ALLIGATOR ENERGY LTD

ACN 140 575 604

Ph (07) 3852 4712
Fax (07) 3852 5684
PO Box 338, Spring Hill, Qld 4004
Suite 3, 36 Agnes Street, Fortitude Valley QLD 4006

«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

29 May 2018

Dear Shareholder

Alligator Energy Limited – non-renounceable rights issue
Notice to Shareholders

Alligator Energy Limited (**AGE** or **Company**) is pleased to announce a non-renounceable rights issue to eligible shareholders, on the basis of 1 new share for every 3.5 shares currently held at an issue price of $0.007 per share (**Offer Price**)(**New Shares**) plus 1 attaching option for every 2 New Shares subscribed, to raise approximately $1,146,621 before issue costs, based on AGE's undiluted share capital (**Rights Issue**). Assuming no existing options on issue in the Company are exercised, approximately 163,803,045 fully paid ordinary shares will be offered under the Rights Issue and 81,901,522 attaching options (**Attaching Options**).

The Offer Price of $0.007 per New Share represents a discount of:

(a) Approximately 12.5% to the closing share price on 24 May 2018 of $0.008; and

(b) Approximately 13.6% discount to the 15 day VWAP

Eligibility

The Rights Issue will be available to all registered shareholders who hold shares at 7pm (Brisbane time) on 4 June 2018 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**). Shares issued under the Rights Issue will rank equally with all shares on issue.

Eligible Shareholders may, in addition to their Entitlements, apply for a further $500, $1,000, $2,000, $5,000, $10,000 or $15,000 of New Shares over and above their Entitlement at the Offer Price (**Additional Shares**) regardless of the size of their present holding.

In accordance with the Listing Rules of the ASX, AGE has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Rights Issue to those shareholders. Accordingly, shareholders outside of Australia and New Zealand will not be entitled to participate in the Rights Issue.

Purpose

The purpose of the Rights Issue is to raise approximately $1,146,621, before the costs of the Rights Issue.

It is proposed that the funds raised from the Offer will be applied for the purposes of:

(a) Attract direct investment into the Company's key drill-ready uranium exploration asset in the Alligator Rivers Uranium Province, being the TCC4 prospect, with the aim to fund a future drilling program;
(b) Undertaking a focussed initial drilling program in the Piedmont cobalt – nickel project in northern Italy based on a successful outcome from the Phase 1 geochemical and geophysics program and approval of drilling permits (application underway);
(c) Maintaining the Company's uranium interests and assets in the Alligator Rivers Uranium Province; and
(d) Working capital requirements, including the costs of the Offer.

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

Underwriting

The Rights Issue is not underwritten.

Participation in the Rights Issue

The Directors who hold shares in the Company have indicated their intention to take up their full entitlement to New Shares under the Rights Issue.

Key Dates

A proposed timetable for the Rights Issue is set out in the table below:

Announcement of Issue	Prior to commencement of trading on 29 May 2018
Lodgement of Prospectus with ASIC and ASX	Prior to commencement of trading on 29 May 2018
Notice to Option Holders	29 May 2018
Notice to security holders containing Appendix 3B information	30 May 2018
Shares commence trading on an ex rights basis	1 June 2018
Record Date for the Offer (7pm Brisbane time)	4 June 2018
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	6 June 2018
Opening Date of Offer (9am Brisbane time)	6 June 2018
Closing Date of Offer (5pm Brisbane time)	20 June 2018
Advise ASX of any shortfall	25 June 2018
Expected date of issue of New Shares and Attaching Options	27 June 2018
Commencement of trading of New Shares and Attaching Options on ASX (provided quotation conditions are met for Attaching Options)	28 June 2018
Expected date of despatch of holding statements for New Shares	28 June 2018

This timetable is indicative only and may be subject to change subject to the requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and the ASX Listing Rules.

Prospectus

The Rights Issue is being made under a short form Prospectus under section 713 of the Corporations Act. **The Prospectus to be issued to Eligible Shareholders was lodged with ASX on 29 May 2018 and is available on the Company's website www.alligatorenergy.com.au and the ASX website.** AGE will prepare and send the Prospectus to Eligible Shareholders on 6 June 2018, as set out in the timetable above.

Capital Structure

The Company anticipates that a maximum of approximately 163,803,045 New Shares and 81,901,522 Attaching Options will be issued (Note: based on the closing share price on 24 May 2018 and the Offer Price the Company believes that it is unlikely that any holder of the 2.1cent listed options (ASX:AGEO) will choose to exercise their options prior to the Record Date in order to participate in the Rights Issue).

The indicative capital structure of Alligator Energy following the issue of New Shares and Attaching Options, assuming that the maximum number of New Shares is issued under the Rights Issue (ignoring the effect of rounding entitlements), will be as follows:

Listed on the ASX	**Shares (AGE)**	**2.1 cent options (AGEO)**
On issue at the date of this Prospectus	573,310,656	83,492,050
Maximum number of New Shares under Prospectus and attaching options	163,803,045	81,901,522
Total:	**737,113,701**	**165,393,572**

The Company also has 4,185,458 unlisted zero strike priced options on issue (issued to employees and contractors) with expiry dates ranging from 7 June 2019 to 7 March 2020. Details of the issued share capital are included in the Appendix 3B lodged with the ASX on 29 May 2018.

The New Shares will rank equally in all respects with AGE's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number. There will be no change to the dividend policy of the Company as a result of the Rights Issue.

The Attaching Options will be exercisable prior to 27 December 2019 at an exercise price of $0.021 per option (same terms as the existing AGEO options on issue). There are no participating rights or entitlements in the Attaching Options and the holders of the Attaching Options will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Attaching Options unless they are exercised and Shares are issued before the Record Date.

Further information

Trading in the New Shares and Attaching Options are expected to commence on 28 June 2018, the first business day following the issue of the New Shares. The Rights Issue is non-renounceable therefore entitlements to the New Shares cannot be traded on the ASX.

An Appendix 3B applying for quotation of the New Shares and Attaching Options was lodged with ASX on 29 May 2018. As stated in that Appendix 3B, the Company currently has capacity to issue 24,726,644 equity securities pursuant to ASX Listing Rule 7.1 and 17,504,454 under ASX Listing Rule 7.1A.

Before making a decision whether to apply for New Shares security holders should read the Prospectus carefully and in its entirety when received. For further information on your entitlement under the Rights Issue, please contact your professional advisor or the Company's share registry, Security Transfer Australia Pty Ltd.

Yours faithfully



John Main

Chairman