ALLIGATOR ENERGY LTD

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29 May 2018

NON-RENOUNCEABLE RIGHTS ISSUE

Highlights

- **Alligator (ASX:AGE) announces a 1:3.5 non-renounceable Rights Issue at $0.007 per Share plus 1 attaching option for every 2 new Shares;**
- **Offer to raise up to $1,146,621 before issue costs;**
- **Use of funds includes:**
  - **attracting direct investment interest into the Company's drill-ready uranium prospect TCC4 with the aim of funding a future drilling program; and**
  - **to position the Company for rapid mobilisation and funding of a focussed initial drill program upon reaching a decision to drill at the Piedmont Project;**
- **The Offer has received indicative support from a number of key shareholders, investors and brokers who have indicated their interest in taking up their shareholder entitlement and / or any potential shortfall shares. The Company will work with these interested parties to participate in the Rights Issue and place any shortfall shares to Shareholders or new investors.**

The Board of Alligator Energy Limited has approved a non-renounceable Rights Issue to raise up to $1,146,621 before capital raising costs.

The funds raised will be used for the following purposes:

- Attract direct investment into the Company's key drill-ready uranium exploration asset in the Alligator Rivers Uranium Province (ARUP), being the TCC4 prospect, with the aim of funding a future drilling program;
- 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);
- Maintaining the Company's uranium interests and assets in the Alligator Rivers Uranium Province; and
- Working capital requirements, including the costs of the Offer.

The non-renounceable Rights Issue to eligible shareholders, is on the basis of 1 new Share for every 3.5 Shares currently held at an issue price of $0.007 per share to raise up to $1,146,621 (before costs). An attaching option will be issued for the application of every 2 new Shares.

The attaching Options have an exercise price of $0.021 and the same terms and conditions as the existing listed options on the ASX (AGEO), namely an expiry date of 27 December 2019. All Shares issued on exercise of the attaching Options will rank equally with the Shares on issue.

The Offer is not underwritten however the Offer has received indicative support from a number of key shareholders, sophisticated investors and brokers in participating in the Rights Issue and the placement of any shortfall. The Company will work with these interested parties to place any shortfall shares to new investors. The Board advises that it reserves the right to place any shortfall under the Rights Issue to shareholders or other investors.

All Directors who hold Shares in the Company have indicated their intention to support the Rights Issue for their full entitlement.

Rights Issue

Assuming no existing options on issue in the Company are exercised, approximately 163,803,045 new Shares will be offered under the Rights Issue (**Entitlement Shares**). The Rights Issue will be available to all registered shareholders who hold shares at 7 pm Brisbane time on 4 June 2018 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**). Shares issued pursuant to the Rights Issue will rank equally with all shares on issue.

Option holders need to exercise their options and be a registered holder of shares on the Record Date if they wish to participate in the Rights Issue.

In accordance with the ASX Listing Rules and the *Corporations Act 2001 (Cth)* (**Corporations Act**), Alligator 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.

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**) to come from the shortfall of the Rights Issue, regardless of the size of their present holding.

An application will be made for quotation of the attaching Options on the ASX along with existing listed options trading on the ASX under the code AGEO on the basis that they are being issued under the same terms and conditions.

Use of Funds

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

The capital raised from the Rights Issue will be used to attract direct investment into the Company's key drill-ready uranium exploration asset in the ARUP (TCC4 prospect) with the aim of funding a future drilling program, and to undertake 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, working capital and to cover the costs of the capital raising.

For full details of the proposed use of funds raised, see the Prospectus dated 29 May 2018 and released to the ASX on the same date.

Timetable

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

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

*NB: The ASX Listing Rules require dispatch of the Prospectus by no later than 6 business days following lodgement.

This timetable is indicative only and may be subject to change arising from the requirements of the Corporations Act and the ASX Listing Rules.

The Rights Issue is being made in accordance with s713 of the Corporations Act. Alligator will prepare and send the Prospectus with the Rights Issue offer to all Eligible Shareholders on 4 June 2018, as set out in the timetable above.

If all shareholders take up their entitlement under the Rights Issue, the Rights Issue will have no effect on the control of Alligator. However, the proportional shareholdings of shareholders who are not residents in Australia and New Zealand, may be diluted as those shareholders are not entitled to participate in the Rights Issue. Additionally, if an Eligible Shareholder does not take up their entitlement in full there may be a dilutionary effect on that shareholder's proportionate shareholding.

Further information

The Company anticipates that approximately 163,803,045 Entitlement Shares will be issued (this number may have to be increased by a further 23,854,871 Entitlement Shares if all existing option holders exercise their vested options and are registered shareholders by the Record Date). The new Shares will be issued for $0.007 each.

Upon completion of the Rights Issue, and assuming it is fully subscribed and that existing options are not exercised, the issued capital of Alligator will comprise approximately 737,113,701 Shares, 165,393,572 listed options exercisable at $0.021 and 4,185,458 unlisted zero-strike priced performance options.

The new Shares will rank equally in all respects with Alligator's existing shares. If an Eligible Shareholder's entitlement results in a fraction of an Entitlement Share, the entitlement will be rounded up to the nearest whole number.

Trading in the new Shares is expected to commence on or about 28 June 2018.

Entitlements not taken up may become available as Additional Shares. Eligible Shareholders may, in addition to their Entitlements, apply for new Shares over and above their Entitlement at the Offer Price regardless of the size of their present holding. The Directors reserve the right as contemplated within the Listing Rules, to allocate any Shortfall of new Shares in their discretion and to conduct a placement of the remaining Shortfall so as to ensure a maximum amount of funds are raised but that will not result in a contravention of the takeover provisions in Chapter 6 of the Corporations Act. Any Shortfall will be issued within 3 months after the Closing Date at an issue price being not less than the Rights Issue price of $0.007.

Participating in the Rights Issue

The Board recommends the Rights Issue to shareholders. However, before making a decision whether to apply for Rights Issue Shares, Eligible Shareholders should read the Offer Document carefully and in its entirety when they receive it. For further information on your Entitlement, please contact your professional advisor or the Company's share registry, Security Transfer Australia Pty Ltd.

Yours faithfully

Alligator Energy Limited



John Main

Chairman