

Alligator partners with Global Uranium Group Traxys to advance Projects and Market Opportunities – 10 May 2021

Alligator Energy (ASX: AGE, 'Alligator' or 'the Company') is very pleased to announce that it has formed a strategic relationship with Traxys North America LLC (Traxys), the U.S. arm of the global commodities trading group Traxys. Under an Agency Agreement signed today, Traxys will provide uranium marketing services for future uranium production, long term offtake contracting, project development financing and assist in uranium project acquisition opportunities.

Traxys is a long-standing metals, minerals and alloys merchant, with a turnover exceeding US\$ 6 billion annually. Their uranium marketing and trading group covers the Americas, Europe, Australia and Asia and transacts up to 15 million lbs U3O8 annually, along with managing contract supply books in conversion, UF6, futures and options.

During the term of the Agreement Traxys will act as Alligator's exclusive agent for the marketing of produced uranium. Alligator expects this Agreement will provide substantial value to Shareholders through:

- Support to accelerate Alligator's development of the Samphire Uranium Project and contract sales book;
- Leveraging Traxys' market intelligence, financing strength and customer relationships with nuclear utility uranium buyers to maximise future product pricing and project revenues;
- Working with Alligator on continued evaluation of external uranium resource opportunities to develop a future supply pipeline;
- Potential for U3O8 inventory finance and logistics support;
- Consideration of project development finance up to US\$15 million to support project start up;
- Development of a strategic relationship which will accelerate Alligator's transition from a junior explorer and development company into a bona fide producer with a global supply profile and a matching market cap; and
- In combination with Alligator's Management, Board and Advisory Team, this creates one of the most capable and experienced physical uranium investment 'partnerships' on the ASX.

Greg Hall, Alligator CEO said *"This exciting strategic partnership with Traxys will provide expanded opportunities for Alligator in the project development, uranium offtake and targeted acquisition arenas. With planning for the upcoming Samphire Project drilling program well underway, and agreements in place with ANSTO for updated metallurgical testing, the Traxys agreement adds exceptional experience towards our goal of becoming a future uranium producer."*

TRAXYS Managing Director for Uranium, Kevin Smith, commented; *"Traxys is pleased to be entering a strategic relationship with Alligator Energy as it transitions from an exploration stage company to a developer and producer focused on the critical supply of uranium. As the world increasingly recognizes the importance of nuclear power as one of the potential solutions to global climate change, we believe the Traxys Alligator combination will be well positioned to capitalize on this opportunity."*

Alligator Energy Ltd

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ASX Code: AGE

Number of Shares:
2,362 M Ordinary Shares
125.8 M Listed options
23.4 M Unlisted Options
60M Perf Shares

Board of Directors:

Mr Paul Dickson
(Non Exec. Chairman)

Mr Peter McIntyre (Non
Exec. Director)

Mr Andrew Vigar
(Non Exec. Director)

Mr Greg Hall
(CEO & MD)

Alligator Energy and Traxys Agency Agreement

The Agency Agreement with Traxys will cover product marketing & offtake, finance & logistics support, development finance, and future opportunities evaluation.

Traxys will be remunerated largely through a success-based compensation model, with payment for establishment of long-term uranium offtake contracts with nuclear utilities, and for short term purchase and sale of uranium in particular to support and enhance the long-term value of contracts. This will ensure that both parties are fully aligned on goals and achievement of mutual success.

The annual value of these payments once in production are in line with typical arrangements that uranium producers put in place for the marketing and sales of their produced uranium using dedicated marketing professionals.

The Traxys agreement has the added benefit of leveraging Traxys' balance sheet to support inventory financing, delivery logistics and potential project development finance.

Details of the Agreement include:

Product Marketing & Offtake

Traxys will act as Alligator's exclusive agent during the term of the Agreement for the marketing of U3O8 produced, owned, or controlled by Alligator. The term of the Agreement will be for an initial 5 year period, and then renewed annually unless cancelled with a 180 day notice period. Alligator will make an initial two year advisory payment in AGE shares, and future payments and fees may be made in shares to ensure long term alignment with Shareholders and value creation.

Finance & Logistics Support

Traxys will, on request from Alligator, provide inventory finance of U3O8 for Alligator's produced or owned uranium, which may involve an assignment of the relevant contract for delivery purposes, or other mechanism to enable forward payment. Traxys will, upon request, assist with uranium concentrates logistics, transport and converter delivery arrangements, to the cost of Alligator.

Development Finance

Traxys will evaluate and consider providing up to US\$ 15 million in pre-production financing by way of a secured commercial prepayment for goods to be produced at the Samphire Project, or other future uranium projects as may be considered and developed over time. The level of quantum and timing of financing will be by estimation of free cash flow available in relation to secured long term offtake contracts.

Future Opportunities Evaluation

Alligator will continue to use its existing key internal and advisory group, along with Traxys' global uranium project knowledge, to evaluate external uranium resource acquisition or farm-in opportunities that suit Alligator's strategy and shareholder value proposition.

The Agreement includes the following key terms and conditions:

- worldwide exclusive agent during the term of the Agreement for the marketing of U3O8 produced, owned or controlled by Alligator or any of its affiliates;
- initial term of five years (with at least two years of production) from the date of execution of the Agreement and then annual renewal with a 180 day notice period for termination;
- Traxys and Alligator to confer, discuss, finalize and maintain a marketing and sales optimization strategy and its implementation for U3O8;
- the duties and function of Traxys include marketing U3O8 and administering U3O8 Contracts including delivery, invoicing and insurance;
- initial upfront compensation covering the first two year period of US\$250,000 in fully paid ordinary shares in Alligator (AGE Shares) at an issue price based on the 20-business day VWAP share price prior to execution of the Agreement and an annual fee of US\$125,000 thereafter to be settled in AGE Shares or cash;
- a market comparable commission for (i) sales secured under long-term contracts on a tiered volume basis; (ii) inventory purchase and sale activities; and (iii) administration of any contracts assumed in an asset or business purchase. The commission to be based in US dollars and calculated on the notional value of the underlying contract;
- compensation for other arrangements or ad-hoc business development activities to be mutually agreed;
- access to an inventory financing facility which is based on a LIBOR interest rate plus an appropriate risk-adjusted margin;
- access to a structured pre-production finance solution of up to US\$15 million by way of a secured commercial prepayment for U3O8 for any Project at a development stage; and
- standard agency indemnities, termination rights on change of control, unremedied breaches and insolvency and a material adverse event clause.

Alligator intends to schedule a general meeting of Shareholders in the coming weeks to secure approval for the issue of the AGE Shares related to the initial upfront compensation and will keep the market updated on these plans.

Alligator recognises and thanks the Baker Street Group in London for initiating the contact and assisting to put this strategic relationship with Traxys in place.

Approved for release by the Alligator Energy Board.

FOR FURTHER INFORMATION, PLEASE CONTACT

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Mr Mike Meintjes
Company Secretary
Alligator Energy Ltd
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About Alligator Energy

Alligator Energy Ltd (Alligator or the Company) is an Australian, ASX-listed, exploration company focused on uranium and energy related minerals, principally cobalt-nickel.

Alligator's Directors have significant experience in the exploration, development and operations of both uranium and nickel projects (both laterites and sulphides)

Uranium

The Company is primarily exploring for uranium in West Arnhem, utilising modern exploration techniques, combined with the best geological knowledge acquired by Alligator and consultant geologists, in search for uranium deposits of similar mineralisation style and tenure to that of the world class Alligator Rivers Uranium deposits of Jabiluka and Ranger, concealed beneath the covering sandstone. The company's Tin Camp Creek and Beatrice tenements form the exploration focus but the Company also assesses other opportunities as they arise.

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. The previously drilled Caramal and Beatrice deposits represent eroded remnants of once much larger deposits.

The Company also has in excess of 1000km² of Exploration Licence applications awaiting grant within the Alligator Rivers Uranium Province.

Alligator also has exploration ground in South Australia (SA) having entered into a Share Purchase Agreement to obtain up to 100% of the BLU project. This project represents an exploration opportunity for ISR shallow sandstone hosted style deposits in the Cooper Basin of SA, similar to those of the Beverley, Four Mile and Honeymoon resources of the Frome basin in SA.

In early October 2020 Alligator acquired the Samphire Project within the shallow Kanaka Beds of the Pirie Basin at Samphire, a location approximately 20 kilometres southwest of Whyalla within the South Australian Gawler Craton. Over several years two uranium deposits were identified, Blackbush and Plumbush, with multiple other uranium targets established.

Cobalt- Nickel

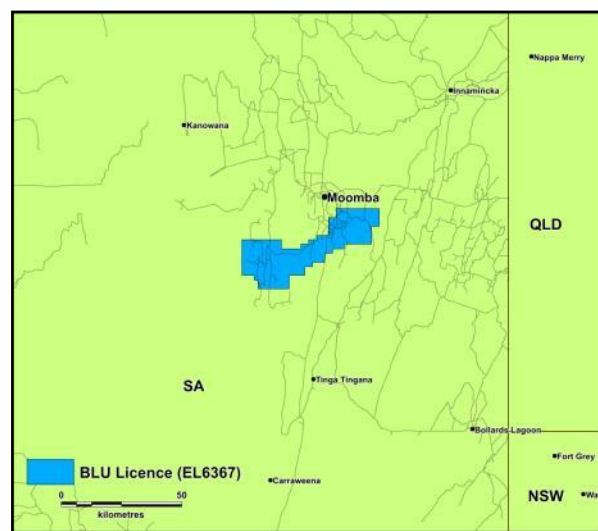
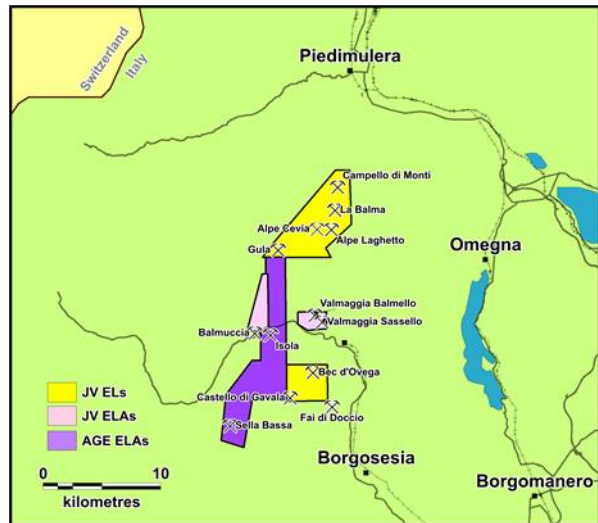
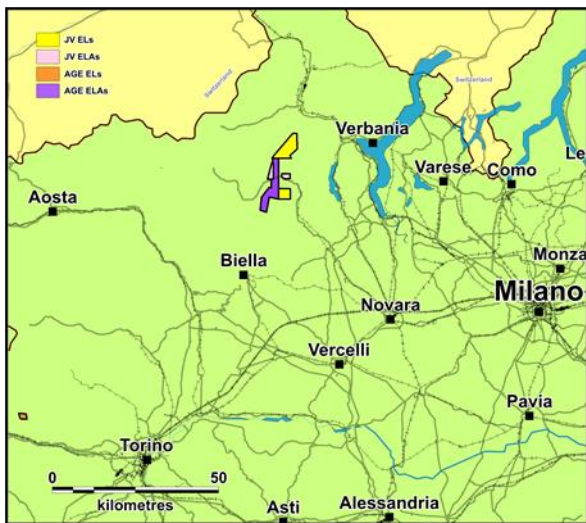
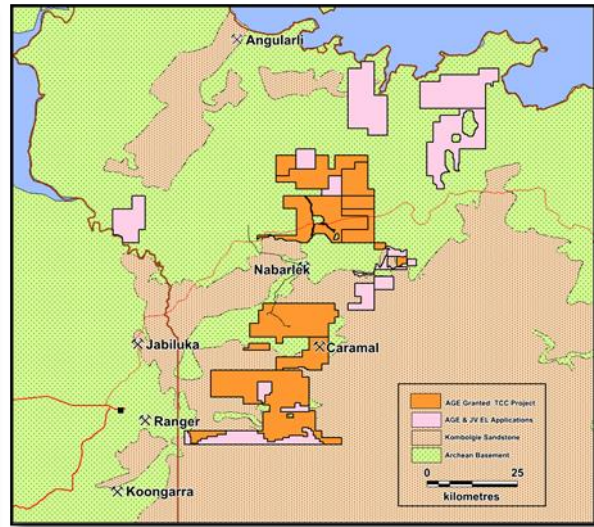
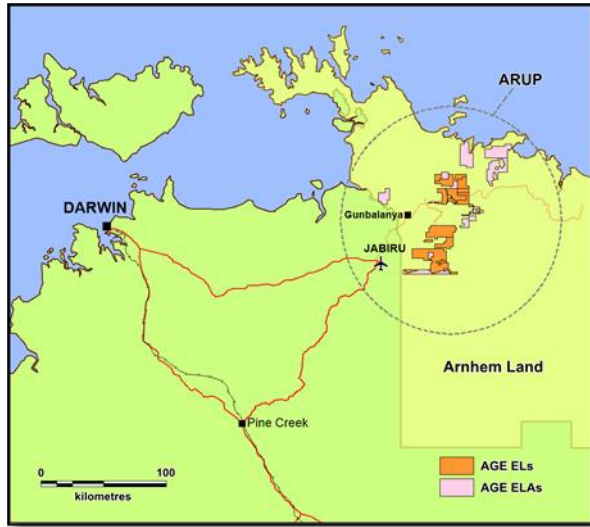
Alligator signed a binding Heads of Agreement with Chris Reindler and Partners (CRP) in January 2018 to earn up to 70% interest in the Piedmont sulphide cobalt – nickel project in Northern Italy.

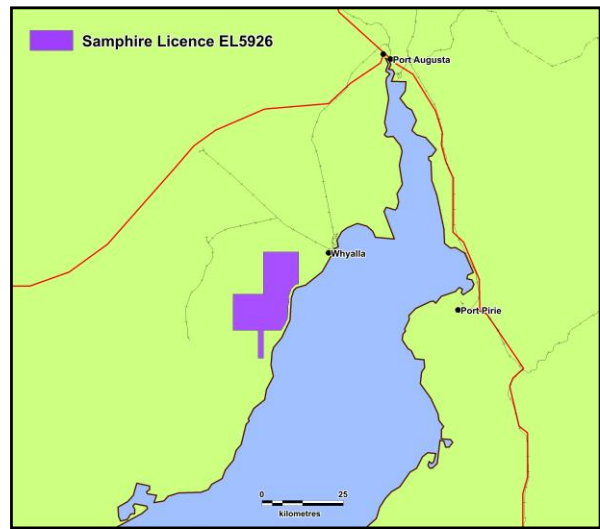
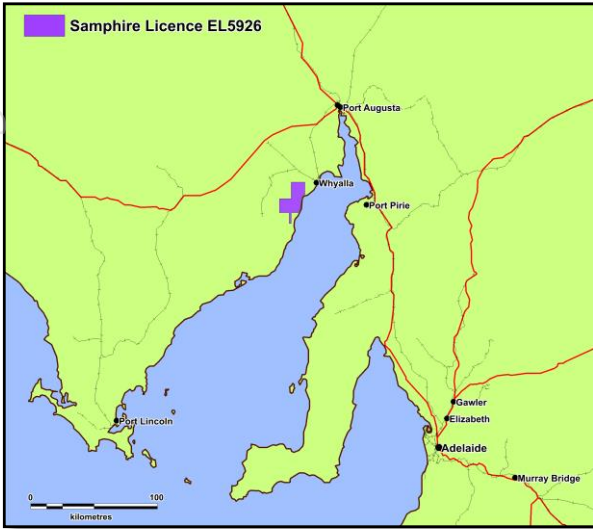
The project covers four titles containing ultramafic-hosted cobalt-nickel sulphide deposits that were mined between the 1860's and the end of World War II. Sulphides in pipe-like intrusive bodies and massive sulphide accumulations at the base of large, layered ultramafic intrusions were mined. The cobalt to nickel ratio was high in these deposits.

Airborne surveys obtained by CRP have defined a number of conductors potentially indicative of massive sulphides as well as a number of magnetic features which may represent the responses from intrusive bodies hosting disseminated sulphides. These represent very attractive targets in an area with clear cobalt-nickel pedigree untouched by modern exploration techniques.

Project Location Diagrams

NT Australia – ARUP U:
 Northwest Italy – Piedmont Ni-Co:
 SA Australia – Big Lake U:





Project Location Diagrams cont.

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