ALLIGATOR ENERGY LIMITED

ACN 140 575 604

31 December 2018
HALF YEAR FINANCIAL REPORT

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

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The information in this report should be read in conjunction with the Annual Report for the year ended 30 June 2018 which is available from the Alligator Energy Limited website: www.alligatorenergy.com.au

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' REPORT

The Directors of Alligator Energy Limited (the 'company', 'Alligator') and its controlled entities (the 'Group') present their report, together with the financial statements of the Group, for the half-year ended 31 December 2018.

Directors

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

John Main	Chairman (retired from the Board on 29 November 2018)
Paul Dickson	Non-Executive Director (Chairman effective from 29 November 2018)
Andrew Vigar	Non-Executive Director
Peter McIntyre	Non-Executive Director
Gregory Hall	Executive Director & Acting CEO

Principal activities

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

Alligator continues to maintain its uranium projects in the Alligator Rivers Uranium Province in good standing and during the half-year conducted an exploration drilling campaign at the TCC4 prospect.

A mapping and sampling program was conducted at the Piedmont Project in northern Italy (farm-in) and was completed during the half year along with a magnetometer survey.

Dividends

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

Review of operations

(i) **Exploration and R&D activities**

Alligator Rivers Province (ARUP) – TCC and Beatrice Projects

During the half-year the Company's principal focus for the ARUP was on the TCC Project where an exploration drilling program was conducted at the TCC4 prospect. Drilling occurred along four transect lines representing a strike length of 1,600 metres at the north eastern end of a 4,000 metre long zone of coincident SAM geophysical and radiogenic pathfinder surface anomaly (Figure 2). This represents 40% of the total anomalous strike length.

Seven holes for a total of 2,138m were completed between 4 September and 10 October 2018. Being the first holes targeting concealed uranium deposits under sandstone cover using Alligator's combined proprietary geochemical sampling and geophysical methods, results have proved technically encouraging.

DIRECTORS' REPORT

Review of operations (continued)

Of the seven holes drilled, five have intersected key target features, including:
- Graphitic schists of the Cahill formation
- Brecciated basement structures not reflected in sandstone cover
- Chlorite and haematite alteration in both basement and overlying sandstone cover
- Garnetiferous schists comparable to Mid-Cahill found proximal to Ranger and Jabiluka
- Carbonate veins at depth believed to be re-mobilised from deeper Lower Cahill formation

These key features indicate geophysical and stratigraphic targeting has been successful with Lower Cahill potentially indicated further to the north-west.

Modelling of new downhole decay isotope assays is being carried out along with original surface samples to identify the cause / source of anomalous results across the TCC4 prospect.

All drilling contractors, crew, and equipment were demobilised during the quarter, completed in conjunction with rehabilitation of all tracks and drill sites utilised throughout the drilling campaign.

The Company's Myra camp was again secured and closed with commencement of the NT wet season.

Piedmont Project, northern Italy

From May to July 2018, Alligator's exploration team completed substantial "First Pass" on-ground geological and structural mapping, along with extensive geochemical sampling and a ground-based magnetometer survey around historical mines and other prospective sites within the Piedmont Project area. Piedmont is a Farm-in/Joint Venture with Chris Reindler and Partners (CRP). The focus of this work was to confirm that the presence and tenor of the mineralisation and that it was of a style and extent capable of hosting a significant deposit.

During the half-year Alligator released the following significant assay results received from its detailed on-ground geochemical sampling and mapping work at its Piedmont nickel-cobalt-copper project in northern Italy with results shown below in Figure 3 (refer to ASX releases on 26 July 2018 and 14 September 2018).

Significant geochemical rock chip sample assays – Batch 1 released July 2018, included:

Alpe Laghetto	Sample P18-S053 - **1.56% Ni, 0.13% Co, 0.10% Cu**
	Sample P18-S059 - **1.36% Ni, 0.13% Co, 0.09% Cu**
	Sample P18-S015 - **0.19% Ni, 0.02% Co, 0.98% Cu**
Alpe Cevia	Sample P18-S003 - **2.48% Ni, 0.17% Co, 0.13% Cu**
	Sample P18-S080 - **1.57% Ni, 0.11% Co, 0.07% Cu**
La Balma	Sample P18-S027 - **1.03% Ni, 0.10% Co, 0.08% Cu**
	Sample P18-S026 - **0.29% Ni, 0.03% Co, 0.72% Cu**
	Sample P18-S025 - **0.97% Ni, 0.08% Co, 0.12% Cu**

Review of operations (continued)

Significant geochemical rock chip sample assays – Batch 2 released Sept 2018, included:

Laghetto North	Sample P18-S102 **- 1.73% Ni, 0.09% Co, 0.43% Cu**
Castilo di Gavala	Sample P18-S176 **- 1.31% Ni, 0.04% Co, 0.87% Cu**
	Sample P18-S177 **- 6.38% Cu, 0.75% Ni, 1.39g/t Au**
La Balma	Sample P18-S131 - **2.24% Ni, 0.19% Co, 0.09% Cu**
La Balma SE	Sample P18-S121 **- 1.21% Ni, 0.09% Co, 0.11% Cu**
	Sample P18-S122 **- 0.86% Ni, 0.06% Co, 0.18% Cu**
Gula	Sample P18-S160 **- 0.93% Cu**
Gula (cont)	Sample P18-S170 **- 60.8g/t Au, 0.38% Cu**
	Sample P18-S159 **- 41.5g/t Au**
Vallar	Sample P18-S109 **- 10.45g/t Au**

Of the 177 samples collected to date, 159 are located within the Alpe Laghetto licence area. In total seven prospects have returned results >1% Ni, these being Alpe Cevia, Alpe Laghetto, Laghetto North, La Balma, La Balma SE, La Balma SW and Castillo di Gavala. Even more promising is the strong Cobalt credentials associating with higher Ni percentages from this initial sampling, confirming this as being a high cobalt nickel sulphide.

Five of these prospects form the north-south La Balma-Laghetto trend of intermittently outcropping mineralisation over a 2 to 3km strike length, showing geological similarities and structural connections.

Sampling results from Castilo di Gavala in the southern-most EL, some 10km to the south of La Balma-Laghetto area show the potential of "pipe" style mineralisation in the region with exceptionally high Cu-Ni grades returned in sample P18-S177 of 6.38% Cu and 0.74% Ni. This is supported by a second grab sample P18-S176 returning 1.31% Ni and 0.87% Cu.

Another prospect which returned promising assays was the historic Gula mine. Sampling at the Gula prospect has returned highly anomalous Au in conjunction with a moderate Cu occurrence. Sample P18-S170 represents the stand out result, returning 60.8g/t Au and 0.38% Cu. This is supported by 41.4g/t Au and 0.93% Cu in samples P18-S159 and P18-S160 respectively.

Petrographic results from five samples were received in the last quarter of 2018 and are being analysed as part of the Piedmont project review. These petrographic reports will aid in further distinguishing high grade granulite metamorphics from gabbroic mantle sequences in future field work and aid with geological interpretations.

A ground magnetometer survey was undertaken during the field work. The results of this geophysics magnetometer survey are so far inconclusive, and the technique appears to primarily highlight magnetite bearing structures. Further geophysical techniques will be investigated during the review.

Our Farm-in and JV partner (CRP) coordinated the lodging of drilling permit applications during November and December, with approximate drilling areas outlined rather than detailed drill-hole

Review of operations (continued)

locations at this stage. An environmental screening study was completed over the tenement areas in support of the drilling application. An initial meeting was held with the Piedmont Regional mining authorities, with input from local environmental office, plus local community representatives. No significant impediments to drilling were indicated, and further work to be completed was identified, with a positive and collaborative approach within the meeting.

In late November 2018, the Company announced that it had completed the Phase 1 work program and had committed to Phase 2 of the Piedmont Project.

At 31 December 2018, Alligator and its JV partner were awaiting advice from the Environment Ministry regarding its Environmental Screening study and drilling plans.

Alligator's Farm-in agreement with CRP comprises:

- Up-front payments in shares and cash;
- An exploration spend totaling $650,000 to achieve a 51% ownership in the underlying titles. The exploration to be conducted through a Phase 1 and 2 work program which then activates the joint venture arrangement; and
- Option to increase ownership to 70% through a further $1.25 million program of work.

Formal execution of a Farm-in Agreement with Ivrea Minerals Pty Ltd and KEC Exploration Pty Ltd (collectively Chris Reindler and Partners) covering the terms set out in the Binding Heads of Agreement signed on 31 January 2018 was completed and executed during the half-year.

Research and Development

Alligator's R&D program is focused on developing innovative techniques for identifying and targeting covered and fully preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone in the Alligator Rivers region. In particular, investigations and experimentation is being undertaken on innovative applications of radiogenic isotope geochemical testing and Sub Audio Magnetics (SAM) Geophysical techniques. The drilling at TCC4 has provided important sub-surface data that will be analysed as part of the assessment of the effectiveness of these techniques.

(ii) **Financial**

The loss for the consolidated group for the half-year was $6,082,661 (half-year to 31 December 2017: $394,906 loss). This loss includes an impairment provision against capitalised exploration and evaluation expenditure of $5,608,237 (2017: $nil). The impairment provision relates solely to the project interests held in the Alligator Rivers Uranium Province.

The Company has maintained a close focus on corporate overheads and cashflow during the half-year with expenditure before impairment provisioning increasing by 6.5%. Consultants' fees for the six month period increased by $27,756 and related principally to legal fees associated with the preparation of agreements for the farm-in to the Piedmont Project and the holding of the EGM to approve the BW Equities share placement. Employee benefit expenditure increased during the six month period principally as a result of the previous appointment of a part-time CEO.

Review of operations (continued)

Expenditure on fieldwork, including the TCC4 drilling program, totalled $1,283,710 (2017: half-year: $319,527).

At 31 December 2018 an assessment of the carrying value of the capitalised exploration and evaluation expenditure for both the ARUP and Piedmont areas of interest was conducted. Whilst both areas continue to be regarded as being highly prospective for the discovery of commercially viable mineral resources, the Board has resolved to raise an ARUP based impairment provision for:

(i) 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

(ii) the majority of the recent TCC4 drilling costs together with an attributable portion of Tin Camp Creek Project costs capitalised in prior years. Whilst the TCC4 drilling campaign was technically encouraging no significant intercepts of uranium were identified.

The provision recognised on the basis outlined above totalled $5,608,237.

An impairment assessment for the Piedmont Project did not identify any indicators for impairment.

Share Placement

In late June 2018, Alligator received firm commitments for a placement of $1.75m of shares to institutional and high net worth clients of BW Equities Pty Ltd. Demand for the placement was strong and it was oversubscribed. The placement was for the purposes of sufficiently funding the proposed drilling program at the Company's TCC4 Prospect in the Northern Territory.

The key elements of the capital raising were as follows:

- A capital raising of up to $1.75m through a placement of up to 250m fully paid ordinary shares at $0.007, with a 1:2 attaching AGEO listed option.;
- Share placement was subject to Shareholder approval at an Extraordinary General Meeting (EGM);
- Funds of up to $1.5m to be allocated to restart exploration work and undertake drilling at the TCC4 Prospect; and
- Funds to also provide sufficient working capital to maintain and advance our other best uranium targets on the Company's tenements within Arnhem Land.

At an Extraordinary General Meeting of shareholders held on 16 August 2018, Shareholders overwhelmingly approved the placement for $1.75m of shares to institutional and high net worth clients of BW Equities Pty Ltd.

(iii) **Director Fee Plan**

At the AGM held on 27 November 2018, Shareholders approved the issue of 13,463,601 fully paid ordinary shares at a fixed issue price of A$0.021 cents per share. This approval was obtained to eliminate the accrued balance of unpaid director fees of $282,736 (Carried Forward balance) in relation to the 2016 and 2017 Director Fee Plans. This balance arose as a result of applying a $0.04 per share floor price for each issue under the Fee Plans over that period. The fixed issue price ($0.021 per share) was significantly higher than the current share price and was selected on the basis of it also being the

Review of operations (continued)

exercise price of the Listed Options (ASX: AGEO) currently on issue. The share issue was completed on 5 December 2018.

The settlement and extinguishment of the Carry Forward balance resulted in Directors permanently foregoing an entitlement to accrued and unpaid director fees of $228,882 (based on the share price at the time of issue on 5 December 2018 of $0.004).

Matters subsequent to the end of the half year

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect;

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

Auditor's Independence Declaration

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

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

Paul Dickson
Chairman

Brisbane, 11 March 2019

PKF Brisbane Audit

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018, there have been:

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

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

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

PKF
PKF BRISBANE AUDIT

Liam Murphy
Partner

Brisbane, 11 March 2019

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ALLIGATOR ENERGY LIMITED
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	31 December 2018 $	31 December 2017 $
Revenue			
Other income – interest		9,404	2,799
Expenses			
Accounting and audit fees		(8,726)	(11,440)
Consultants and professional fees		(30,381)	(2,625)
Directors' fees		(117,712)	(121,545)
Employee benefits expense		(107,594)	(74,044)
Share-based payments		(44,895)	(25,712)
Depreciation		(1,805)	(4,478)
Occupancy expenses		(31,132)	(30,135)
Stock exchange and share registry fees		(38,664)	(38,236)
Interest expense		-	(2,697)
Travel and accommodation expenses		(11,031)	(1,780)
Insurance		(22,570)	(33,426)
Business development – new opportunities		-	(42,069)
Impairment of E&E costs	5	(5,662,036)	-
FX (loss)/gain		(89)	-
Other expenses		(15,430)	(9,518)
Loss before income tax		(6,082,661)	(394,906)
Income tax benefit		-	-
Profit /(loss) for the period		**(6,082,661)**	**(394,906)**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		**(6,082,661)**	**(394,906)**
Profit/(loss) attributable to members of the parent entity		**(6,082,661)**	**(394,906)**
Total comprehensive income/(loss) attributable to members of the parent entity		**(6,082,661)**	**(394,906)**
Earnings/(loss) per share:		**Cents**	**Cents**
Basic earnings/(loss) per share		(0.63)	(0.08)
Diluted earnings/(loss) per share		(0.63)	(0.08)

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 $	30 June 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents		1,237,720	1,399,031
Trade and other receivables		109,582	150,179
Inventory		25,139	17,439
Total Current Assets		**1,372,441**	**1,566,649**
Non-Current Assets			
Trade and other receivables		232,403	238,214
Property, plant and equipment		46,924	37,352
Exploration expenditure	5	7,828,987	12,153,514
Total Non-Current Assets		**8,108,314**	**12,429,080**
Total Assets		**9,480,755**	**13,995,729**
LIABILITIES			
Current Liabilities			
Trade and other payables		110,671	502,264
Total Current Liabilities		**110,671**	**502,264**
Non-Current Liabilities			
Provisions		228,406	228,406
Total Non-Current Liabilities		**228,406**	**228,406**
Total Liabilities		**339,077**	**730,670**
Net Assets		**9,141,678**	**13,265,059**
EQUITY			
Contributed equity	6	32,776,473	30,862,088
Reserves		52,345	7,450
Accumulated losses		(23,687,140)	(17,604,479)
Total Equity		**9,141,678**	**13,265,059**

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Contributed equity $	Options Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2017	28,747,028	48,749	(16,608,221)	12,187,556
Total comprehensive income/(loss) for the period	-	-	(394,906)	(394,906)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense	-	25,712	-	25,712
Options lapsed	-	(18,750)	18,750	-
Issue of ordinary shares	325,931	-	-	325,931
Capital raising costs	(102,488)	-	-	(102,488)
Balance at 31 December 2017	**29,050,555**	**55,711**	**(16,984,377)**	**12,121,889**
Balance at 1 July 2018	30,862,088	7,450	(17,604,479)	13,265,059
Total comprehensive income/(loss) for the period	-	-	(6,082,661)	(6,082,661)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense		44,895	-	44,895
Options lapsed	-	-	-	-
Issue of ordinary shares	2,041,486	-	-	2,041,486
Capital raising costs	(127,101)	-	-	(127,101)
Balance at 31 December 2018	**32,776,473**	**52,345**	**(23,687,140)**	**9,141,678**

The accompanying notes form part of these financial statements.

ALLIGATOR ENERGY LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 December 2018 $	31 December 2017 $
Cash flows from operating activities		
Interest received	9,404	2,800
Payments to suppliers and employees	(380,128)	(263,657)
R&D Offset grants received	52,109	-
Net cash inflow(outflow) from operating activities	(318,615)	(260,857)
Cash flows from investing activities		
Payments for exploration expenditure	(1,423,141)	(297,476)
(Payments for)/refunds of security deposits	5,810	20,240
Payments for purchase of property, plant & equipment	(29,965)	-
Net cash inflow(outflow) from investing activities	(1,447,296)	(277,236)
Cash flows from financing activities		
Proceeds on issue of shares	1,750,000	300,000
Payment of capital raising costs	(145,400)	(22,405)
Net cash inflow(outflow) from financing activities	1,604,600	277,595
Net increase (decrease) in cash held	(161,311)	(260,498)
Cash and cash equivalents at beginning of financial period	1,399,031	555,823
Cash and cash equivalents at the end of financial period	1,237,720	295,325

The accompanying notes form part of these financial statements.

Note 1 General information and summary of significant accounting policies

Basis of preparation of half-year financial statements

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

These general purpose interim financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134*: Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements are presented in Australian dollars.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These interim financial statements were approved and authorised for issue by the Directors on 11 March 2019.

Significant accounting policies

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

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

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following standards:

AASB 15: Revenue from Contracts with Customers

The Group has adopted AASB 15: Revenue from Contracts with Customers with a date of initial application of 1 January 2018. No impact is shown for AASB 15 as the directors, after applying the five-step model per AASB 15, assessed that there is no material difference in the result of the Group between applying AASB 118 and AASB 15.

AASB 9: Financial Instruments

The Group has adopted AASB 9 Financial Instruments with a date of initial application of 1 January 2018. No impact is shown for AASB 9 as the directors assessed that there is no material difference in the result of the Group between applying AASB 139 and AASB 9.

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

Impact of standards issued but not yet applied by the Group

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group’s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $65,032. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit or loss and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

The standard is mandatory for first periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

Going Concern

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

During the six months ended 31 December 2018, the Group made an operating loss before tax of $6,082,661 (2017:$ 394,906) and an operating loss before impairment charges of $420,625. Cash outflows from operating and exploration-related investing activities during the same period were $1,777,430 (2017: $538,093).The Group’s ability to continue on a going concern basis is therefore dependent upon its ability to raise additional capital through farm-out arrangements with strategic partners or share issues to existing shareholders or new investors. The Directors are confident of being able to secure additional funding whilst managing overheads and believe the consolidated entity is a going concern and will be able to pay its debts as and when they fall due and payable.

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

Note 2 Critical accounting estimates and judgements

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

Critical judgements in applying the entity's accounting policies
The Group has capitalised exploration expenditure of $7,828,987 (30 June 2018: $12,153,514). This amount includes costs directly associated with exploration and the purchase of interests in exploration titles. These costs are capitalised as an intangible asset until assessment and/or drilling of the permit is complete and the results have been evaluated. These direct costs include employee remuneration, materials, rentals, camp costs and payments to contractors for services such as drilling and geotech surveys. The expenditure is carried forward until such a time as the area moves into the development phase, is abandoned or sold. Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources and the difficulty in forecasting cash flows to assess the fair value of exploration expenditure, there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements. The Directors are of the opinion that the exploration expenditure is recoverable for the amount stated in the financial report.

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

Note 3 Segment information

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

During the previous financial year the geographical segments (for potential revenue on successful development) expanded to include segments in both Australia and Italy.

Note 3 Segment information (continued)

The geographical location of assets is disclosed below:

	31 December 2018 $	30 June 2018 $
Australia		
Property, plant & equipment	46,924	37,352
Capitalised exploration expenditure	7,471,528	11,953,793
	7,518,452	11,991,145
Italy		
Property, plant & equipment	-	-
Capitalised exploration expenditure	357,459	199,722
	357,459	199,722
Total		
Property, plant & equipment	46,924	37,352
Capitalised exploration expenditure	7,828,987	12,153,515

There was no income derived from the Italian segment during the half-year and there were no employees in the Italian segment at 31 December 2018.

Note 4 Dividends

No dividend has been paid during the half-year ended 31 December 2018 and none is proposed.

Note 5 Exploration expenditure

	31 December 2018 (6 months) $	30 June 2018 (12 months) $
Exploration phase property costs		
Geological, geophysical, drilling and other expenditure – at cost	7,828,987	12,153,514
The capitalised exploration expenditure carried forward has been determined as follows:		
Opening balance – 1 July	12,153,514	11,660,782
Expenditure incurred or tenements acquired during the period	1,337,509	551,640
R&D Tax Offset	-	(58,908)
Impairment write-off (expenditure incurred during the period)	(53,799)	
Impairment provision	(5,608,237)	-
	7,828,987	12,153,514

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

Note 5 Exploration expenditure (continued)

At 31 December 2018 an assessment of the carrying value of the capitalised exploration and evaluation expenditure for both the ARUP and Piedmont areas of interest was conducted. Whilst both areas continue to be regarded as being highly prospective for the discovery of commercially viable mineral resources, the Board has resolved to raise an ARUP based impairment provision for:

(i) 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

(ii) the majority of the recent TCC4 drilling costs together with an attributable portion of Tin Camp Creek Project costs capitalised in prior years. Whilst the TCC4 drilling campaign was technically encouraging no significant intercepts of uranium were identified.

The provision recognised on the basis outlined above totalled $5,608,237.

An impairment assessment for the Piedmont Project did not identify any indicators for impairment.

Exploration commitments

So as to maintain current rights to tenure of various exploration and mining tenements, the Group 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 are as follows:

	31 December 2018 $	**30 June 2018 $**
Exploration expenditure commitments payable:		
- within one year (*)	30,000	215,000
- later than one year but not later than five years	-	-
- later than five years	-	-
	30,000	215,000
Tenement rentals payable within one year	68,432	47,377
Royalties payable within one year	106,000	106,000
Farm-in expenditure commitment (Piedmont) (**)	378,537	105,780
TOTAL	582,969	474,157

***-** Minimum expenditure covenants under the Department of Primary Industries and Resources Guidelines must be based on realistic and practical work programs and proposed expenditure levels. These covenants may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished. The exploration expenditure commitments set out above are based on covenants submitted for the 2018/19 financial year totalling $215,000 to be acquitted by mid-2019. The majority of this commitment has been satisfied through the TCC4 drilling campaign conducted in September and October 2018 with $30,000 still to be incurred by 3 July 2019.

****-** Piedmont Project - CRP Farm-in and Joint Venture - On 31 January 2018, the Company signed a binding Heads of Agreement with Chris Reindler and Partners (CRP) to earn up to a 70% interest in four mineral titles in northern Italy. This was converted into a Farm-in Agreement with Ivrea Minerals

Note 5 Exploration expenditure (continued)

Pty Ltd and KEC Exploration Pty Ltd on 28 November 2018. The remaining commitment at 31 December 2018 under this arrangement relates to:

Phase 2 (an election notice for this phase was issued on 28 November 2018) – to solely fund $400,000 in accordance with the Phase 2 work program to earn a registered 51% interest in the Piedmont Project mineral titles. This expenditure is to be incurred within a twelve month period from securing the drilling permits for the Project. Alligator can withdraw from this work program at any time, and while the work is targeted for completion within 12 months, this can be extended by mutual agreement. If Alligator does not complete this work, it will have earned no interest and will have no further rights in the mineral titles.

Upon Alligator earning a 51% interest in the titles a Joint Venture (JV) will be formed but 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.

Note 6 Equity securities issued

Issues of ordinary share capital during the half year:

Date	Details	Number of shares	Issue Price $	$
1 July 2018	Balance	**737,113,702**		**30,862,088**
20 Jul 2018	Director Fee Plan	768,750	0.008	6,150
22 Aug 2018	Placement	250,000,000	0.007	1,750,000
	Capital raising costs			(127,101)
9 Oct 2018	Director Fee Plan	325,000	0.008	2,600
5 Dec 2018	Director Fee Plan	13,463,601	0.021	282,736
31 Dec 2018	Balance	**1,001,671,053**		**32,776,473**

Note 7 Contingent liabilities

There have been no changes in contingent liabilities since the end of the previous annual reporting period, 30 June 2018.

Note 8 Events occurring after the end of the interim period

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

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

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 8 to 17 are in accordance with the *Corporations Act 2001*, including:
   a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Paul Dickson
Chairman

Brisbane, 11 March 2019

PKF Brisbane Audit

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

Conclusion

We have reviewed the accompanying half-year financial report of Alligator Energy Limited ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the company and the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018, and of its financial performance for the half-year ended on that date; and

(b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter – Going Concern

We draw attention to Note 1 of the financial statements which describes the events and/or conditions which give rise to 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 its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Independence

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

Directors' Responsibility for the Half-Year Financial Report

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

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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alligator Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

PKF Brisbane Audit

Liam Murphy
Partner

Brisbane, 11 March 2019

ALLIGATOR ENERGY LIMITED
ACN 140 575 604

COMPETENT PERSON'S STATEMENT

The information included in the Directors' Report in relation to exploration activities during the half year ended 31 December 2018 is extracted from the Quarterly Activities Report for the quarter ended 31 December 2018 and is available to view on the Company's website- www.alligatorenergy.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.