



ALLIGATOR ENERGY LIMITED

ACN 140 575 604

**31 December 2020
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 2020 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 2020.

Directors

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

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

Principal activities

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

In October 2020 Alligator completed the acquisition of the Samphire Uranium Project in South Australia and commenced desktop studies focusing on mineral processing and exploration potential. In addition the Company continued to maintain its uranium projects in the Alligator Rivers Uranium Province in good standing.

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

Access into Arnhem land remains tightly regulated and permits are being assessed on a case by case basis by the NLC, an approach fully supported by Alligator. These steps currently remain in place however Alligator was granted permission to conduct a pre-wet site visit to Myra camp in conjunction with local key stakeholder engagement. The trip also supported continued environmental, rehab and erosion research through accommodating research personnel facilitating data collection contributing towards future rehabilitation models.

All Alligator Rivers Uranium Province tenements remain in good standing.

Technical studies into hydrogeological modeling and the vectoring of radiogenic springs through isotope studies was commenced during the half-year. A proposed sampling program is being targeted for 2021 to determine the principle viable isotopes for dating radiogenic water and modelling potential pathways through modelled ages. Consultations with specialists remain ongoing.

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DIRECTORS' REPORT

Review of operations (cont.)

Samphire Project, South Australia

Following approval from Shareholders at an EGM held on 1 October 2020, Alligator completed the acquisition of the Samphire Uranium Project. The purchase consideration of 679,561,608 fully paid ordinary AGE shares was in-specie distributed to eligible Samphire shareholders. The Project acquisition represents a significant value step in the current market for both groups of shareholders and adds a further quality asset to Alligator's project portfolio.

Transaction Summary:

In accordance with the terms of the Share Purchase Agreement signed with Samphire Uranium Limited on 31 July 2020, Alligator acquired all the shares in S Uranium Pty Ltd (SUPL) the registered holder of EL 5926. S Uranium Pty Ltd also had unrestricted cash balances of \$640k at completion of the transaction.

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 (32.7 mill lbs) 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 e U³O⁸, containing 6,300t (13.9Mlbs) of mineralisation at a 100ppm e U³O⁸ cut-off grade²;
- Exploration Target – Host geology and anomalous 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.

On 16 December 2020, Alligator released the results of a Desktop Study on the processing and opportunities of the Blackbush deposit conducted by Inception Consulting Engineers (ICE). A concurrent exploration and targeting review was conducted in-house by AGE during the period and released to market at the same time.

Key results from Samphire Project desktop study and exploration review (Refer ASX announcement: 16 December 2020) including:

- Project is highly amenable to In-Situ Recovery (ISR) production with modern resin advances
- Proposal of updated testwork program by ANSTO for improved uranium extraction /processing flowsheet
- Scope for intermediate product potentially reducing capital costs
- Potential resource expansion and extensive targets for testing
- Identification of palaeochannel continuations from EM geophysics

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DIRECTORS' REPORT

Review of operations (cont.)

Piedmont Project, northern Italy

Alligator continues 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. Alligator believes the vastly under-explored Piedmont nickel-cobalt (copper gold) region with its historical high grades within and around old workings has strong potential in the area.

The Company has recommenced its engagement principally with European based investment interests and other previously identified strategic partners with the objective of identifying a pathway for progressing exploration and evaluation of the Project.

Big Lake Uranium (BLU), South Australia

Alligator previously finalised a South Australian Government Accelerated Discovery Initiative (ADI) co-funding agreement for its BLU Project to cover up to \$152,400 in co-funded exploration expenses associated with geophysical surveys to delineate paleochannels for the purposes of designing a proof-of-concept drilling program.

While Alligator has been ready to undertake this work, difficulties were experienced throughout 2020 with COVID-19 interstate travel restrictions. Suitable geophysics crews were reluctant to travel from their home base (mainly Western Australia where border closures require extended quarantine periods) and at times Alligator's geologists were reluctant to enter South Australia from Queensland due to the requirement for a 14 day quarantine period.

With anticipated easing of restrictions in early in 2021, the targeted ADI co-funded geophysical survey (based on airborne EM) is being advanced with the objective of this occurring prior to the stipulated ADI funding start date of April 2021.

The BLU tenement remains in good standing.

Research and Development

Alligator's R&D program is focused on developing innovative techniques for identifying and targeting covered and fully preserved unconformity uranium deposits beneath the covering Kombolgie Sandstone in the Alligator Rivers region.

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

(ii) Financial

The loss for the consolidated group for the half-year was \$382,286 (half-year to 31 December 2019: \$488,648 loss). The loss for the period includes an impairment write down of exploration and evaluation expenditure holding costs (due to limited exploration activity) in the ARUP of \$26,060 (Half-year 2019: \$37,833). There were no additional expenses incurred as a result of the COVID-19 pandemic whilst the employee benefits expense for the six month period was reduced due to the receipt of the Federal Government's Cash Boost totalling \$38,040 (Half-year 2019: Nil).

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DIRECTORS' REPORT

Review of operations (cont.)

The Company continues maintain a close focus on corporate overheads and cashflow with the agreed temporary reduction on director fees and a significant drop in occupancy costs as a result of the move to smaller premises. Fees paid to consultants and professionals for the period were minimal compared with the 2019 expenditures which related to legal advice on the Big Lake transaction and the Nabarlek North Exploration Agreement.

The Company continues to pursue future uranium opportunities and projects in target regions. This strategy is supported by the suppressed uranium production profile and ongoing nuclear power expansion, as well as recent US policy announcements on strategic uranium reserve. This contributed to the significant increase in business development expenditure along with costs related to the search for a strategic partner to progress the Piedmont Project.

130m unlisted options with an exercise price of \$0.005 expired on 4 December 2020 with conversion applications received for only 4M (raising \$20,000) before the deadline.

Share Placement

On 21 December 2020, Alligator completed a placement of \$1.6M of fully paid ordinary shares to sophisticated and professional investors (Placement). The Placement, for which 180 Markets was the Lead Manager, was principally aimed at funding the next steps of the Samphire Uranium Project work program

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

- A capital raising of \$1.6M through a single tranche Placement of 226.7M fully paid ordinary shares at an issue price of \$0.007, with a 1:2 18 month option attaching option exercisable at \$0.015 each;
- The Placement was conducted using the Company's existing capacity under ASX Listing Rule 7.1 (15% Capacity) and a portion of Listing Rule 7.1A (Additional 10% Capacity);
- The Placement was made at a 18.28% discount to the 15 trading day VWAP and a 22.22% discount to the closing price on 16 December 2020;
- Alligator has applied to the ASX for listing of the attaching options which was granted and these now trade under the ticker code ASX: AGEOB.

Performance Shares

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

- Number of Performance Shares on issue at the end of the Half Year: 60,000,000
- Summary of the terms and conditions of the Performance Shares: See Note 6
- Performance Shares converted or cancelled during the Half Year: Nil
- Performance Share milestones met during the Half Year: Nil

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

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DIRECTORS' REPORT

Review of operations (cont.)

(iii) Director Fee Plan

The Director Fee Plan for the 2020/2021 period was approved at the AGM held in November 2020 with maximum applications for the period set at 21.6M fully paid ordinary shares.

Matters occurring after the end of the half-year

In early February 2021 Alligator commenced its first planned exploration work on the Samphire Uranium Project near Whyalla, South Australia. The Company's geologists undertook a trial high resolution non-invasive ground magnetics survey to determine the techniques' effectiveness in further refining mineralisation controls allowing targeted investigations into high-grade uranium relating to basement structures.

Additionally, building upon a trial passive seismic survey completed by Samphire Uranium in 2019 which successfully mapped channel architecture and underlying basement structures, the benefits of a further passive seismic program is being assessed by Alligator to assist with targeting of additional high-grade zones within the known deposit areas.

Subsequent to the period end the Company has been able to progress operations with minimal impact from the COVID-19 pandemic. Access to West Arnhem Land (Alligator Rivers) once the wet season passes will need to be discussed and agreed with the Northern Land Council and snap border closures between States will need to be monitored to ensure additional operating costs are not incurred from mandatory quarantine requirements.

No other matter or circumstance has arisen since 31 December 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.

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 6.

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, 12 March 2021

**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 2020, 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.

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

DATED THIS 12 MARCH 2021
BRISBANE

PKF Brisbane Audit ABN 33 873 151 348

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Note	31 December 2020	31 December 2019
		\$	\$
Revenue			
Other income – interest		1,281	2,657
Expenses			
Accounting and audit fees		(330)	(11,472)
Consultants and professional fees		(4,064)	(79,679)
Directors' fees		(78,840)	(88,695)
Employee benefits expense		(103,751)	(128,161)
Share-based payments		(8,035)	(22,484)
Depreciation		(2,861)	(2,311)
Occupancy expenses		(12,843)	(32,448)
Stock exchange and share registry fees		(50,735)	(29,185)
Interest expense		-	(129)
Travel and accommodation expenses		(3,013)	(14,727)
Insurance		(34,905)	(32,120)
Business development – new opportunities		(47,810)	(1,895)
Impairment of E&E costs	5	(26,060)	(37,833)
Foreign exchange (loss)/gain		(43)	(5)
Other expenses		<u>(10,277)</u>	<u>(10,161)</u>
Loss before income tax		(382,286)	(488,648)
Income tax		-	-
Loss for the period		<u>(382,286)</u>	<u>(488,648)</u>
Other comprehensive income			
Total comprehensive loss for the period		<u>(382,286)</u>	<u>(488,648)</u>
Loss attributable to members of the parent entity		<u>(382,286)</u>	<u>(488,648)</u>
Total comprehensive loss attributable to members of the parent entity		<u>(382,286)</u>	<u>(488,648)</u>
Loss per share:		Cents	Cents
Basic loss per share		(0.02)	(0.04)
Diluted loss per share		(0.02)	(0.04)

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 2020

	31 December 2020 Note	30 June 2020 \$
ASSETS		
Current Assets		
Cash and cash equivalents	2,556,371	903,949
Trade and other receivables	73,042	35,900
Total Current Assets	2,629,413	939,849
Non-Current Assets		
Other assets	259,403	224,891
Property, plant and equipment	35,464	17,210
Exploration expenditure	5 11,489,987	7,917,262
Total Non-Current Assets	11,784,854	8,159,363
Total Assets	14,414,267	9,099,212
LIABILITIES		
Current Liabilities		
Trade and other payables	339,992	243,472
Total Current Liabilities	339,992	243,472
Non-Current Liabilities		
Provisions	263,406	228,407
Total Non-Current Liabilities	263,406	228,407
Total Liabilities	603,398	471,879
Net Assets	13,810,869	8,627,333
EQUITY		
Contributed equity	6 39,392,026	33,834,239
Reserves	17,739	9,704
Accumulated losses	(25,598,896)	(25,216,610)
Total Equity	13,810,869	8,627,333

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Contributed equity \$	Options Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2019	32,826,000	12,169	(24,257,513)	8,580,656
Total comprehensive loss for the period	-	-	(488,648)	(488,648)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share options – value of expense	-	22,484	-	22,484
Options lapsed	-	-	-	-
Issue of ordinary shares	1,001,000	-	-	1,001,000
Capital raising costs	(57,199)	-	-	(57,199)
Balance at 31 December 2019	33,769,801	34,653	(24,746,161)	9,058,293
Balance at 1 July 2020	33,834,239	9,704	(25,216,610)	8,627,333
Total comprehensive loss for the period	-	-	(382,286)	(382,286)
Transactions with owners in their capacity as owners:				
Share options – value of expense	-	8,035	-	8,035
Options lapsed	-	-	-	-
Issue of ordinary shares	5,680,028	-	-	5,680,028
Capital raising costs	(122,241)	-	-	(122,241)
Balance at 31 December 2020	39,392,026	17,739	(25,598,896)	13,810,869

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities		
Interest received	1,281	2,657
Payments to suppliers and employees	(311,599)	(439,580)
R&D Offset grants received	-	34,249
Net cash outflow from operating activities	(310,318)	(402,674)
Cash flows from investing activities		
Payments for exploration expenditure	(196,447)	(232,708)
(Payments for)/refunds of security deposits	-	37,011
Payments for Samphire Project transaction costs	(63,576)	-
Cash acquired as part of the Samphire Project transaction	642,949	-
Net cash inflow(outflow) from investing activities	382,926	(195,697)
Cash flows from financing activities		
Proceeds on issue of shares	1,606,845	950,000
Payment of capital raising costs	(27,031)	(57,198)
Net cash inflow from financing activities	1,579,814	892,802
Net increase in cash held	1,652,422	294,431
Cash and cash equivalents at beginning of financial period	903,949	775,017
Cash and cash equivalents at the end of financial period	2,556,371	1,069,448

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 1 General information and summary of significant accounting policies

Basis of preparation of half-year financial statements

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

These general purpose interim financial statements for the half-year reporting period ended 31 December 2020 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 2020, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These interim financial statements have been approved and authorised for issue by the Directors.

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

Significant accounting policies

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

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

The interim financial report has been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2020 without exception.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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

Going Concern

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

During the six months ended 31 December 2020, the Group made an operating loss before tax of \$382,286 (2019: \$488,648). Cash outflows from operating and exploration-related investing activities during the same period were \$570,341 (2019: \$598,371). 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 arrangements whilst managing overhead expenditure levels and believe the Group 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 Group 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 \$11,489,987 (30 June 2020: \$7,917,262). This amount includes costs directly associated with exploration and the purchase of interests in exploration titles. These costs are capitalised as an intangible asset until assessment and/or drilling of the permit is complete and the results have been evaluated. These direct costs include employee remuneration, materials, rentals, camp costs and payments to contractors for services such as drilling and geotech surveys. The expenditure is carried forward until such a time as the area moves into the development phase, is abandoned or sold. Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources and the difficulty in forecasting cash flows to assess the fair value of exploration expenditure, there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements. The Directors are of the opinion that the exploration expenditure is recoverable for the amount stated in the financial report.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 2

Critical accounting estimates and judgements (continued)

Provision for site restoration

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

Coronavirus (COVID-19) pandemic

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

Note 3

Segment information

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

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

The geographical location of assets is disclosed below:

	31 December 2020	30 June 2020
	\$	\$
<i>Australia</i>		
Current assets	2,619,190	929,495
Property, plant & equipment	35,464	17,210
Other non-current assets	259,403	224,891
Capitalised exploration expenditure	10,947,417	7,405,028
	13,861,474	8,576,624

Italy

Current assets	10,223	10,354
Property, plant & equipment	-	-
Other non-current assets	-	-
Capitalised exploration expenditure	542,570	512,234
	552,793	522,588

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 3 Segment information (continued)

	31 December 2020	30 June 2020
	\$	\$
Total		
Current assets	2,629,413	939,849
Property, plant & equipment	35,464	17,210
Other non-current assets	259,403	224,891
Capitalised exploration expenditure	<u>11,489,987</u>	<u>7,917,262</u>
	<u>14,414,267</u>	<u>9,099,212</u>

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

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

The interest free intercompany loan between Australia and Italy totalling \$526,902 (30 June 2020: \$473,251) which is denominated in AUD has been eliminated in the above disclosure.

At 31 December 2020 the liabilities of the Italian entity excluding the intercompany loan totalled \$19,774 (30 June 2020: \$47,035).

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

Note 4 Dividends

No dividend has been paid during the half-year ended 31 December 2020 and none is proposed.

Note 5 Exploration expenditure

	31 December 2020	30 June 2020
	\$	\$
Exploration phase		
Geological, geophysical, drilling and other expenditure – at cost	<u>11,489,987</u>	<u>7,917,262</u>
<i>The capitalised exploration expenditure carried forward has been determined as follows:</i>		
Opening balance	7,917,262	7,895,687
Expenditure incurred or tenements acquired during the period	157,539	220,062
R&D Tax Offset	-	(198,487)
Acquisition of the Samphire Project (*)	3,441,246	-
Impairment write-off (expenditure incurred during the period)	<u>(26,060)</u>	<u>-</u>
	<u>11,489,987</u>	<u>7,917,262</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 5 Exploration expenditure (continued)

At 31 December 2020 an assessment of the carrying value of the capitalised exploration and evaluation expenditure for the ARUP, Piedmont, Cooper Basin and Samphire areas of interest was conducted. All areas continue to be regarded as being highly prospective for the discovery of commercially viable mineral resources and no impairment triggers under the requirements of AASB 6 were identified.

*On 4 October 2020, Alligator issued 679,561,608 fully paid ordinary shares to acquire 100% of S Uranium Pty Ltd (SUPL) the holder of EL 5926 (Samphire Project). At the date of acquisition SUPL also held a cash balances of \$642,949.

Exploration commitments

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

	31 December 2020	30 June 2020
	\$	\$
Exploration expenditure commitments payable:		
- within one year	162,924	366,603
- later than one year but not later than five years	-	-
- later than five years	-	-
	<hr/> 162,924	<hr/> 366,603
Royalties payable within one year	<hr/> 23,900	<hr/> 17,900
Farm-in expenditure (Piedmont)	<hr/> 263,289*	<hr/> 290,473*
Farm-in expenditure (Big Lake)	<hr/> 142,915**	<hr/> 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

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 for the 2020/2021 financial year totalling \$50,000 (2019/20: \$180,000).

The Department of Mines in Energy Limited (South Australia) currently had a moratorium until 31 December 2020 on minimum exploration expenditure due to the COVID 19 pandemic. The two year covenant to 21 July 2021 on the Big Lake tenement before adjustment for the moratorium is \$220,000.

Cash security bonds totalling \$259,403 (30 June 2020: \$223,253) were held by the relevant governing authorities at 31 December 2020 to ensure compliance with granted tenement conditions.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 5 Exploration expenditure (continued)

The Group has lodged a cash backed bank guarantee of \$40,000 (as a security bond) (30 June 2020: \$40,000) with the Northern Land Council in relation to its interest in the Beatrice Project.

Piedmont Project - CRP Farm-in and Joint Venture

On 28 November 2018, the Company signed a Farm-in Agreement with Chris Reindler and Partners (CRP) to earn up to a 70% interest in four mineral titles in northern Italy. After completing Phase 1 under the Agreement in November 2018 the Company is now required to solely fund and manage a further \$400,000 program of work (Phase 2) which will include drill testing of the best target(s). At 31 December 2020 an amount of \$263,289 is still to be spent to meet this commitment.

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 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.

Note 6 Equity securities issued

(a) Ordinary Shares

Issues of ordinary share capital during the half year:

Date	Details	Number of shares	Issue Price
		\$	\$
1 July 2020	Balance	1,438,429,342	33,834,239
7 Oct 2020	Samphire transaction	679,561,608	4,045,620
7 Oct 2020	Director fee plan	5,309,868	27,563
4 Dec 2020	Unlisted option conversion	4,000,000	20,000
21 Dec 2020	Share placement	226,692,142	1,586,845
	Capital raising costs	-	(122,241)
31 Dec 2020	Balance	<u>2,353,992,960</u>	<u>39,392,026</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 6 Equity securities issued (continued)

(b) Performance Shares

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

The Performance Shares have the following conversion rights:

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 6 Equity securities issued (continued)

(c) Unlisted Options

130,000,000 unlisted Share Option were issued for every two new shares (both Tranche 1 and Tranche 2) under the placement finalised on 4 December 2019. These options are subject to an exercise price of \$0.005 and expired on 4 December 2020 with only 4,000,000 having been exercised.

On 21 December 2020 the Company issued on a 1:2 basis 125,846,088 listed options (ASX: AGEOB) as part of the Share Placement to sophisticated and professional investors. The listed options have an exercise price of \$0.015 and expire on 24 June 2022.

28,800,000 unlisted zero priced employee and contractor performance options are on issue at 31 December 2020. These options will only vest if the short term and long term performance conditions are met and expire over periods through to April 2023.

Note 7 Contingent liabilities

There have been no changes in contingent liabilities since the end of the previous annual reporting period, 30 June 2020.

Note 8 Events occurring after the end of the half year

In early February 2021 Alligator commenced its first planned exploration work on the Samphire Uranium Project near Whyalla, South Australia. The Company's geologists undertook a trial high resolution non-invasive ground magnetics survey to determine the techniques' effectiveness in further refining mineralisation controls allowing targeted investigations into high-grade uranium relating to basement structures.

Additionally, building upon a trial passive seismic survey completed by Samphire Uranium in 2019 which successfully mapped channel architecture and underlying basement structures, the benefits of a further passive seismic program is being assessed by Alligator to assist with targeting of additional high-grade zones within the known deposit areas.

Subsequent to the period end the Company has been able to progress operations with minimal impact from the COVID-19 pandemic. Access to West Arnhem Land (Alligator Rivers) once the wet season passes will need to be discussed and agreed with the Northern Land Council and snap border closures between States will need to be monitored to ensure additional operating costs are not incurred from mandatory quarantine requirements.

No other matter or circumstance has arisen since 31 December 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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DIRECTORS' DECLARATION

The Directors declare that:

1. The consolidated financial statements and notes, as set out on pages 7 to 18 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 2020 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Paul Dickson
Chairman

Brisbane, 12 March 2021

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 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

Independence

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred an operating loss before tax of \$382,286 and cash outflows from operating and exploration-related investing activities of \$570,341 during the half-year ended 31 December 2020. As stated in Note 1, these events or conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on 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. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

DATED THIS 12 MARCH 2021
BRISBANE

ALLIGATOR ENERGY LIMITED
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COMPETENT PERSON'S STATEMENT

The information included in the Directors' Report in relation to exploration activities during the half year ended 31 December 2020 is extracted from the Quarterly Activities Reports for the quarters ended 30 September and 31 December 2020 and are available to view on the Company's website-
www.alligatorenergy.com.au.

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