

f. Financial Instruments

Recognition and initial measurement

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

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 (i.e. trade date accounting is adopted).

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

**ALLIGATOR ENERGY LIMITED
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ACN 140 575 604**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1 Summary of Significant Accounting Policies (continued)

f. Financial Instruments (continued)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

**ALLIGATOR ENERGY LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1 Summary of Significant Accounting Policies (continued)

f. Financial Instruments (continued)

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

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Note 1 Summary of Significant Accounting Policies (continued)

f. Financial Instruments (continued)

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

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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 (e.g. 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.

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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 and recognised at the time where there is a change of control in the mineable product to the customer.

Interest revenue is recognised using the effective interest rate method.

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

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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 statement of financial position against the underlying asset to which the offset, grant or incentive relate.

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Note 1 Summary of Significant Accounting Policies (continued)

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.

r. Foreign Currency Translation

The financial statements are presented in Australian dollars, which is Alligator Energy Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

s. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

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Note 1 Summary of Significant Accounting Policies (continued)

s. Current and non-current classification (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

t. Issued Capital

Ordinary shares are classified as equity.

u. New Accounting Standards and Interpretations

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current year.

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

There is no impact on the accumulated losses as at 1 July 2019 as the Group has chosen to apply the short-term lease exemption under AASB 16 to account for a non-cancellable operating lease for office premise under the lease agreement ended on 31 March 2020.

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Note 1 Summary of Significant Accounting Policies (continued)

v. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations most relevant to the Group is set out below:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity'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 \$7,917,262 (30 June 2019: \$7,895,687). 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 is recoverable for the amount stated in the financial statements.

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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 Primary Industries and Resources in the Northern Territory.

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) include segments in both Australia and Italy.

The geographical location of assets is disclosed below:

| | 2020 | 2019 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| <i>Australia</i> | | |
| -Current assets | 929,495 | 858,114 |
| -Property, plant & equipment | 17,210 | 27,938 |
| -Other non-current assets | 224,891 | 272,403 |
| -Capitalised exploration expenditure | 7,405,028 | 7,491,222 |
| | <u>8,576,624</u> | <u>8,649,680</u> |
| <i>Italy</i> | | |
| -Current assets | 10,354 | 12,041 |
| -Property, plant & equipment | - | - |
| -Other non-current assets | - | - |
| -Capitalised exploration expenditure | 512,234 | 404,465 |
| | <u>522,588</u> | <u>416,506</u> |
| <i>Total</i> | | |
| -Current assets | 939,849 | 870,155 |
| -Property, plant & equipment | 17,210 | 27,938 |
| -Other non-current assets | 224,891 | 272,403 |
| -Capitalised exploration expenditure | 7,917,262 | 7,895,687 |
| | <u>9,099,212</u> | <u>9,066,183</u> |

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

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Note 3 Segment Information (continued)

The only geographic segment 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 \$473,251 (2019: \$417,027) which is denominated in AUD has been eliminated in the above disclosure. At 30 June 2020 the liabilities of the Italian entity excluding the intercompany loan totalled \$46,564 (2019: \$17,568). There was no interest income derived from the Italian segment during the financial year and there were no employees in the Italian segment at the end of the financial year.

Note 4 Dividend

No dividend has been paid during the year ended 30 June 2020 (2019: nil) and none is proposed.

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Note 5 Earnings Per Share

| | 2020 Cents | 2019 Cents |
|---|-----------------------|-----------------------|
| a. Basic earnings per share | | |
| Loss attributable to the ordinary equity holders of the Company | (0.07) | (0.7) |
| | (0.07) | (0.7) |
| b. Diluted earnings per share | | |
| Loss attributable to the ordinary equity holders of the Company | (0.07) | (0.7) |
| | (0.07) | (0.7) |
| | 2020 | 2019 |
| | \$ | \$ |
| c. Reconciliations of earnings used in calculating earnings per share | | |
| <i>Basic earnings per share</i> | | |
| Profit (loss) attributable to ordinary equity holders of the Company used in calculating basic earnings per share | (985,479) | (6,692,049) |
| | (985,479) | (6,692,049) |
| <i>Diluted earnings per share</i> | | |
| Profit (loss) attributable to ordinary equity holders of the Company used in calculating diluted earnings per share | (985,479) | (6,692,049) |
| | (985,479) | (6,692,049) |
| | 2020 | 2019 |
| | Number | Number |
| d. Weighted average number of shares used as the denominator | | |
| <i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i> | 1,327,623,757 | 963,294,401 |
| Adjustments for calculation of diluted earnings per share: | | |
| Options | - | - |
| | - | - |
| <i>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</i> | 1,327,623,757 | 963,294,401 |

Earnings per share

Basic earnings per share- Basic earnings per share is calculated by dividing the profit attributable to the owners of Alligator Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share- Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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Note 6 Current Assets – Cash and Cash Equivalents

| | 2020 | 2019 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Cash at bank and in hand | 453,949 | 216,624 |
| Term deposits | 450,000 | 558,393 |
| | <u>903,949</u> | <u>775,017</u> |

The effective interest rate on term deposits was 0.4% (2019: 1%)

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 | <u>903,949</u> | <u>775,017</u> |
|---------------------------|----------------|----------------|

Note 7 Trade and Other Receivables

Current

| | | |
|----------------------------|---------------|---------------|
| GST receivable | 14,162 | 23,258 |
| R&D rebate receivable | - | 34,249 |
| Insurance claim receivable | - | - |
| Other receivables | 21,738 | 14,941 |
| | <u>35,900</u> | <u>72,448</u> |

Non-Current

| | | |
|-------------------|----------------|----------------|
| Security deposits | <u>224,891</u> | <u>272,403</u> |
|-------------------|----------------|----------------|

Expected credit loss

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9 which permits the use of the lifetime expected loss provision. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and days past due. No loss allowance provision was determined as at 30 June 2020.

Note 8 Non-current assets – Property, Plant & Equipment

| | | |
|-------------------------------|---------------|---------------|
| Plant and Equipment – at cost | 640,980 | 692,625 |
| Accumulated depreciation | (623,769) | (664,687) |
| | <u>17,210</u> | <u>27,938</u> |

| | | |
|---|---------------|---------------|
| Carrying value at beginning of financial year | 27,938 | 37,352 |
| Additions | 2,899 | 29,965 |
| Disposals / written off | - | - |
| Depreciation expensed | (5,473) | (4,432) |
| Depreciation capitalised to exploration expenditure | (8,154) | (34,947) |
| Carrying value at end of financial year | <u>17,210</u> | <u>27,938</u> |

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Note 9 Non-current assets – Exploration Expenditure

| | 2020 | 2019 |
|--|-------------|-------------|
| | \$ | \$ |
| Exploration & Evaluation phase costs | | |
| Geological, geophysical, drilling and other expenditure – at cost | 7,917,262 | 7,895,687 |
| The capitalised exploration and evaluation expenditure carried forward above has been determined as follows: | | |
| Opening balance | 7,895,687 | 12,153,514 |
| Expenditure incurred or tenements acquired during the period | 220,062 | 1,427,882 |
| R&D Offset (Note 1(p)) | (198,487) | (34,249) |
| Impairment write-down | - | - |
| Impairment provision- Tin Camp Creek Project | - | (3,212,753) |
| Impairment provision- Beatrice Project | - | (2,438,707) |
| | 7,917,262 | 7,895,687 |

A six-monthly assessment of the carrying value of the capitalised exploration and evaluation expenditure for all project areas of interest is conducted. In the prior year the Board resolved to raise an ARUP area of interest (Tin Camp Creek and Beatrice) impairment of provision \$5,651,460 for:

- the majority of the capitalised Beatrice Project exploration and evaluation costs due to the allocation of a lower priority focus in the current uranium price environment; and
- the majority of the TCC4 drilling costs together with an attributable portion of Tin Camp Creek Project costs capitalised in prior years. Whilst the TCC4 drilling campaign conducted in September and October 2018 was technically encouraging no significant intercepts of uranium were identified.

No impairment adjustment was required when performing the carrying value review for the year ended 30 June 2020.

Expenditures incurred on maintaining the Group's ARUP tenements in good standing including rentals, royalties, weed management and compliance reporting costs totalling \$163,644 for the year ended 30 June 2020 (2019: \$248,369) have been expensed to the Consolidated Statement of Profit and Loss during the period.

Note 10 Current Liabilities – Trade and Other Payables

| | | |
|--------------------------|---------|---------|
| Trade and other payables | 126,130 | 114,632 |
| Accrued expenses | 112,147 | 137,890 |
| Employee entitlements | 5,195 | 4,599 |
| | 243,472 | 257,121 |

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

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Note 11 Non-Current Liabilities – Provisions

| | 2020 | 2019 |
|------------------|-------------|-------------|
| | \$ | \$ |
| Site restoration | 228,406 | 228,406 |
| | 228,406 | 228,406 |

No increase during the year due to minimal new disturbance and ongoing monitoring activities.

Note 12 Contributed Equity and Reserves

a. Ordinary Shares

| | 2020 | 2020 | 2019 | 2019 |
|----------------------------|---------------|-------------|---------------|-------------|
| | Shares | \$ | Shares | \$ |
| Ordinary shares fully paid | 1,438,429,342 | 33,834,239 | 1,015,023,894 | 32,826,000 |
| | 1,438,429,342 | | 33,834,239 | |

Movements of ordinary share capital are as follows:

| Date | Details | Number of shares | Issue Price cents | \$ |
|---------------------|----------------------------|-------------------------|--------------------------|-------------------|
| 30 June 2018 | Balance | 737,113,702 | | 30,862,088 |
| 20 July 2018 | Director's Fee Plan | 768,750 | 0.8c | 6,150 |
| 23 Aug 2018 | Placement | 250,000,000 | 0.7c | 1,750,000 |
| | Capital Raising Costs | - | - | (127,101) |
| 9 Oct 2018 | Director's Fee Plan | 325,000 | 0.8c | 2,600 |
| 5 Dec 2018 | Director's Fee Plan | 13,463,601 | 2.1c | 282,736 |
| 29 Jan 2019 | Director's Fee plan | 3,250,000 | 0.4c | 13,000 |
| 1 Mar 2019 | Performance Option Vesting | 3,884,659 | 0.3c | 11,654 |
| 18 April 2019 | Performance Option Vesting | 1,718,182 | 0.4c | 6,873 |
| 18 April 2019 | Dir Fee Plan/Contractor | 4,500,000 | 0.4c | 18,000 |
| 30 June 2019 | Balance | 1,015,023,894 | | 32,826,000 |
| 23 Jul 2019 | Director Fee Plan | 8,666,667 | 0.003 | 26,000 |
| 24 Oct 2019 | Placement | 124,000,000 | 0.0025 | 310,000 |
| | Capital raising costs | | | (21,675) |
| 4 Dec 2019 | Placement | 136,000,000 | 0.0025 | 340,000 |
| | Capital raising costs | | | (20,400) |
| 4 Dec 2019 | Share Purchase Plan | 120,000,000 | 0.0025 | 300,000 |
| | Capital raising costs | | | (15,124) |
| 4 Dec 2019 | Director Fee Plan | 5,333,333 | 0.003 | 16,000 |
| 4 Dec 2019 | BLU Introduction Shares | 3,000,000 | 0.003 | 9,000 |
| 5 Mar 2020 | Performance Option Vesting | 5,125,000 | 0.002 | 10,250 |
| 12 Mar 2020 | Director Fee Plan | 6,833,333 | 0.003 | 20,500 |
| 18 May 2020 | CRP Sunk Cost Payment | 6,009,615 | 0.002 | 12,500 |
| 18 May 2020 | Director Fee Plan | 4,125,000 | 0.002 | 8,250 |
| 18 May 2020 | Performance Option Vesting | 4,312,500 | 0.003 | 12,938 |
| 30 June 2020 | Balance | 1,438,429,342 | | 33,834,239 |

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Note 12 Contributed Equity and Reserves (continued)

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.

b. Share Options

| | 2020 | | 2019 | |
|---|--------------------|--|--------------------|--|
| | Number | Weighted Average Exercise Price | Number | Weighted Average Exercise Price |
| On issue at beginning of financial year | 317,556,777 | \$0.021 | 169,579,077 | \$0.02 |
| Options issued during year -listed | - | \$0.00 | 145,000,000 | \$0.021 |
| Options issued during year -unlisted | 157,500,000 | \$0.004 | 11,227,273 | \$0.00 |
| Options cancelled during year | (317,619,277) | \$0.021 | (2,646,732) | \$0.00 |
| Options exercised during year | (9,437,500) | \$0.00 | (5,602,841) | \$0.00 |
| On issue at end of financial year | <u>148,000,000</u> | <u>\$0.004</u> | <u>317,556,777</u> | <u>\$0.021</u> |

At 30 June 2020 the Company had nil (2019: 310,393,619) listed 2.1 cent options on issue which expired on 27 December 2019 (ASX code: AGEO).

At 30 June 2020 the Company had 148,000,000 (2019: 7,163,158) unlisted options on issue under the following terms and conditions:

| Number under option | Expiry date | Exercise price |
|--|--------------------|-----------------------|
| 4,250,000 | 2-May-21 | (i) |
| 13,750,000 | 19-Jul-22 | (ii) |
| 130,000,000 | 4-Dec-20 | \$0.005 |
| Options exercisable as at 30 June 2020 | | <u>130,000,000</u> |
| Options exercisable as at 30 June 2019 | | <u>310,393,619</u> |

At 30 June 2020 and 30 June 2019, none of the unlisted employee incentive options had met the performance conditions and vested and were consequently not exercisable.

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Note 12 Contributed Equity and Reserves (continued)

The weighted average fair value of unlisted options granted (excluding the zero strike priced performance options and the 1:2 attaching \$0.005c unlisted options associated with the placement announced on 16 October 2019) during the year was nil (2019: nil).

The weighted average remaining contractual life of options (listed and unlisted) outstanding at year-end was years 0.59 years (2019: 0.51 years).

Issues during the year:

On 19 July 2019, the Board approved the grant of short and long-term incentives to employees and contractors under the Company's performance incentive plan for the 2019 field season. The grant of the performance incentives comprised a total of 7,500,000 short-term and 7,500,000 long-term performance options on a zero-strike priced basis. In addition, the Board has resolved, subject to Shareholder approval in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.11 (which was subsequently obtained at the 2019 AGM), to also approve the grant of 6,250,000 short term and 6,250,000 long term zero strike priced performance options to Greg Hall in his capacity as CEO for the 12 months commencing 1 April 2019.

Short-term grants only vest on achievement of key performance indicators which were assessed by the Board in February 2020 for employees and contractors and April 2020 for the CEO. Based on the performance assessments 5,125,000 short-term performance options issued to employees and contractors vested and 4,312,500 issued to the CEO vested. The remaining short-term performance options totalling 4,312,500 lapsed. The long-term grants only vest in certain mineral discovery or change of control situations.

On 4 December 2019 the Company completed Tranche 2 of the placement announced to the ASX on 16 October 2019 after obtaining Shareholder approval was obtained at the 2019 AGM. The terms of the placement included 1 attaching unlisted share option for every 2 new fully paid ordinary shares issued (both Tranche 1 and Tranche 2) under the placement. The unlisted share options are subject to an exercise price of \$0.005 and expire on 4 December 2020.

On 1 April 2020 the Board approved a 12 month extension to the employment contract for Greg Hall as CEO. This contract extension includes a short-term incentive and long-term incentive each based on a maximum of 50% of the expected 12 month base pay. The short-term performance incentive is linked to KPIs set for the CEO role over the 12 month period. The incentives are based upon granting of Zero Strike Priced Options which are subject to Shareholder approval under the ASX Listing Rules and Corporations Act. This approval will be sought at the 2020 AGM.

The following option tranches outstanding at 30 June 2020 have vesting conditions as follows:

(i)-4,250,000 zero strike priced options expiring on 2 May 2021 issued under the amended Employee Share Option Plan approved by shareholders on 21 November 2014 in relation to the long-term incentive for the 2018 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 number of options granted was based on 15% of the estimated annual cost for these personnel.

(ii)-13,750,000 zero strike priced options expiring on 19 July 2022 issued under the amended Employee Share Option Plan approved by shareholders on 21 November 2014 in relation to the long-term incentive for the 2019 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 number of options granted was based on approx. 30% for the CEO and 10% for employees and contractors of the estimated annual cost for these personnel.

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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. Performance Shares

The Company issued 60,000,000 Performance Shares on 5 December 2019. The Performance Shares convert into one (1) fully paid ordinary share, subject to satisfaction of the milestone set out below applicable to the relevant tranche of Performance Shares on the date specified in the Milestone applicable to the relevant Performance Share:

- ☀ 30,000,000 Acquisition Performance Shares: on completion of the farm-in work program, expending at least \$220,000, and Alligator electing to acquire all of the shares in Big Lake Uranium Pty Ltd (BLU) before 21 July 2021; and
- ☀ 30,000,000 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 five (5) years.

Summary of the key terms and conditions of the Performance Shares:

The Performance Shares are not quoted, are not transferable and do not confer any right to vote, except as otherwise required by law.

The Performance Shares do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.

The Performance Shares do not carry an entitlement to a dividend, do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise and do not carry an entitlement to participate in the surplus profit or assets of the Company upon winding up of the Company.

If the milestones for a class of Performance Share are not achieved by the relevant expiry date, then each Performance Share will be consolidated into one share only (Automatic Conversion).

e. Director's Fee Plan

The Directors have adopted a Director's Fee Plan (Fee Plan) in lieu of taking remuneration payments in cash. The objective of this Plan is to conserve cash-flow for exploration related activities. The Fee Plan has been in place since December 2013 on the basis of an annual approval by Shareholders. The Fee 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.

Shareholders in general meeting on 26 November 2019 approved the 2020 Fee Plan for the period of 12 months. In relation to the financial year ended 30 June 2020, 16,291,667 (2019: 15,616,667) fully paid ordinary shares were issued in lieu of directors' remuneration payments totalling \$44,750 (2019:65,500). At 30 June 2020 applications for 1,447,368 (2019: 8,666,667) fully paid ordinary shares for the respective June quarters in relation to the director remuneration set out above were yet to be issued.

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Note 12 Contributed Equity and Reserves (continued)

f. Capital risk management

The Group's strategy to capital risk management is unchanged from prior years. 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 2020 totals \$nil (2019: \$nil). The Group will continue to use capital market raisings to satisfy anticipated funding requirements.

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 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

| | Note | Consolidated Group | |
|------------------------------------|-------------|---------------------------|-------------|
| | | 2020 | 2019 |
| | | \$ | \$ |
| Financial assets | | | |
| Cash and cash equivalents | 6 | 903,949 | 775,017 |
| Trade and other receivables | 7 | 260,791 | 344,851 |
| Total financial assets | | 1,164,740 | 1,119,868 |
| Financial liabilities | | | |
| Trade and other payables | 10 | 243,473 | 257,121 |
| Total financial liabilities | | 243,473 | 257,121 |

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. 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.

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Note 13 Financial Risk Management (continued)

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 | |
|----------------------------|-------------|---------------------------|-------------|
| | | 2020 | 2019 |
| | | \$ | \$ |
| Cash and cash equivalents: | | | |
| – AA- rated | 6 | 903,949 | 775,017 |
| | | 903,949 | 775,017 |

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.

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Note 13 Financial Risk Management (continued)

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

| | Floating Interest Rate | Fixed Interest maturing in: | | Non-Interest bearing | Total | Weighted Average Interest rate |
|------------------------------|------------------------|-----------------------------|--------------------------|----------------------|-----------|--------------------------------|
| | | 1 year or less | Over 1 year, less than 5 | | | |
| 2020 | | | | | | |
| Financial assets | | | | | | |
| Cash at bank | - | - | - | 42,320 | 42,320 | - |
| Cash at bank | 411,526 | - | - | - | 411,526 | 0.1% |
| Term Deposits | - | 450,000 | - | - | 450,000 | 0.65% |
| Receivables | - | - | - | 260,791 | 260,791 | - |
| | | | | | | |
| Financial Liabilities | | | | | | |
| Trade Creditors and accruals | - | - | - | (243,473) | (243,473) | - |
| 2019 | | | | | | |
| Financial assets | | | | | | |
| Cash at bank | - | - | - | 20,184 | 20,184 | - |
| Cash at bank | 196,338 | - | - | - | 196,338 | 0.4% |
| Term Deposits | - | 558,393 | - | - | 558,393 | 1.25% |
| Receivables | - | - | - | 344,851 | 344,851 | - |
| | | | | | | |
| Financial Liabilities | | | | | | |
| Trade Creditors and accruals | - | - | - | (257,121) | (257,121) | - |

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Note 13 Financial Risk Management (continued)

c. Market risk (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 \$ |
|-----------------------|-----------------------------|---------------------------------|---------------------------------|
| 2020 | | | |
| Interest bearing cash | 861,526 | 8,615 | 8,615 |
| | | | |
| 2019 | | | |
| Interest bearing cash | 754,731 | 7,547 | 7,547 |

d. Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the Euro may impact on the Group's financial results. The foreign currency risk in the books of the Parent Entity is considered immaterial at 30 June 2020 and is therefore not shown.

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 | |
|---|---------------------------|---------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Remuneration of the auditor of the parent entity for: | | |
| – auditing or reviewing the financial statements | 32,500 | 31,500 |
| | <u>32,500</u> | <u>31,500</u> |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 (%)* | |
|-----------------------------|--------------------------|-----------------------|------|
| | | 2020 | 2019 |
| TCC Project Pty Ltd | Australia | 100% | 100% |
| Northern Prospector Pty Ltd | Australia | 100% | 100% |
| AGE EV Minerals Pty Ltd | Australia | 100% | 100% |
| AGE EV Minerale S.r.l (**) | Italy | 100% | 100% |

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

** Incorporation registered on 12 June 2018 as a wholly owned subsidiary of AGE EV Minerals Pty Ltd

b. Acquisition of Controlled Entities

There were no acquisitions during the year ended 30 June 2020.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 17 Cash Flow Information

| | Consolidated Group | |
|---|---------------------------|-------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Reconciliation of Cash Flow from Operations with Loss after Income Tax | | |
| Loss after income tax | (985,479) | (6,692,049) |
| Profit on sale of fixed assets | - | (20,300) |
| Non-cash flows in loss: | | |
| - depreciation | 5,473 | 4,432 |
| - share based payment expenses | 47,105 | 62,261 |
| - Impairment write off/provision | - | 5,651,460 |
| - Exploration and Evaluation | 163,644 | 248,369 |
| - Other- Director Fees issued in Shares | 70,750 | - |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries: | | |
| - (increase)/decrease in trade and term receivables | 32,804 | (53,092) |
| - increase/(decrease) in trade payables and accruals | (47,452) | (39,571) |
| - increase/(decrease) in provisions | - | 4,599 |
| Cash flow from operations | (713,455) | (833,891) |

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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 2020.

| | 2020 | 2019 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 286,515 | 388,640 |
| Post-employment benefits | 19,190 | 23,939 |
| Share-based payments | 90,508 | 114,138 |
| | <u>396,213</u> | <u>526,717</u> |

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 or applied for under the Fee Plan.

Further information in relation to KMP remuneration can be found in the Directors' Report.

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Note 19 Share Based Payments

Grants under the performance incentive scheme

At a meeting held after the end of the financial year (19 July 2019), the Board approved the grant of short and long-term incentives to employees and contractors under the Company's performance incentive plan for the 2019 field season (1 January – 31 December 2019). The grant of the performance incentives comprised a total of 7,500,000 short-term and 7,500,000 long-term performance options on a zero strike priced basis. The zero strike priced options have performance related criteria linked to short term performance metrics for each employee or contractor and long-term shareholder value criteria linked to discovery or change of control and have expiry dates of 28 February 2020 (short-term) and 19 July 2022 (long-term).

In addition, Shareholder approval in accordance with Chapter 2E of the Corporations Act and Listing Rule 10.11, was obtained at the 2019 AGM for the grant of 6,250,000 short-term and 6,250,000 long-term zero strike priced performance options to Greg Hall in his capacity as CEO for the 12 months commencing 1 April 2019.

Greg Hall's CEO employment contract for the twelve month period ended 31 March 2021 includes a performance component being short term incentive options linked to defined KPIs and comprising an amount of up to 50% of the twelve month base pay and long-term incentive options of 50% of the twelve month base pay. The grant of these zero strike priced options to the CEO is subject to Shareholder approval which will be sought at the 2020 AGM.

The Board has not granted employee and contractor performance options for the 2020 field season (1 January- 31 December 2020) due to the constrained level of field activities under the current COVID restrictions.

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

| | <i>Grant Date</i> | | <i>Number</i> |
|------|-------------------|-----|---------------|
| 2020 | 19 July 2019 | (a) | 27,500,000 |
| 2019 | - | - | - |

- (a) The options issued will only vest if certain performance criteria are met. The options hold no voting or dividend rights, have not been listed and are not transferable.

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

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Note 19 Share Based Payments (continued)

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 2019 and 2020 in Note 12 (a). Included under Directors' Fees expense of \$167,535 (2019: \$216,263 in the Consolidated Statement of Profit or Loss) is \$53,000 which relates to equity settled share-based payments transactions (2019: \$65,500).

Note 20 Income Tax

| | Consolidated | |
|---|---------------------|-------------|
| | 2020 | 2019 |
| | \$ | \$ |
| a. Numerical reconciliation of income tax expense / (income) to prima facie tax payable: | | |
| Total profit/(loss) before income tax | (985,479) | (6,692,049) |
| Tax at the Australian tax rate of 27.5% (2019 – 27.5%) | (271,007) | (1,840,213) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Share-based payments | 27,529 | 34,309 |
| Other | 30,209 | 24,507 |
| | (213,269) | (1,781,497) |
| Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised | 213,269 | 1,781,497 |
| 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 | 1,761,383 | 1,785,086 |
| Other | - | 6,240 |
| Total | 1,761,383 | 1,791,326 |
| Set-off of deferred tax liabilities pursuant to set-off provisions | (1,761,383) | (1,791,326) |
| Net deferred tax liabilities | - | - |

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Note 20 Income Tax (continued)

| | Consolidated | |
|---|---------------------|-------------|
| | 2020 | 2019 |
| | \$ | \$ |
| d. Deferred tax assets: | | |
| The balance comprises temporary differences attributable to: | | |
| Tax losses | 6,121,272 | 6,134,022 |
| Accruals and provisions | 30,999 | 31,924 |
| Business capital costs | 57,745 | 71,020 |
| Total deferred tax assets | 6,210,016 | 6,236,996 |
| Set-off of deferred tax assets pursuant to set-off provisions | (1,761,383) | (1,791,326) |
| Net adjustment to deferred tax assets for tax losses not recognised | (4,448,633) | (4,445,640) |
| Net deferred tax assets | - | - |
| e. Tax losses: | | |
| Unused tax losses for which no deferred tax asset has been recognised | 16,176,847 | 16,165,965 |
| Potential tax effect at 27.5% (2019: 27.5%) | 4,448,633 | 4,445,640 |

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 2020 tax year.

The Company registered for participation in the Junior Miner Exploration Incentive (JMEI) Scheme and for the 2019-20 tax year was able to distribute \$336,958 in JMEI credits at 27.5% able to providers of fresh equity during the 2019 financial year.

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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 2020. 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 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.

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 2020, are as follows:

| | 2020 | 2019 |
|---|-------------|-------------|
| | \$ | \$ |
| Exploration expenditure commitments payable: | | |
| - within one year | 366,603 | 236,462 |
| - later than one year but not later than five years | - | - |
| - later than five years | - | - |
| | 366,603 | 236,462 |
| Royalties | 17,900 | 31,000 |
| Farm-in expenditure (Piedmont Project) | 290,473* | 334,627* |
| Farm-in expenditure (Big Lake Uranium) | 160,000** | - |

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

** - relates to amount still to be expended before 21 July 2021 to complete the earn-in and right to acquire all the shares in Big Lake Uranium Pty Ltd.

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Note 21 Commitments (continued)

Exploration commitments (continued)

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 during the COVID 19 pandemic. The exploration expenditure commitments set out above include expenditure covenants submitted for the 2020/2021 financial year totalling \$50,000 (2019/20: \$180,000).

The Department of Mines in Energy Limited (South Australia) currently has a moratorium until 31 December 2020 on minimum exploration expenditure due to the COVID 19 pandemic. The two year covenant on the Big Lake tenement before adjustment for the moratorium is \$220,000.

Cash security bonds totalling \$223,253 (2019: \$202,489) were held by the relevant governing authorities at 30 June 2020 to ensure compliance with granted tenement conditions.

The Group has lodged a cash backed bank guarantee of \$40,000 (as a security bond) (2019: \$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.

The principal remaining commitment under the agreement after completing Phase 1 in November 2018 is to solely fund and manage a further \$400,000 program of work (Phase 2) which will include drill testing of the best target(s). 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. Alligator also agreed to fund all tenement related costs on a 100% basis for 2019 and 2020.

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 (see Note 12 (d)).

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Note 21 Commitments (continued)

Exploration commitments (continued)

Big Lake Uranium Project – Farm-in and Share Sale (continued)

The Company also issued 30,000,000 Contingent Consideration/Discovery Performance Shares which convert to fully paid ordinary 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 five (5) years (see note 12 (d)).

Cameco Option

In a prior financial year the Company acquired Cameco Australia Pty Ltd's remaining interest in the Beatrice Project for a nominal consideration and the granting of a 15-year option to Cameco (**Cameco Option**) which enables the buy-back into the Project on discovery and definition by AGE of a JORC complaint resource (inferred, indicated and measured) of 100m pounds or more of U3O8.

The Cameco Option involves the right, to be exercised within a six-month period of receiving a formal notice, to acquire a 40% interest in a JORC compliant resource with the buyback consideration being dependent on the size of the discovery and referenced to the spot price at the time. The spot price used in the formula is capped at what is assessed as a reasonable long-term sustainable uranium price. Upon the option being exercised by Cameco a mining joint venture would be formed.

The Cameco Option arises upon each separate discovery of a JORC compliant resource of 100 million pounds of U3O8 or greater discovered and defined by Alligator on the Tenements at any time up to 15 years from the date of executing the sale agreement.

Lease commitments

Non-cancellable lease rentals are as follows:

| | 2020 | 2019 |
|---|-------------|-------------|
| | \$ | \$ |
| Within one year | 16,600 | 39,322 |
| Later than one year but not later than five years | - | - |
| Later than five years | - | - |
| | 16,600 | 39,322 |

In May 2020 the Company entered into a one-year lease on an office in Spring Hill, Brisbane with no option to renew.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 22 Events occurring after the balance sheet date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and has become 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 is rapidly developing 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.

Subsequent to year end, Alligator confirmed that a Share Purchase Agreement had been executed with Samphire Uranium Limited based on the Binding Terms Sheet detailed in the market announcement of 11 June 2020. Meeting materials for both Alligator and Samphire meetings of shareholders to consider approval of the proposed transaction and to enable Samphire to conduct an in-specie distribution of the Alligator consideration shares have been dispatched. The meetings are to be held on 1 October 2020 with completion of the transaction targeted for 7 October 2020.

No matter or circumstance has arisen since 30 June 2020 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 the Company engaged Mining & Associates, an entity associated with Andrew Vigar, to assist with a technical review of the Piedmont Project data and was paid \$2,084 (2019: \$5,906).

There were no other transactions with related parties during the financial year.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 24 Parent Entity Financial Information

a. Summary financial information

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

| | 2020 | 2019 |
|--|------------------|------------------|
| | \$ | \$ |
| Balance Sheet | | |
| Current assets | 929,495 | 858,114 |
| Total assets | 9,182,429 | 9,144,138 |
| Current liabilities | 232,132 | 256,478 |
| Total liabilities | 460,538 | 484,884 |
| Issued capital | 33,834,239 | 32,826,000 |
| Option reserve | 9,704 | 12,169 |
| Accumulated losses | (25,122,053) | (24,178,915) |
| Total equity | <u>8,721,890</u> | <u>8,659,254</u> |
| Loss for the year | (969,520) | (6,674,865) |
| Total comprehensive income for the year | (969,520) | (6,674,865) |

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 2020 (30 June 2019: Nil)

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

The Parent Entity had contractual commitments as at 30 June 2020 to acquire field related equipment totalling \$nil (2019: \$nil).

Note 25 Company Details

The registered office and principal place of business of the Company as at 30 June 2020 was:

Suite 2, 128 Bowen St
Spring Hill
Brisbane QLD 4000
Phone (07) 3839 3904

**ALLIGATOR ENERGY LIMITED
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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 35 to 76 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 2020 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.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.



Paul Dickson
Chairman
Brisbane, 24 September 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIGATOR ENERGY LIMITED

Report on the Financial Report

Opinion

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 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 Company and 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.

In our opinion the accompanying 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 2020 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Emphasis of matter – Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 of the financial statements which indicates that the consolidated entity incurred losses of \$985,479 and operating and investing cash outflows of \$763,870 for the year ended 30 June 2020. These conditions, along with other matters as set forth in Note 1, 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.

Independence

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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

Carrying value of capitalised exploration expenditure

| Why significant | How our audit addressed the key audit matter |
|--|---|
| <p>As at 30 June 2020 the carrying value of exploration and evaluation assets was \$7,917,262 (2019: \$7,895,687), as disclosed in Note 9. This represents 87% of total assets of the consolidated entity.</p> <p>The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1(d).</p> <p>Significant judgement is required:</p> <ul style="list-style-type: none"> • in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and • in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular: <ul style="list-style-type: none"> ○ whether the particular areas of interest meet the recognition conditions for an asset; and ○ which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest. | <p>Our work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> ○ assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; ○ holding discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and ○ obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programme. • considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and |

- assessing the appropriateness of the related disclosures in Notes 1(d) and 9.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Directors' 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 preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Alligator Energy Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'Liam Murphy', with a long horizontal flourish extending to the right.

LIAM MURPHY
PARTNER

BRISBANE
24 September 2020

**ALLIGATOR ENERGY LIMITED
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CORPORATE GOVERNANCE STATEMENT

The ASX Corporate Governance Council Principles and Recommendations (3rd Edition) Statement for the 30 June 2020 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

Uranium

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 contracted 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.

Nickel-cobalt

Information in the Directors' Report included in this Financial Report is based on current and historic Exploration Results compiled by Mr Andrew Vigar who is a Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Vigar is a non-executive director of Alligator Energy Limited, 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 Vigar consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

PLUMBUSH INFERRED MINERAL RESOURCE - CAUTIONARY STATEMENT

In relation to the Plumbush Inferred Mineral Resource Estimate (stated in compliance with JORC 2004) of 21.8 million tonnes at grade of 292ppm eU3O8, containing 6,300t (13.9Mlbs) of mineralisation at a 100ppm eU3O8 cut-off grade the following cautionary statement is made:

- the Exploration Results have not been reported in accordance with the JORC Code 2012;
- a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;
- it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;
- nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner's Exploration Results; but
- the acquirer has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.

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PLUMBUSH INFERRED MINERAL RESOURCE - CAUTIONARY STATEMENT (CONT)

The Plumbush Inferred Mineral Resource is JORC 2004 compliant and therefore may not conform to the requirements in the JORC Code 2012. The Inferred Mineral Resource was previously announced by Uranium SA (ASX:USA) on the 8th April, 2011. All work to establish this Inferred Mineral Resource was completed by the vendor of the Samphire Project. It is the acquirer's view that the reliability of the Exploration Results is of a good standard. The drilling methods, drilling density, sampling, and downhole geophysical surveys are documented and appear to be of reasonable quality. Additionally, the geological setting and mineralisation style correlate with what is reported at the neighbouring Blackbush deposit (JORC 2012 compliant).

The Inferred Mineral Resource was based on drilling data from 43 rotary mud holes, on roughly 200metre centres. All holes were gamma probed using a suitably calibrated tool. No studies were completed on mineralogy or bulk density, with assumptions being made from the geologically similar neighbouring JORC 2012 compliant Blackbush resource.

No further recent Exploration Results or data has been identified that would be relevant to understanding the Exploration Results.

An initial assessment suggests that to restate the Plumbush Inferred Mineral Resource as 2012 JORC compliant, landholder access agreements would need to be established, a small core drill hole program would likely be required which would include some geochemical, mineralogical and density sampling. The acquirer has not established a timeframe or budget for further work at Plumbush and it should be noted that this is expected to have a lower priority than the Blackbush deposit. Any short term funding requirements will occur using internal financial resources.

The Competent Person's Statement in this Financial Report covers this Cautionary Statement.

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 11 September 2020:

1. Shareholding

a. Distribution of Holdings

Ordinary Shares (ASX: AGE)

| <i>Category (Size of Holding)</i> | <i>Number</i> |
|-----------------------------------|---------------|
| 1-1,000 | 29 |
| 1,001-5,000 | 27 |
| 5,001-10,000 | 42 |
| 10,001-100,000 | 398 |
| 100,000 and above | 866 |

b. The number of shareholdings held in less than marketable parcels (\$500) is 407.

c. The names of the Substantial Shareholders listed in the holding companies register are:

| Shareholder | Ordinary Shares | % |
|---------------------------------|------------------------|----------|
| Macallum Group Ltd & Associates | 98,314,286 | 6.83% |
| Tolga Kumova | 74,785,714 | 5.2% |

c. Voting Rights

The Voting right attached to Ordinary shares is as follows:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

The Voting right attached to the Listed and Unlisted options is as follows:

Nil

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (continued)

a) 20 Largest Shareholders – Ordinary Shares

| RANK | HOLDER NAME | SECURITIES | % |
|-------------|-------------------------------------|--------------------|---------------|
| 1 | BNP PARIBAS NOMINEES PTY LTD HUB24 | 161,976,7600 | 11.26% |
| 2 | MACALLUM GRP LTD | 98,314,286 | 6.83% |
| 3 | KITARA INV PL | 31,785,714 | 2.21% |
| 4 | LABONNE ENTERPRISES PTY LTD | 30,264,407 | 2.10% |
| 5 | REEF INV PL | 27,609,935 | 1.92% |
| 6 | FIRST INVESTMENT PARTNERS PTY LTD | 23,127,330 | 1.61% |
| 7 | GONDWANA INVESTMENT GROUP PTY LTD | 23,000,000 | 1.60% |
| 8 | SISU INTERNATIONAL PTY LTD | 20,000,000 | 1.39% |
| 9 | MR F HILLIARD & MRS I HILLIARD | 18,760,462 | 1.30% |
| 10 | MR G HALL | 16,810,555 | 1.17% |
| 11 | CITICORP NOMINEES PTY LTD | 16,601,215 | 1.15% |
| 12 | RICKETTS POINT INTESTMENTS PTY LTD | 16,458,991 | 1.14% |
| 13 | BOME SUPERANNUATION FUND | 15,855,000 | 1.10% |
| 14 | M & K KORKIDAS PTY LTD | 15,254,729 | 1.06% |
| 15 | MR M O'BRIEN | 15,040,562 | 1.05% |
| 16 | BNP PARIBAS NOMINEES PTY LTD RETAIL | 14,586,891 | 1.01% |
| 17 | ARMCO BARRIERS PTY LTD | 13,000,000 | 0.90% |
| 18 | WESTRADE RESOURCES PTY LTD | 12,196,768 | 0.85% |
| 19 | KINCARDINE (QLD) PTY LTD | 10,186,416 | 0.71% |
| 20 | MR T NAIRN | 10,044,643 | 0.70% |
| | TOTAL | 590,874,664 | 41.08% |

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (continued)

c) Restricted Securities

The following securities are restricted securities: Nil

2. Registers of securities are held at the following address:

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney, NSW 2000, Australia

3. Unquoted Equity Securities

The Company has unlisted share options on issue of 148,000,000 at the date of preparing this additional information. Further detail is provided in the Financial Statements.

4. Stock Exchange Listing

Quotation has been granted for all the issued ordinary shares (ASX: AGE) on the Australian Securities Exchange Limited.

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ANNUAL MINERAL RESOURCE STATEMENT

Caramal Resource (Caramal) – Northern Territory – T in Camp Creek Project

TCC Project Pty Ltd a wholly owned subsidiary of Alligator Energy Pty Ltd holds EL 24921 in the Alligator Rivers Uranium Province in the Northern Territory.

As announced to the ASX 19 April 2012 and detailed in Table 1 below Alligator Energy Limited released a JORC 2004 compliant mineral resource statement in 2012.

It is important to note that there has been no change to the Caramal Resource since the ASX announcement on 19 April 2012.

Table 1: Summary Inferred Resources – 19 April 2012

| Tonnage | Grade U3O8 | Contained U3O8 | Low cut-off | Top cut-off |
|----------|------------|----------------|-------------|-------------|
| 944,000* | 0.31% | 6.5Mlb | 0.1% | 1.4% |
| | 3,100 ppm | 2,950t | 1,000pp | 14,000 ppm |

* Reported in accordance with JORC Code 2004 Edition for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Results of Annual Review

The Company has not reviewed and updated the results of the initial Mineral Resource Estimate for Caramal since first determined in 2012. The Company is focused on exploration activity with the potential to identify resources of 100Mlb U3O8 or greater. As the Caramal deposit does not meet the size criteria, no further work has been undertaken since 2012.

Mineral Resource Governance

The Mineral Resources for the Caramal Resource Estimate have been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition) and have not been updated for the revised 2012 Edition. The governance and internal controls that were applied at that time were set out in the ASX Announcement of 19 April 2012. The key aspects of these have been replicated in the Competent Person Statement below.

Competent Person Statement

The 2012 Mineral Resource statement for Caramal was based on information compiled by Andrew Browne, who is a Fellow of the Australasian Institute of Mining and Metallurgy (CP Geo). The mineral resource estimates were compiled under the supervision of Andrew Browne, utilising geological interpretations by Andrew Browne and Peter Moorhouse. The geological and grade shell modelling were completed using Micromine by Peter Moorhouse under the direction of Andrew Browne. Peter Moorhouse is a contractor for Alligator Energy Ltd. Andrew Browne is the principal of GeoSynthesis Pty Ltd, and qualifies as a Competent Person as defined in the 2004 Edition of the “Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Reserves”, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken.

**ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES
ACN 140 575 604**

CORPORATE DIRECTORY

Directors

Paul Dickson – Non executive Chairman
Andrew Vigar – Non executive Director
Peter McIntyre – Non executive Director
Gregory Hall – Executive Director and CEO

Company Secretary

Michael Meintjes

Principal Place of Business and Registered Office

Suite 2, 128 Bowen Street
Spring Hill, QLD 4000, Australia
Tel: (07) 3839 3904
Web: www.alligatorenergy.com.au
Email: info@alligatorenergy.com.au

Postal Address

PO Box 338
Spring Hill, QLD 4004, Australia

Auditors

PKF Brisbane Audit
Level 6, 10 Eagle Street
Brisbane, QLD 4000, Australia

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney, NSW 2000, Australia
Tel: (02) 9698 5414
Web: www.automicgroup.com.au

ASX Code

Share Code: AGE
Listed Options Code: AGE0

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Alligator Energy Limited

ABN / ARBN

140 575 604

Financial year ended:

30 June 2020

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website: www.alligatorenergy.com.au

The Corporate Governance Statement is accurate and up to date as at *[insert effective date of statement]* and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 6 October 2020

Name of Director or Secretary authorising lodgement:
Mike Meintjes – CFO & Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity’s corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes “OR” at the end of the selection and you delete the other options, you can also, if you wish, delete the “OR” at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at www.alligatorenergy.com.au/about-us/corporate_governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|--|---|
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p>X an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p>X an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|---|--|---|---|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|--|---|--|--|
| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors: X in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): X in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: X in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | X an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ... the fact that we follow this recommendation: X in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: X in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: X in our Corporate Governance Statement OR X at www.alligatorenergy.com.au/about-us/corporate_governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|---|--|--|---|
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p>X at www.alligatorenergy.com.au/about-us/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at www.alligatorenergy.com.au/about-us/corporate-governance</p> <p>[[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p>X an explanation why that is so in our Corporate Governance Statement</p> |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|--|--|---|
| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | ... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it: x in our Corporate Governance Statement OR <input type="checkbox"/> at www.alligatorenergy.com.au/about-us/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | ... information about us and our governance on our website: x at www.alligatorenergy.com.au/about-us/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | ... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | ... our policies and processes for facilitating and encouraging participation at meetings of security holders: x in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | ... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|--|--|--|---|
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p>X at www.alligatorenergy.com.au/about-us/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p>X an explanation why that is so in our Corporate Governance Statement</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at www.alligatorenergy.com.au/about-us/corporate-governance</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|--|---|---|
| 7.3 | A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | <p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | X an explanation why that is so in our Corporate Governance Statement |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p>X in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|--|--|---|--|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | |
| <p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| <p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |



ALLIGATOR ENERGY LTD

ACN 140 575 604

Ph (07) 3852 4712
PO Box 338, Spring Hill, Qld 4004
Suite 2, 128 Bowen Street, Spring Hill, QLD 4000

CORPORATE GOVERNANCE STATEMENT

Dated: 30 June 2020

Unless disclosed below, all the recommendations of the ASX Corporate Governance Council (3rd Edition) have been applied covering the financial year to 30 June 2020.

The Company will be measuring its governance practices against the recommendations of the 4th Edition commencing in the forthcoming financial year i.e. 30 June 2021. In this regard the Company has identified the following major areas of focus for consideration as:

- Review of the Board Charter to ensure clear articulation of matters that are expressly reserved to the Board and those delegated to Management;
- Articulation of the Company's values;
- Adopting an anti-bribery and corruption policy to supplement the requirements of the Code of Conduct;
- Review of the Continuous Disclosure Policy to ensure consideration of the further matters detailed in the 4th Edition; and
- Confirming in the Shareholder Communication Policy that all substantive resolutions put to Shareholders in general meeting will be decided by poll rather than by a show of hands.

The Board has responsibility for corporate governance for the Alligator Energy Limited (the Company) and its subsidiaries (the Group) and has implemented policies, procedures and systems of control with the objective of ensuring an appropriate framework for governance outcomes that meet the expectations of stakeholders.

This Statement sets out corporate governance practices adopted by the Board which were in place during the financial year ended 30 June 2020 unless otherwise noted. Where the Board considers that adoption of a recommendation is not applicable due to the size or complexity of the Group's operations, this is separately detailed.

Further information relating to the Group's corporate governance practices and policies is publicly available on the Group's website at www.alligatorenergy.com.au
The table below summarises the status of the Group's compliance with each of the recommendations contained in the ASX Principles and Recommendations at the date of this statement and discloses reasons for non-compliance where necessary.

| ASX Corporate Governance Principle and Recommendations | | Status |
|---|---|--|
| Principle 1 – Lay solid foundations for management and oversight | | |
| 1.1 | Companies should establish and disclose the respective roles and responsibilities of the board and management and those matters expressly reserved to the Board and those delegated to Management. | <i>Compliant</i> - see Corporate Governance Charter. |
| 1.2 | A listed entity should: <ul style="list-style-type: none"> • Undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election as a director; and • Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | <i>Compliant</i> - appropriate checks are conducted prior to appointing a new director or senior executive. Shareholders are provided with all relevant information available to the Board, relevant to a decision on whether or not to elect or re-elect a Director. |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | <i>Compliant</i> - written agreements are in place setting out the terms of appointment. |
| 1.4 | The Company Secretary of a listed entity should be accountable directly to the board, through the chair on all matters to do with the proper functioning of the board. | <i>Compliant</i> - the Company Secretary is accountable to the Board, through the Chair, on all matters to do with proper functioning of the Board. |
| 1.5 | A listed entity should: <ul style="list-style-type: none"> • Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them; • Disclose the policy or a summary of it; and • Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board, and the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation. | <i>Non- Compliant</i> - the Group has a Diversity Policy which documents the principles and commitment in relation to maintaining a diverse group of employees. The Group has not however set measurable objectives for achieving gender diversity due to the size of the Group (three employees and two contractors). The Group intends to establish quantifiable measures at the time that operations grow beyond early stage exploration. |
| 1.6 | A listed entity should: <ul style="list-style-type: none"> • Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and • Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | <i>Non-Compliant</i> - the Group has a process for periodically evaluating the collective performance of the Board but did not occur during FY20. In addition, the Board is yet to implement a process of evaluating the performance of individual directors due to the current size and scale of operations. Further detail on the process and plans is |

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| | | provided in this Corporate Governance Statement. |
| 1.7 | <p>A listed entity should:</p> <ul style="list-style-type: none"> • Have and disclose a process for periodically evaluating the performance of its senior executives; and • Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | <i>Compliant</i> - a performance evaluation for senior executives took place during the year in accordance with the Group's annual performance assessment process. |
| Principle 2 - Structure the board to add value | | |
| 2.1 | <p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> • A nomination committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attending • If it does not have a nomination committee disclose the fact and the processes it employs to address Board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. | <i>Compliant</i> - the full Board currently carries out the function of a Nomination Committee due to the size of the Group and its current level of activity. The Board, in conjunction with the annual review of the strategy considers the size, composition, skills, competencies and diversity required in order to effectively discharge its duties and responsibilities. |
| 2.2 | A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. | <i>Compliant</i> - the Board has reviewed its composition and assessed a matrix of skills in light of its current operations and requirements. See Appendix 1 for summary. |
| 2.3 | <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> • The names of the directors considered by the Board to be independent directors; • If a director has an interest, position, association or relationship of the type described in Box 2.3 (ASX independent guidelines) but the Board is of the opinion that it does not compromise the independence of the director, the nature of the relationship and an explanation of why the Board is of that opinion; and • The length of service of each director. | <i>Compliant</i> - further detail provided in this Corporate Governance Statement. |
| 2.4 | A majority of the board of a listed entity should be independent directors. | <i>Non-Compliant</i> - at the date of this report the Board comprised of four directors, two of whom are regarded as independent. |
| 2.5 | The Chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | <i>Compliant</i> - the Chair is an independent non-executive director |

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| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively. | <i>Compliant-</i> the Group has an established program for inducting a new director. This covers all aspects of the Group's activities and policies. The Group encourages directors to actively participate in continuing professional development relevant to their qualifications and experience. |
| Principle 3 – Act ethically and responsibly | | |
| 3.1 | A Listed entity should: <ul style="list-style-type: none"> • Have a Code of Conduct for its directors, senior executive and employees, and • Disclose the Code or summary of it. | <i>Compliant-</i> the Group has a Code of Conduct which is included on the Group's website. |
| Principle 4 - Safeguard integrity in corporate reporting | | |
| 4.1 | The Board of a listed entity should: <ul style="list-style-type: none"> • Have an audit committee which has at least 3 members (all of whom are non-executive directors and a majority independent), be chaired by an independent director who is not Chair of the Board, disclose the committee charter, the relevant qualifications and experience of the members of the committee, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance • If it does not have an audit committee disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. | <i>Non- Compliant-</i> the Group has an Audit & Risk Management Committee which is chaired by an independent director but only comprises of the two Independent Directors of the Company. The Charter of the Committee is included in the Corporate Governance Charter included on the Group's website. The qualifications of Committee members and the number of meetings held during the year are disclosed in the Annual Report. |
| 4.2 | The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | <i>Compliant-</i> The Board receives Section 295A Declarations from the CEO and CFO before approving the financial statements for the Half-Year and the Full-Year. |
| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | <i>Compliant-</i> the auditor is advised of the date, time and venue for the AGM. |
| Principle 5 - Make timely and balanced disclosure | | |
| 5.1 | A listed entity should: <ul style="list-style-type: none"> • Have a written policy for complying with its | <i>Compliant-</i> the policy is included on the Group's |

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| | <p>continuous disclosure obligations and the listing rules, and</p> <ul style="list-style-type: none"> • Disclose the policy or a summary of it. | website |
| Principle 6 - Respect the rights of security holders | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <i>Compliant-</i> the Group has a website (www.alligatorenergy.com.au) where investors are able to locate information about the Group, its Directors, Senior Executives and the Group's governance framework. |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | <i>Compliant-</i> see the Shareholder Communications Policy on the website. |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | <i>Compliant-</i> see the Shareholder Communications Policy on the website. |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <i>Compliant-</i> the Group encourages the use of electronic means of communication through registering with the share registry (Security Transfer Australia). |
| Principle 7- Recognise and manage risk | | |
| 7.1 | <p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> • Have a committee, or committees to oversee risk, each of which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance. • If it does not have a risk committee, or committees that satisfy the above requirements, disclose that fact and the processes it employs for overseeing the entity's risk management framework. | <p><i>Non- Compliant-</i> the Group has an Audit & Risk Management Committee which is chaired by an Independent Director but only comprises the two Independent Directors of the Company. The Charter of the Committee is included in the Corporate Governance Charter.</p> <p>The Charter together with the Risk Management Policy is included on the website.</p> |
| 7.2 | <p>The Board, or committee, of the Board should:</p> <ul style="list-style-type: none"> • Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and • Disclose in relation to each reporting period whether such a review has taken place. | <i>Compliant-</i> the Audit & Risk Management Committee together with the Board receive reports on the status and management of the strategic and operational risks in order to confirm that the framework for risk management remains sound for the size and scale of operations. The Audit & Risk Committee considers the appropriateness of the framework at the time of |

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| | | approving the Annual Financial Statements. See this Corporate Governance Statement for more detail. |
| 7.3 | A listed entity should disclose: <ul style="list-style-type: none"> • If it has an internal audit function, how the function is structured and what role it performs, or • If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | <i>Compliant-</i> the Group does not have an internal audit function. Further details on how risk management and internal controls are evaluated are set out in this Corporate Governance Statement. |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages or intends to manage those risks. | <i>Compliant-</i> see further detail in this Corporate Governance Statement. |
| <p>Principle 8- Remunerate fairly and responsibly Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear</p> | | |
| 8.1 | The Board of a listed company should: <ul style="list-style-type: none"> • Have a remuneration committee which has at least 3 members (majority independent), be chaired by an independent director, disclose the committee charter, disclose the committee members, and disclose at the end of each reporting period the number of times the committee met during the reporting period and individuals attendance. • If it does not have a remuneration committee disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. | <i>Non- Compliant-</i> the full board performs the role of the Remuneration Committee and the Charter is set out in the Corporate Governance Charter set out on the Group’s website. Details of the number of board meetings held during the year are disclosed in the Annual Report. |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | <i>Compliant-</i> the Group discloses its policy on remuneration in the Remuneration Policy on the website and the Remuneration Report contained within the Group’s Annual Report. |
| 8.3 | A listed entity which has an equity-based remuneration scheme should: <ul style="list-style-type: none"> • Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk and participation in the scheme, and • Disclose that policy or a summary of it. | <i>Compliant-</i> the Group has a Trading Policy which prohibits the use of derivatives. The Policy is included on the Group’s website. |

The Corporate Governance Principles and Recommendations

Principle 1 – Lay solid foundations for management and oversight

Roles and responsibilities of the Board and Management

The Group has established a Corporate Governance Charter which details the adopted practices and processes in relation to matters reserved for the Board's consideration and decision-making and specifies the level of authorisation provided to other key management personnel.

The Corporate Governance Charter sets out the functions of the Board which include:

- ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all relevant laws;
- developing, implementing and monitoring operational and financial targets for the Group;
- appointment of appropriate staff, consultants and experts to assist in the Group's operations, including the selection and monitoring of a chief executive officer;
- ensuring appropriate financial and risk management controls are implemented;
- approving and monitoring financial and other reporting;
- setting, monitoring and ensuring appropriate accountability for directors' and executive officers' remuneration;
- establishing and maintaining communications and relations between the Group and third parties, including its shareholders and ASX;
- implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;
- oversight of the Group including its framework of control and accountability systems to enable risk to be assessed and managed;
- appointing and removing the chief executive officer;
- ratifying the appointment and, where appropriate, removal of the Chief Financial Officer and the Company Secretary;
- input into and final approval of the management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance, implementation of strategy and ensuring appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approval of the annual budget;
- monitoring the financial performance of the Group;
- liaising with the Group's external auditors;
- monitoring, and ensuring compliance with, all of the Group's legal obligations;
- approving and monitoring financial and other reporting; and
- appointing and overseeing Committees where appropriate to assist in the above functions and powers.

The day to day management of the Group's affairs and the implementation of the corporate strategy have been formally delegated by the Board to the Chief Executive Officer.

A copy of the Corporate Governance Charter can be located on the Group's website.

Director Checks

The Group performs checks on all new appointments to the Board which include checks on a person's character, experience, education, criminal record and bankruptcy history.

New directors are required to provide consent for the conduct of background checks and also confirm their availability to spend time on Group related matters.

Directors appointed to a casual vacancy must stand for re-election at the next AGM. At that time, the Notice of Meeting provides shareholders with information about the director including details of relevant skills, experience and any other relevant information available to the board at that time. A similar approach together with disclosure of length of service is adopted for directors standing for re-election under the Group's rotation policy.

Written Agreements with Directors

The Group has a written agreement with all non-executive directors which sets out the terms and conditions associated with their office.

The Group has entered into a separate Service Agreement with the CEO & Executive Director. The details of this arrangement are set out in the Directors' Report - Remuneration Report section.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters associated with the proper functioning of the Board.

The details and qualifications of the Company Secretary are set out in the Directors' Report which is part of the Annual Report.

Diversity

The Group has a Diversity Policy which documents the principles and commitment in relation to maintaining a diverse employee base within the Group. This policy can be found on the Group's website.

The Group values diversity and recognises the benefits that it brings to the Group and our employees. The Group is committed to employing from a diverse range of ethnic and cultural background and in particular to involve the Traditional Owners (TOs) in our field-based activities.

The Group has not however set measurable objectives for achieving gender diversity due to the size and current level of activities. The Board does however continue to monitor diversity across the operations and will decide at some point in the future when it is appropriate to set such objectives. The total proportion of men and women across the organisation is listed in the table below:

| Category | Male | Female |
|---|----------|----------|
| Board (1 executive and 3 non-executive) | 4 | 0 |
| Senior Management | 2 | 0 |
| Staff | 1 | 1 |
| Total Organisation | 7 | 1 |

Assessment of Board Performance

The Group has a policy of reviewing the collective performance of its Board on a periodic basis and plans in the future to consider the performance of the individual directors. This process is managed by the Chairman based on the feedback provided through a structured

questionnaire. The results of the feedback provided by each Board Member and the Company Secretary are then summarised and tabled for discussion.

A review was not conducted in the past twelve months but plans are to schedule a review process in the coming financial year in line with the increase in planned activities post the closure of the Samphire transaction and the expected easing of the COVID 19 restrictions.

Assessment of Management Performance

The Board conducted a performance assessment of the CEO, Management and Staff and the results were tabled at the March 2020 Board Meeting (Management and Staff) and May 2020 for the CEO.

Each employee or contractor has 4 or 5 key performance indicators (KPIs) associated with their role and responsibility. Performance against these KPIs is reported to and confirmed by the Board.

Principle 2 - Structure the board to add value

Nomination Committee

The Board has not established a Nomination Committee. The roles and responsibilities of a Nomination Committee are set out in the Group's Corporate Governance Charter and these are currently overseen by the full Board.

The Board continues to monitor its composition and the roles and responsibilities of its members and considers board renewal and succession during the board performance review process.

The Board shall, upon the Group reaching the requisite corporate and commercial maturity, approve the constitution of a Nomination Committee to assist the Board in relation to the appointment of directors and senior management.

The Company's Constitution provides that at every Annual General Meeting, one third of the directors shall retire from office but may stand for re-election.

Skills Matrix

The Board has the objective of maintaining a mix of skills and expertise which is commensurate with the size and current activities of the Group.

A Board Skills Matrix has been prepared based on individual self-assessment by Directors and has been reviewed by the Board. The Skills Matrix considers the level of experience and expertise of the Board across the areas of industry, technical, corporate (including other board roles, finance, governance and risk) leadership and strategy. Each of these areas is appropriately represented for the Group's current operations. Diversity at present is only considered based on Board tenure, tertiary qualifications and geographic exposure.

Independence

Applying the ASX Guidelines on independence as set out in Box 2.3, it is considered that there are two Independent Directors of the four member Board, being Andrew Vigar, Paul Dickson at the reporting date of 30 June 2020.

A brief summary of the skills, experience and expertise of each Director who is in office at the date of the Annual Report and their term of office are detailed in the Directors' Report. Paul Dickson and Andrew Vigar have both been directors of the Company from the time of listing on the ASX in 2011. Peter McIntyre was appointed at the time that Macallum Group

Limited became a substantial shareholder of the Group on 30 October 2013 and Gregory Hall was appointed on 24 July 2015.

The size of the Board is considered appropriate for current scale of operations and will be reviewed for the inclusion of an additional independent director once circumstances change.

Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Group's expense. Written approval must be obtained from the Chair prior to incurring any expense on behalf of the Group.

The Board is conscious of the need to transparently manage independence and in this regard a Conflicts Register is maintained. This register is tabled for confirmation of accuracy at the commencement of each board meeting. Where an actual conflict of interest arises during a board meeting, the relevant director(s) leave the meeting to ensure full and frank discussion on the matter at hand unless it is unanimously agreed by the non-conflicted Directors that they are able to participate in the discussion but not vote.

Independence of the Chairman

The Group's Chairman since November 2018, Paul Dickson, meets the ASX Corporate Governance independence assessment criteria.

Director Induction

The Group has a program for inducting new directors. The induction program covers all aspects of the Group's activities.

In order to develop and maintain the skills and knowledge required to perform their role, all Directors are encouraged to undertake continuing professional development in their fields of expertise. Directors will be granted reasonable access to resources and training in order to address any identified skills gap, based on developments in the industry and environment in which the Group operates.

Principle 3 -Act ethically and responsibly

Code of Conduct

The Board acknowledges and emphasises to all directors and employees the importance of maintaining the highest standards of corporate governance practice and ethical conduct.

A Code of Conduct has been adopted requiring directors, employees and contractors to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law; and
- encourage reporting and investigating of unlawful and unethical behaviour.

In summary, the Code requires that all personnel act with integrity, objectivity and in compliance with legislation and Group policy.

Trading Policy

The Company's Constitution permits directors to acquire securities in the Company, however prohibits Directors, Senior Management and Employees from dealing in the Company's securities at any time whilst in possession of price sensitive information and for 24 hours after:

- Any major announcements; and
- The release of the Group's quarterly, half yearly and annual financial results to the Australian Securities Exchange.

Directors must advise the Chairman before buying or selling securities in the Company and the Chairman must inform an Independent Director and the Company Secretary. In accordance with the provisions of the Corporations Act and the Listing Rules of the Australian Securities Exchange, the Group advises the Exchange of any transaction conducted by Directors in securities of the Company.

The Code of Conduct and Trading Policy are included on the Group's website.

Principle 4 - Safeguard integrity in corporate reporting

Audit Committee

The Group has established an Audit and Risk Management Committee.

The Audit and Risk Management Committee is currently comprised of Paul Dickson and Andrew Vigar (chair). The Committee only consists of the two Independent Non-executive Directors currently on the Board. The size of the Board (and hence the ability to appoint three suitably qualified non-executive directors to the Committee) is considered appropriate for current scale of operations and will be reviewed for the inclusion of an additional independent director once circumstances change.

The qualifications and experience of those appointed to the Audit and Risk Management Committee are included in the Annual Report- Directors' Report section.

The Audit and Risk Management Committee Charter is set out as a sub-section of the Corporate Governance Charter which can be found on the Group's website. Responsibilities of the Audit and Risk Committee include appointment, compensation and oversight of the independent auditor, review of the half year and full year financial statements and review of the effectiveness of the risk management framework.

The number of meetings of the Audit and Risk Committee and attendance at those meetings is shown in the Annual Report- Directors' Report section.

CEO and CFO declarations

Prior to approving the half-year and full-year financial statements the Audit and Risk Management Committee, on behalf of the Board, receives a section 295A (Corporations Act) declaration from the CEO and the CFO/Company Secretary.

Auditor attendance at the AGM

The auditor is required to attend the Annual General Meeting of Shareholders. The Chairman permits Shareholders to ask questions of the Auditor which concern the conduct of the audit and preparation of the Audit Report.

Principle 5 - Make timely and balanced disclosure

Continuous disclosure

The Group has a written policy and procedure designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure delegated accountability for compliance at a senior executive level. The policy is included on the Group website.

The Board has nominated the CEO and Company Secretary as the persons responsible for communications with the Australian Securities Exchange (ASX). The role includes responsibility for ensuring that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act and ASX Listing Rules.

All information released to the ASX is available on the Group's website.

Principle 6 - Respect the rights of security holders

Information concerning the Company and its governance

The Group has a Shareholder Communication policy and it is available on the Group's website at www.alligatorenergy.com.au.

The Group website enables security holders to access information about the Group, Directors and the Group's governance framework.

Investor relations

The Board strives to ensure that security holders are provided with sufficient information to assess the performance of the Group and its Directors and to make well-informed investment decisions.

The Group does not have a formally appointed investor relations manager due to the current size and scale of operations. This function is currently overseen by the full Board as a standard agenda item and from time to time through the appointment of a media relations advisor.

Information is communicated to security holders through:

- annual, half-yearly and quarterly activity reports;
- annual and other general meetings convened for shareholder approval of Board proposals;
- continuous disclosure of material matters released to the ASX for open access;
- investor roadshows (when appropriate) in capital cities where the Group's shareholders are well represented; and
- a website where all ASX announcements, notices and financial reports are published as soon as practical after release.

Security holders and other financial market participants are also able to contact the Group directly to discuss matters of concern or information that is in the public domain.

Participation at meetings of Security holders

Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Alligator Energy Limited. An opportunity is provided for Shareholders to raise questions on the matters of business for response by the Board.

Electronic communications

Shareholders with access to the internet are encouraged to register with the Group's share registry (hello@automic.com.au) in order to receive electronic notifications when market sensitive information is released on the ASX platform. Shareholders are also encouraged to register with the share registry (Automic) to receive shareholder related information electronically, including Annual Reports and Notice of Meetings.

Principle 7- Recognise and manage risk

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. The Board has identified the significant areas of potential strategic and operational risk to the Group.

Risk Committee

The Board has established an Audit and Risk Management Committee. The Charter for this Committee is included in the Corporate Governance Charter on the Group's website. The composition of the Committee has previously been outlined under Principle 4 above along with the independence and current size. The number of meetings held during the reporting period and attendance at these meetings is set out in the Directors' Report within the Annual Report.

The Audit and Risk Management Committee is responsible for ensuring that adequate policies and procedures are in place in relation to effective risk management, compliance and internal controls. The Committee recommends any actions it deems appropriate to the Board for consideration.

The Group's Risk Management Policy is on the Group's website.

Risk Management oversight

The Board is responsible for satisfying itself annually, or more frequently if required, that the Group's risk management framework continues to be sound. This review is conducted through consideration of the strategic risk register at board meetings, operational risk updates from the Exploration Manager and review of the effectiveness of the risk management framework by the Audit and Risk Management Committee on an annual basis.

Management is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control systems. In this regard the identification, monitoring and, where appropriate, the reduction of significant risk to the Group is the responsibility of the CEO in conjunction with the Exploration Manager and CFO/Company Secretary.

The Group does not believe it is of a size that warrants an internal audit function. However the Board and management maintain the required level of assurance through the implementation of a 'fit for purpose' system of internal controls which is monitored by the Audit and Risk Management Committee including the requirement to complete an annual financial internal controls questionnaire.

Exposure to material economic, environmental and social responsibility risk

The Group is focused on the discovery and exploitation of uranium and other energy minerals and currently operates in Arnhem Land, South Australia and northern Italy. As a result there is a potential for material exposure to sovereign, economic, cultural heritage, environmental and sustainability risks.

The Group is acutely aware of the potential business risks associated with mineral exploration and is committed to ensuring that sound health and safety, cultural heritage, environmental and community relations practices are in place during the conduct of its exploration activities. The Group has allocated responsibility for establishing and maintaining a culture of good practice through Occupational Health and Safety, Land access, Environmental and Community Relations plans. The management plans in relation to these risks in Arnhem Land are the subject of an annual review by the Department of Primary Industries and Resources (NT).

Economic

The Group is exposed to the global commodity price sentiment for uranium as well as community sentiment towards nuclear power. In this regard the Group monitors the market fundamentals, the debate on the use of nuclear power and the ongoing commitment to reducing carbon emissions. The Group is of a belief that nuclear power will play an important part in a lower carbon emission environment. The Group also has commodity price exposure to nickel and cobalt through the move away from the combustion engine with the rapid technological development of electric vehicles

Key economic risk exposures managed under the Risk Management Policy relate to funding, foreign exchange and dependency on a small team of key personnel.

Sovereign

Changes in government regulations and policies in Australia may adversely affect the financial performance or the current and proposed operations.

The South Australian Government is currently undertaking a review of the Mining Act with a number of proposed amendments being considered for introduction in 2021. The Group plans to actively monitor and participate where relevant in feedback on any changes that would have an effect of the Big Lake or Samphire Projects.

The Company's Co-Ni project at Piedmont is located in northern Italy. Possible sovereign risks associated with operating in Italy include, without limitation, changes in the terms of relevant (including mining and environmental approval) legislation or government policy, changes to royalty arrangements, changes to taxation rates and concessions, community concerns with mining and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Group, the value of the Group's Project and the market price of its shares.

Recent legislative changes in Italy require all drilling permit applications to be assessed by a centralised National authority. Alligator was one of the first explorer's to apply for a drilling permit under the new process and the extended timeline to secure this approval (obtained in April 2020) highlighted the uncertainties that arise when legislation or processes are changed by Governments.

No assurance can be given regarding future stability in Italy or any other country in which the Company may, in the future, have an interest.

Environmental

As a mineral explorer the Group is committed to undertaking its ongoing program of geophysical surveys and geochemical sampling (together with drilling at the appropriate time) in a responsible manner and in accordance with the regulations specified by the Department of Primary Industry and Resources (NT), Department of Mines (SA) and Environmental Management (Italy). Disturbances arising during a field season are rehabilitated immediately unless further work is planned in the ensuing years.

Social Responsibility and Cultural Heritage (sustainability)

The Group operates in Arnhem Land with the consent of the Traditional Owners. On an annual basis a work program meeting is held to discuss and agree planned activities. Cultural Heritage clearances are undertaken in collaboration with the Traditional Owners.

Exploration Agreements covering areas such as land access and clearance, management of cultural heritage, conduct of work programs are in place for Arnhem Land and are currently

under negotiation in South Australia for the Big Lake Project. In the current financial year the Group finalised its first Exploration Agreement for the Nabarlek North application which allows for a one-off option for the Traditional Owners to acquire a 25% direct ownership in an economic uranium resource (if found), in exchange for a reduction in certain production related royalties and payments. This option arises at the time a feasibility report is finalised in relation to a proposed mining right application.

The Group is committed to involving the Traditional Owners in opportunities to be employed during the field season and also provides access to training which is beneficial to the individual's employment opportunities and the Group.

Drilling permits recently issued in Italy include consideration of the impact on communities including noise and water usage.

The Group is exposed to Occupational, Health and Safety risks associated with its exploration activities, often in rugged terrain. Site inductions, management plans and tool box sessions are in place to minimise the risk of harm to employees or contractors. In addition a Radiation Management Plan has also been put in place.

The key social responsibility risk managed under the Risk Management Policy is the 'social licence to operate' from the surrounding Community, the Group's employees and other stakeholders. In addition the Group has identified the reputational risk of operating as a responsible corporate citizen.

Principle 8- Remunerate fairly and responsibly

Remuneration Committee

The Board has not established a Remuneration Committee. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing such a committee. The role of a remuneration committee is carried out by the full Board which only comprises of two independent directors. The Group has adopted a Remuneration Committee Charter, which is set out in the Group's Corporate Governance Charter.

Disclosure of remuneration policies and practices

The Group recognises the need to pay director remuneration that is sufficient to attract and retain high quality directors and to design executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for shareholders. In this regard a Remuneration Policy has been approved and can be found on the Group's website. Due to the tough economic environment which has been exacerbated by the COVID-19 pandemic Directors have agreed to an approximate 20% temporary reduction in fees.

The Chairman and the Non-Executive Directors are entitled to draw directors' fees and receive reimbursement of reasonable expenses for attendance at meetings. The Board has adopted, and Shareholders have approved, a Director Fee Plan that enables directors (on a quarterly basis) to accept shares in lieu of cash payments of director remuneration.

Senior Executives of the Group sign formal employment or contractor agreements at the time of their appointment covering matters including duties, responsibilities and entitlements. Key Performance Indicators associated with the role are identified and performance incentives are aligned with the short-term and long-term objectives of the Group. The performance of senior executives was assessed on an annual basis by the Board.

The Group discloses in its Annual Report (Remuneration Report section) details of remuneration of Key Management Personnel which includes directors and senior executives.

APPENDIX 1 – BOARD SKILLS MATRIX

| Skills and Experience (Out of 4 Directors) | |
|--|---|
| Leadership and Governance | |
| Corporate Leadership | 3 |
| Corporate Governance | 4 |
| Strategy | 4 |
| Operations | |
| Geological | 1 |
| Feasibility and Development | 3 |
| Health and Safety | 1 |
| Sector Experience | |
| Exploration | 2 |
| Uranium | 3 |
| Finance and Risk | |
| Accounting & Finance | 2 |
| Mergers & Acquisitions | 3 |
| Risk Management | 2 |
| People | |
| Community Relations | 1 |
| Investor Relations | 3 |
| Tertiary Qualifications | |
| Geology/Engineering | 3 |
| Accounting/Economics | 1 |
| Other | - |
| Tenure | |
| 0-3 years | 0 |
| 3-6 years | 1 |
| 6-9 years | 1 |
| 9+ years | 2 |

Skills were self-assessed by each Director based on a scale of Low to Expert. The table above has been completed on the basis of each individual attribute with a rating of High or Expert.