QUARTERLY ACTIVITIES REPORT

FOR QUARTER ENDED 31 December 2017

Highlights

- Uranium Exploration Licence Applications in ARUP including the Narbalek North application progressed;
- Australian Tax Office confirms a modulation factor of 1 (100%) for distributing Exploration Development Credits for the 2017 tax year;
- New Opportunities Team active in evaluating both uranium and other energy mineral opportunities;
- Cameco announces a uranium production cut at its flagship McArthur River Mine, prompting an increase in the uranium spot price.

Exploration

A small helicopter-supported field sampling program was completed across two greenfield targets on the Beatrice project tenements. This represented Alligator's seventh consecutive annual exploration program within Arnhem Land.

Sampling of sandstone cover rocks was conducted targets BT5 and BT7. A total of 262 whole rock samples was collected. Analytical results identified two separate pathfinder anomalies at BT7 which merit follow up work (see September 2017 Quarterly Activities Report).

During the December quarter the focus was on processing and interpreting of uranium isotope results from the Beatrice sampling program.

Myra field camp and access tracks were closed for the wet season.

Alligator Energy

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ASX Code: AGE

Number of Shares:
489.4M Ordinary Shares
45M Listed Options
9.1M Unlisted Options

Board of Directors:
Mr John Main
(Exec Chairman)

Mr Paul Dickson
(Non Exec. Director)

Mr Peter McIntyre
(Non Exec. Director)

Mr Andrew Vigar
(Non Exec. Director)

Mr Greg Hall
(Non Exec. Director)

Initial meetings held with Traditional Owners and the Northern Land Council regarding several Exploration Licence Applications, including the Nabarlek North application saw them advance through the process required for granting. This process will continue into 2018.

No additional field work was conducted on the Tin Camp Creek or Beatrice Project tenements during this quarter.

Target TCC4 remains Alligator's outstanding uranium target and is drill ready.

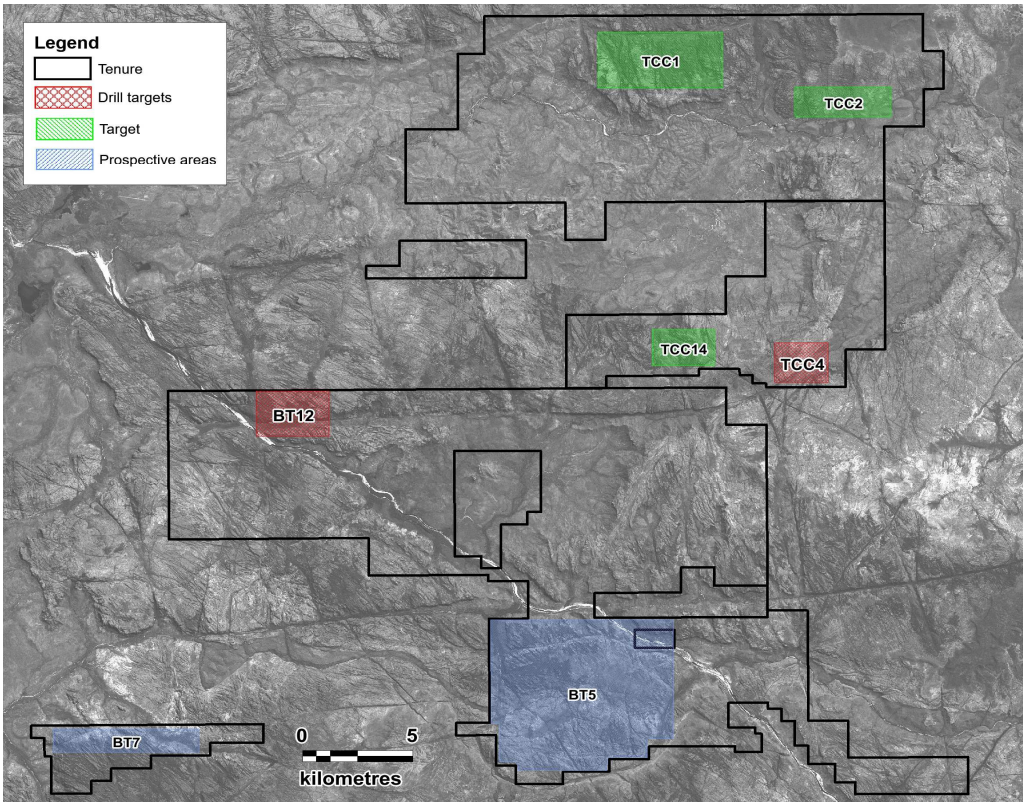


Figure 1: AGE 2017 target areas in the BTJV and TCC tenements.

New Opportunities

The Directors are absolutely committed to maintaining the Company's interests and exploring for uranium in the Alligator Rivers Uranium Province. However, as identified in our December 2016 Activities Report, the company is also assessing the opportunity to invest in other advanced uranium and other mineral commodities, specifically minerals required in the energy industry.

Several projects fitting the criteria were assessed during this quarter, and updates on the status of these will be provided in compliance with the Listing Rule requirements.

Exploration Development Credits (EDI)

Alligator has been advised by the Australian Taxation Office (ATO) that its application to participate in the EDI has been accepted with a modulation factor of 1.00.

One hundred per cent of the company's 2017 exploration expenditure has been deemed eligible to participate in the Exploration Development Incentive scheme.

Australian resident shareholders that are issued with exploration credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Non-residents receiving credits will not be able to use them.

The Board of Alligator expects to be able to distribute approximately $185,000 of exploration credits (at the small business 28.5% tax rate) to shareholders prior to 30 June 2018.

AGM

The Company's Annual General Meeting was held on 17 November 2017 and all resolutions were passed.

Director Fee Plan

After quarter end the Company issued 1,210,000 fully paid ordinary shares to Directors (or their nominees) under the terms of the Director Fee Plan approved by shareholders on 17 November 2017. This issue related to non-executive director fees for the December 2017 Quarter. Director Fee Plan elections for the quarter represented approximately 87% of the fees payable.

The Directors believe that the benefit of the Director Fee Plan to Shareholders is the conservation of cash for use towards exploration activities, as well as aligning their interest with those of the Company and the Shareholders.

Outlook

Recent uranium production cut announcements by Cameco in Canada and Kazatomprom in Kazakhstan earlier in 2017, as well as the closure of the Converdyn uranium conversion plant in the US have resulted in a modest improvement in the uranium spot price. This supply response together with the requirement for a number of utilities to renegotiate long-term contracts in the next 1-2 years provides Alligator with optimism for the short to medium term uranium price outlook.

On 8 Novembe 2017 Cameco Corporation, one of the world's largest uranium producers accounting for about 17% of global production, announced a temporary suspension of production from its McArthur River Mine in Saskatchewan, Canada. The production suspension is expected to last 10 months and will commence from end of January 2018. During this period, Cameco have stated they will meet its commitments to customers from inventory and other supply sources, which will be reviewed on an ongoing basis until inventory is drawn down or market conditions improve.

From an industry perspective, this announcement combined with the recent Kazatomprom reduced uranium production proposals, are signifying a bottoming of the uranium market. In its September supply / demand report, the World Nuclear Association announced that the amount of nuclear power being generated around the world had now increased again to a level above that at the time of the 2011 Japan tsunami.

Competent Person's Statement

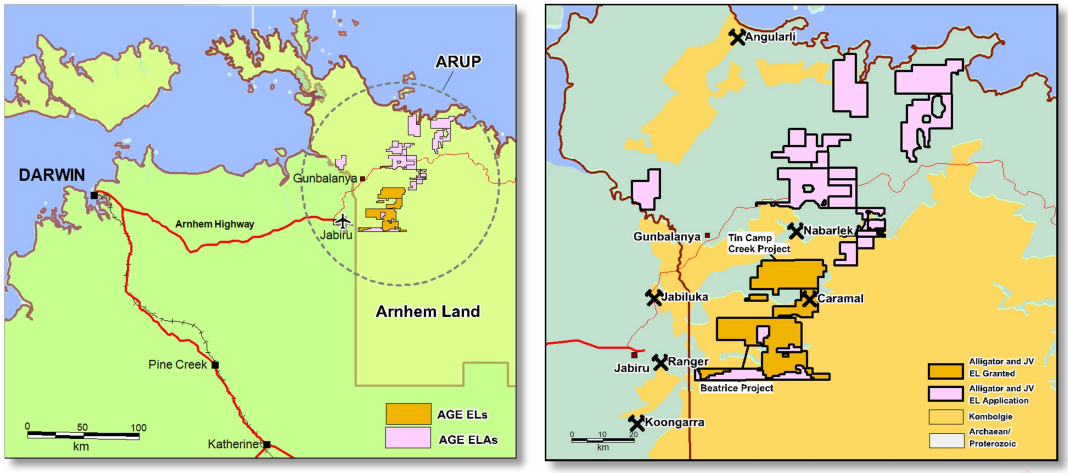
Information in this report is based on current and historic Exploration Results compiled by Mr Andrew Peter Moorhouse who is a Member of the Australasian Institute of Geoscientists. Mr Moorhouse is an employee of Alligator Energy Limited, and has sufficient experience which is relevant to the style of 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 Moorhouse consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

About Alligator Energy

Alligator Energy Ltd is an Australian, ASX-listed, exploration company with uranium exploration tenements in the world class Alligator Rivers Uranium Province in Arnhem Land, Northern Territory. The Alligator Rivers Uranium Province contains nearly 1 billion pounds of high grade uranium resources, including past production from the Ranger Mine and the undeveloped Jabiluka deposit. The company's Tin Camp Creek and Beatrice tenements form the focus of its exploration but the company also assesses other opportunities as they arise. The exploration target is a deposit containing no less than 100 million pounds of uranium preserved beneath covering sandstone.

The company is researching and developing novel uranium decay isotope geochemical techniques and has modified and is applying airborne geophysical techniques with the objective of detecting such concealed targets. From its 2016 field work the company has identified new targets which are being analysed ahead of a decision to drill test. The previously drilled Caramal (6.5Mlb U3O8 at 3100ppm U3O8) and Beatrice deposits represent eroded remnants of once much larger deposits.

The company has in excess of 1000km^2 of Exploration Licence applications awaiting grant within the Alligator Rivers Uranium Province.



Project Location Diagrams and Exploration Licences

FOR FURTHER INFORMATION, PLEASE CONTACT

Mr John Main Executive Chairman Alligator Energy Ltd Email: info@alligatorenergy.com.au	Mr Mike Meintjes Company Secretary Alligator Energy Ltd Email: mm@alligatorenergy.com.au

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Alligator Energy Limited

ABN	**Quarter ended ("current quarter")**
79 140 575 604	31 December 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(54)	(297)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(45)	(78)
	(e) administration and corporate costs	(74)	(186)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds (net)	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(172)**	**(558)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (tenement security (bonds)/refunds)	-	20
2.6	**Net cash from / (used in) investing activities**	**-**	**20**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	300
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(22)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**278**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	467	555
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(172)	(558)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	20
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	278
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**295**	**295**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	114	213
5.2	Call deposits	181	254
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**295**	**467**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	12
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 explanation - Director fee payments in cash and superannuation contributions
Note: Director Fee Plan Shares issued during the quarter treated as a non-cash item totalled $13k

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	(62)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(28)
9.5	Administration and corporate costs	(111)
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**(201)**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: .... ..... Date: 30 January 2018
(Company Secretary)

Print name: M C Meintjes

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.