



Annual Report

2010/11



**Alligator
Energy**





Investor Highlights

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Exploration commenced at the Tin Camp Creek Project in Alligator Rivers Uranium Province (ARUP), in the Northern Territory.

Completed a high resolution airborne geophysical survey over Tin Camp Creek Project.

A 5,000 metre diamond drilling program commenced in June on the Tin Camp Creek Project.

Drilling is targeting extensions to known high grade mineralisation at the Caramal and South Horn prospects.

Results released from June 2011 drilling at Caramal include:

- 11m @ 3687ppm U_3O_8 from 18m in hole CAD11-01
 - 7m @ 1794ppm U_3O_8 from 39m in hole CAD11-01
 - 7m @ 1884ppm U_3O_8 from 35m in hole CAD 11-03
 - 5m @ 1791ppm U_3O_8 from 24m in hole CAD 11-03
-

Progressed 15 Exploration Licence Applications in the ARUP totalling 1025 square kilometres towards granted status.

Subsequent to the FY11 year end Alligator announced an exploration agreement with Cameco Australia Pty Ltd (Cameco) to earn up to 90% of the Mamadawerre Project (EL 24992) in the ARUP.

Drilling is continuing on the Tin Camp Creek Project.



Alligator Energy Ltd offers investors exposure to a highly prospective uranium exploration tenement package.

Alligator is a well funded exploration company focused on the discovery of significant, high grade uranium resources in one of the World's premier uranium districts, the Alligator Rivers Uranium Province (ARUP). The ARUP hosts several world-class uranium resources including Ranger and Jabiluka and occurs within the Northern Territory, which has benefited from and supported uranium mining for more than 30 years.

Alligator offers investors exposure to a highly prospective uranium exploration tenement package in the ARUP including the flagship project, the Tin Camp Creek Project. The Tin Camp Creek Project consists of granted tenements covering the prospective Myra Falls Inlier. High grade uranium mineralisation has previously been intersected at a number of prospects on the granted tenements, including the historic Caramal deposit. High grade intersections include, 21m @ 0.5 % U_3O_8 and 22.7m @ 0.38% U_3O_8 at Caramal, 15m @ 0.47% U_3O_8 at South Horn and 8.6m @ 0.33% U_3O_8 at Gorrunghar.

Rocks of the Cahill Formation, which host in excess of 950Mlb U_3O_8 in uranium endowment in the region occur extensively in the main project area. The project area and wider region remain under-explored due to historic access impediments which have been resolved.

Exploration has commenced on the Tin Camp Creek project and is focused on diamond drill testing extensions to existing zones of high grade uranium mineralisation at the Caramal and South Horn Prospects with an objective to quickly determine resource potential. An exploration program consisting of 10,000 metres of diamond drilling is planned to be undertaken during 2011 and 2012.

Alligator has implemented an active strategy to acquire exploration assets in the Alligator Rivers Province. In addition to the Tin Camp Creek Project, Alligator has secured a prospective land holding in the region and a potential pipeline of quality projects through its wholly owned subsidiary Northern Prospector Pty Ltd which holds 15 Exploration Licence Applications (ELAs) in the area covering a total of 1,025km². The Northern Prospector ELAs are located over areas which are considered by Alligator to be prospective for uranium mineralisation due to favourable structures and basement stratigraphy (either outcropping or concealed by Kombolgie Sandstone). The Company is committed to actively progress these applications to grant.

Alligator has also entered into a joint venture agreement with Cameco Australia Pty Ltd (Cameco) to earn into the Mamadawerre Project (EL 24992) in ARUP. Rock surface sampling undertaken by Cameco in 2010 has identified an immediate drill target associated with a major regional fault. Initial rock chip sampling has identified anomalous uranium over a 3km strike length of this fault zone up to a maximum 9388ppm U_3O_8 .

The Alligator team has a depth of uranium experience across the technical, political, financial and legal disciplines. Alligator management has a proven track record in progressing uranium exploration projects in Northern Australia. The Board, Management and Advisory Panel have a clear strategy for developing the Company's existing assets and pursuing future opportunities in uranium exploration. The Board and management are committed to exploration success in this world class province through technical excellence and strong positive relationships with local communities and stakeholders.



Chairman's Report

Dear Shareholders:

I am pleased to report to you on the progress made by Alligator Energy Ltd in its inaugural year as a publicly-listed Company on the Australian Securities Exchange (ASX).

Alligator listed on the ASX on 3 February 2011 after issuing a prospectus to raise \$15 million at 20 cents per share, with the offer closing fully subscribed. Funds raised during the IPO ensured that Alligator was well-funded to pursue its extensive exploration program on Alligator's tenements in the prolific Alligator Rivers Uranium Province (ARUP) in the Northern Territory.

Alligator exploration assets include the Tin Camp Creek Tenements acquired from Cameco Australia Pty Ltd. This project has presented immediate drill targets, both to extend and validate known zones of uranium mineralisation, including the Caramal deposit, and to explore systematically those prospects, which have untested radiometric anomalies and or limited previous drilling with positive results.

The FY11 was a successful one for Alligator as we delivered on our prospectus commitments while progressing our corporate strategy and purpose to secure, through exploration success, high grade uranium resources in one of the world's premier uranium districts, ARUP. This province hosts the Ranger, Jabiluka, Koongara and Nabarlek uranium deposits.

The exploration team has done an excellent job within a limited timeframe and a number of significant developments during the year under review include:

- Completing a high resolution airborne geophysical survey over Tin Camp Creek Project
- Commencing a 5,000 metre diamond drilling program on the Tin Camp Creek Project. Drilling is targeting known mineralisation at Caramal and South Horn prospects and testing radiometric anomalies defined at South Horn and Two Rocks prospects
- Completing re-assays confirming high grade uranium (8699 parts per million (ppm) U_3O_8) with associated gold (0.5g/t Au) over 10m at the Caramal Prospect
- Establishing access, camp and logistics for the field season
- Progressing 15 Exploration Licence Applications in the ARUP totalling 1,025 square kilometres towards granted status.

Furthermore, subsequent to the end of the FY11 reporting period, Alligator advised of a number of further important developments including:

- A joint venture with Cameco Australia for Alligator to earn into the Mamadawerre Project (EL 24992) in ARUP
- Reporting initial assay results from Tin Camp Creek Project drilling including 11m@3687ppm from 18m in CAD11-01.

Alligator has assembled a Board spanning legal, financial, technical, operational, and resource industry disciplines. The Board is also supported by an Advisory Panel comprising The Hon. Tony McGrady, Andrew Browne and Tracker Tilmouth. The Advisory Panel further strengthens the Company's exploration, Indigenous relations and government advisory experience and expertise.

The Board is committed to adhering to the highest levels of corporate governance with a focus on aligning our corporate governance practices with ASX principles.

It has been an eventful year for Alligator and I would like to take this opportunity to commend the executive team and my fellow Directors for their dedication and commitment which has contributed to the solid progress made by Alligator in its first year as a publicly-listed company on the ASX.

Together the Board, Management and Advisory Panel have a clear strategy for developing the Company's assets and pursuing future opportunities in uranium exploration for the benefit of all stakeholders.

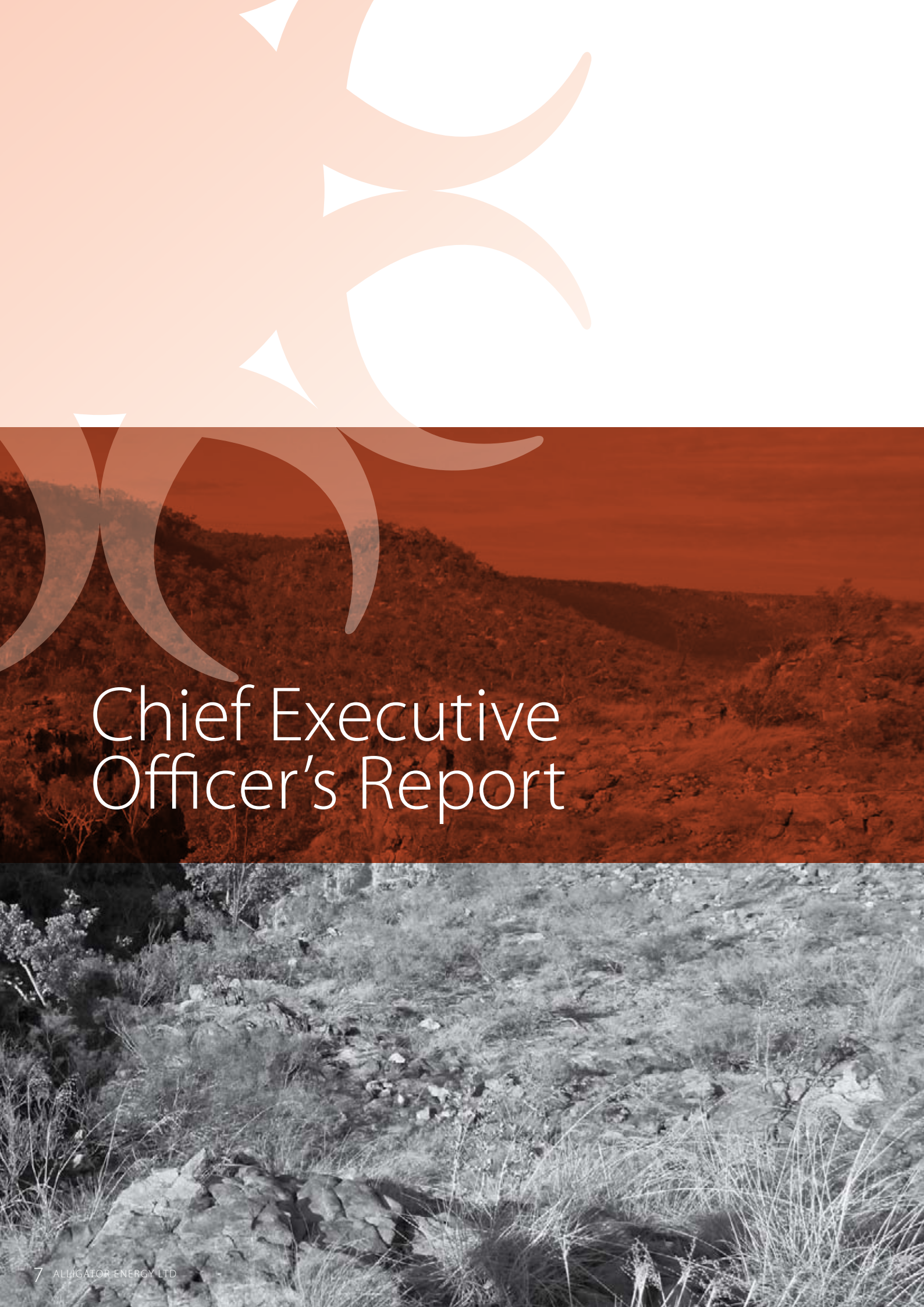
A key component of Alligator's corporate strategy is our commitment to positive relationships with local communities. During the year under review, we played a role in a number of environmental and community based initiatives. These initiatives included support for weed management programs and also sponsorship of a number of music concerts and workshops for the local communities. As our presence in ARUP continues to grow we will seek to develop further opportunities for the local communities in which we operate.

The Board and Management remain confident that Alligator is well placed to pursue its strategy and deliver value to shareholders. Despite the impacts of the earthquake and tsunami on Japan's Fukushima Daiichi nuclear power plant in early 2011, Alligator remains committed to its uranium focus. Nuclear power will continue to play an important role in meeting the growing global energy needs, given its relatively long history of safe operations and its environmental benefits in a carbon constrained world. With few exceptions, the majority of nations with nuclear power have reaffirmed their commitment to nuclear energy. In addition unprecedented growth in the industry is planned in India and China. Robust uranium resource projects, will continue to be highly valued strategic assets in an increasingly energy hungry world.

In closing, I would like to thank our shareholders for their continuing support of Alligator and our staff and contractors for their ongoing contribution to the progress we have made during FY11.



Denis Gately
Chairman



Chief Executive Officer's Report

The Company's focus since the IPO has been the preparation for and commencement of exploration activities at the Tin Camp Creek Project.

Review of Operations

Overview

The period under review has seen Alligator Energy commence its operational life as a uranium exploration company focused on the world class Alligator Rivers Uranium Province in the Northern Territory, Australia. The Company listed on 3 February 2011 after raising \$15 million in a successful, fully subscribed IPO. The company's focus since the IPO has been the preparation for and commencement of exploration activities at the Tin Camp Creek Project.

Key operational tasks, which have been completed during the year include:

- Liaison and communication with Traditional Owners in relation to the 2011 work program
- Re-establishment of access to the Tin Camp Creek project area and camp
- Establishment of work procedures and monitoring programs in line with the Company's environmental and safety plans
- Continued compilation and evaluation of exploration data from the Tin Camp Creek Project as the first stage of identifying priority target areas
- Completion of a 3,106 line km high resolution airborne Geophysical Survey
- Commencement of the 2011 Drilling Program at Tin Camp Creek.

In addition, the Company has been active in progressing Exploration (EL) Applications in the region and pursuing further tenement acquisition opportunities.

Tin Camp Creek Project

The focus of activities has been on the Tin Camp Creek Project, located 20 km south of Nabalak in Arnhem Land. High grade uranium mineralisation has previously been intersected at a number of prospects on the granted tenements, including the historic Caramal deposit. Historical high grade intersections include, 21m @ 0.5 % U_3O_8 and 22.7m @ 0.38% U_3O_8 at Caramal, 15m @ 0.47% U_3O_8 at South Horn and 8.6m @ 0.33% U_3O_8 at Gorrunghar. Rocks of the Cahill Formation, which host in excess of 950Mlb U_3O_8 in uranium endowment in the region occur extensively within the project area.

Alligator's initial exploration program is focused on the Caramal Prospect area with additional work also planned for the South Horn and Two Rocks Prospect areas. Exploration will consist primarily of diamond drill testing of extensions to known mineralisation and priority radiometric anomalies.

To assist with prioritisation of drill targets, a high resolution airborne magnetics and radiometrics survey was undertaken over the broader South Horn to Caramal region. The survey provided high quality data, which has facilitated structural interpretation of the area as well as defining radiometric anomalies with greater precision.

An important aspect of Alligator's exploration approach at Caramal is to attain a detailed understanding of host lithologies and structural controls of mineralisation. As a preliminary step, Alligator geologists have undertaken a re-assessment of remaining historical drill core from the Caramal area. As part of this assessment, representative samples were obtained of drill core from the 1971 drill program at Caramal Prospect. Assay results from representative sample intervals correlated closely with historical assay results providing confidence in the existing dataset.

Samples were assayed for a suite of elements including gold and Rare Earth Elements (REE) to characterise mineralisation and alteration halos. Anomalous gold was found to be associated with uranium mineralisation with a best result of 10m @ 8699ppm U_3O_8 with associated gold 0.5g/t Au from 26m in drill hole CAD-07. In addition, anomalous REE were also found to occur peripheral to uranium mineralisation.



The Company remains committed to its strategy of exploring the Alligator Rivers Uranium Province.

Drill core from South Horn was also examined and sampled. Of particular interest was the presence of anomalous uranium in drillhole SHD-32 which is located in an area with sparse previous drilling coverage. There has been only limited “wildcat” drilling on the western side of the Beatrice fault in this region. The presence of uranium mineralisation in this location is considered by Alligator to be encouraging as it occurs within equivalents to the prospective Cahill Formation (host sequence to the Ranger and Nabarlek deposits) and exhibits similar alteration characteristics to the major uranium deposits of the Alligator Rivers Uranium Province. These characteristics provide encouragement to further explore this area and the extensive and largely untested 7 km structural corridor between Caramal and South Horn.

The results of this initial field work continued to highlight the Caramal and South Horn prospects as being priority targets. As a result, the 2011 drilling program was refined to focus primarily on the Caramal prospect, with additional drilling to be undertaken at South Horn and to a lesser extent Two Rocks.

A planned 5,000 metre diamond drilling program commenced in mid-June 2011. Drilling commenced later than initially planned due to wet ground conditions following an exceptional wet season. Drilling is planned to continue until late October and is targeting extensions to known uranium at the Caramal and South Horn Prospects. Initial drilling at Caramal is designed to determine the structural orientation of mineralisation and offsetting structures to allow for more effective targeting of extensions to this mineralisation. Drilling will then step out to test for extensions to mineralisation along strike and down dip as well as test for additional mineralised zones. A total of 5,000 metres of drilling is planned for 2011.

Results from the first two completed drillholes at Caramal included **11m @ 3687ppm U_3O_8 from 18m in hole CAD11-001** and **7m @ 1884ppm U_3O_8 from 35m in CAD11-003.**

Alligator has been encouraged by these results which confirm the tenor and width of mineralisation indicated in 1970's drilling; indicate similarities in geological structures to the Ranger Uranium Deposit; and provided valuable data which supports the Company's exploration model.



Regional Exploration and Tenement Acquisition

Alligator has implemented an active strategy to acquire exploration assets in the Alligator Rivers Province. By the purchase of the Tin Camp Creek Project from Cameco and the acquisition of Northern Prospector, Alligator has secured a prospective land holding in the region and a potential pipeline of quality projects.

During the period under review, Alligator, through its wholly-owned subsidiary Northern Prospector Pty Ltd has begun to progress its Exploration Licence Applications in the ARUP, towards granted status. The applications cover areas of the ARUP Alligator considers to have favourable geological and structural characteristics, including anomalous uranium, gold and platinum group element drill intersections at the Steven's Prospect (ELA 28293) (8m @ 2.57 g/t Au, 1.02 g/t Pd, 0.88 g/t Pt from 41m). In February, Alligator received approval from the Northern Territory Government to negotiate with the Northern Land Council on ELA 28176. The initial meeting for EL Application 27250 was held in June 2011 with approval granted to proceed with negotiations of a final exploration agreement. Further meetings for other EL applications are scheduled over the coming months.

Alligator intends to expeditiously advance these applications to grant during the next 18 months to provide an ongoing pipeline of projects.

In July, Alligator also announced that as part of its active exploration strategy it had finalised an exploration agreement with Cameco Australia Pty Ltd (Cameco) to earn up to 90% of the **Mamadawerre Project** (EL 24992) in the ARUP.

Exploration by Cameco on the licence area has reported uranium mineralisation in rock chip samples and the tenement is consistent with Alligator's strategy to explore for high-value deposits in the ARUP. Rock surface sampling undertaken by Cameco in 2010 identified an immediate drill target associated with a major regional fault. Initial sampling has returned values of greater than 1000ppm U_3O_8 in eight rock chip samples with a maximum 9388ppm U_3O_8 within this target area.

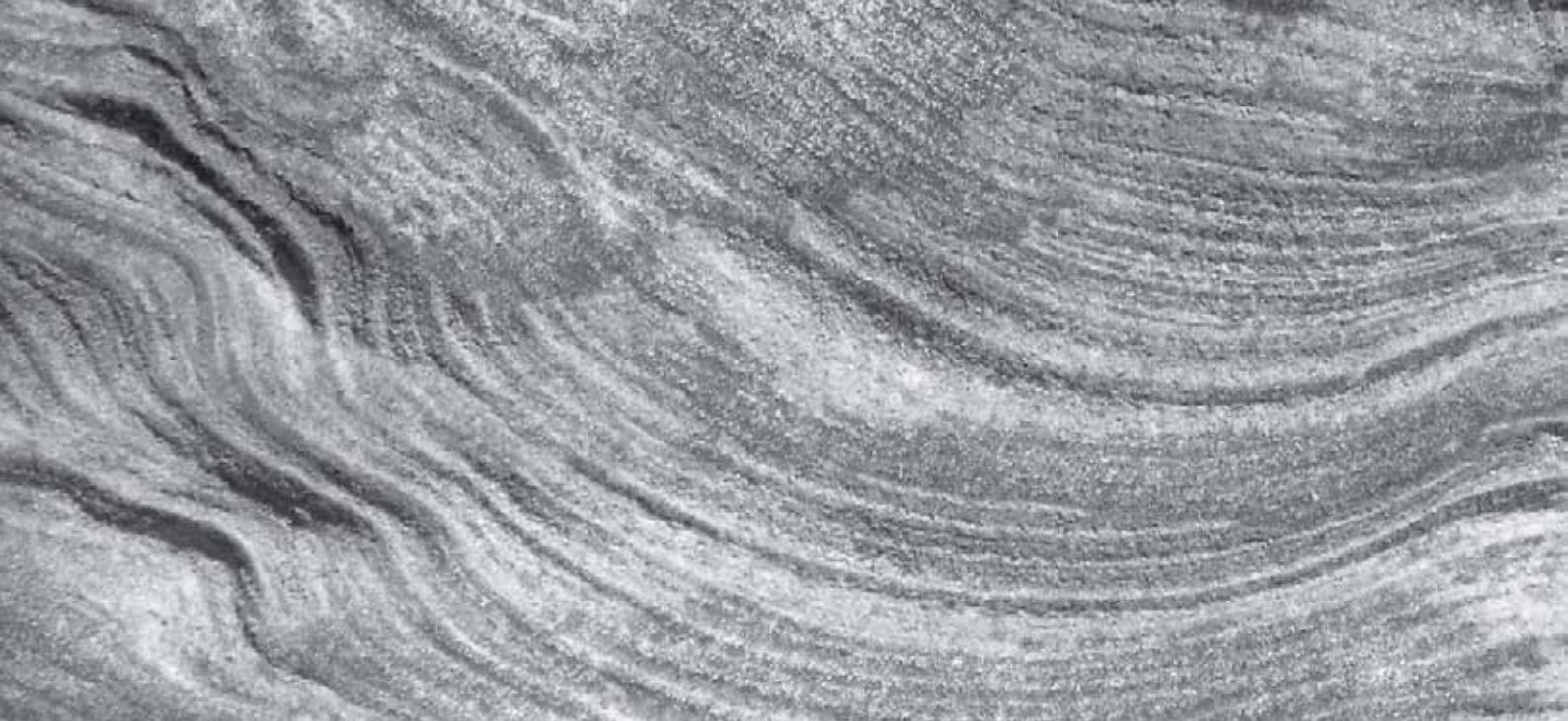
EL 24992 is contiguous with Alligator's ELAs 27251, 28315, 28176 and 28293 and serves to consolidate the Company's exploration package in the ARUP.

Terms of the agreement include:

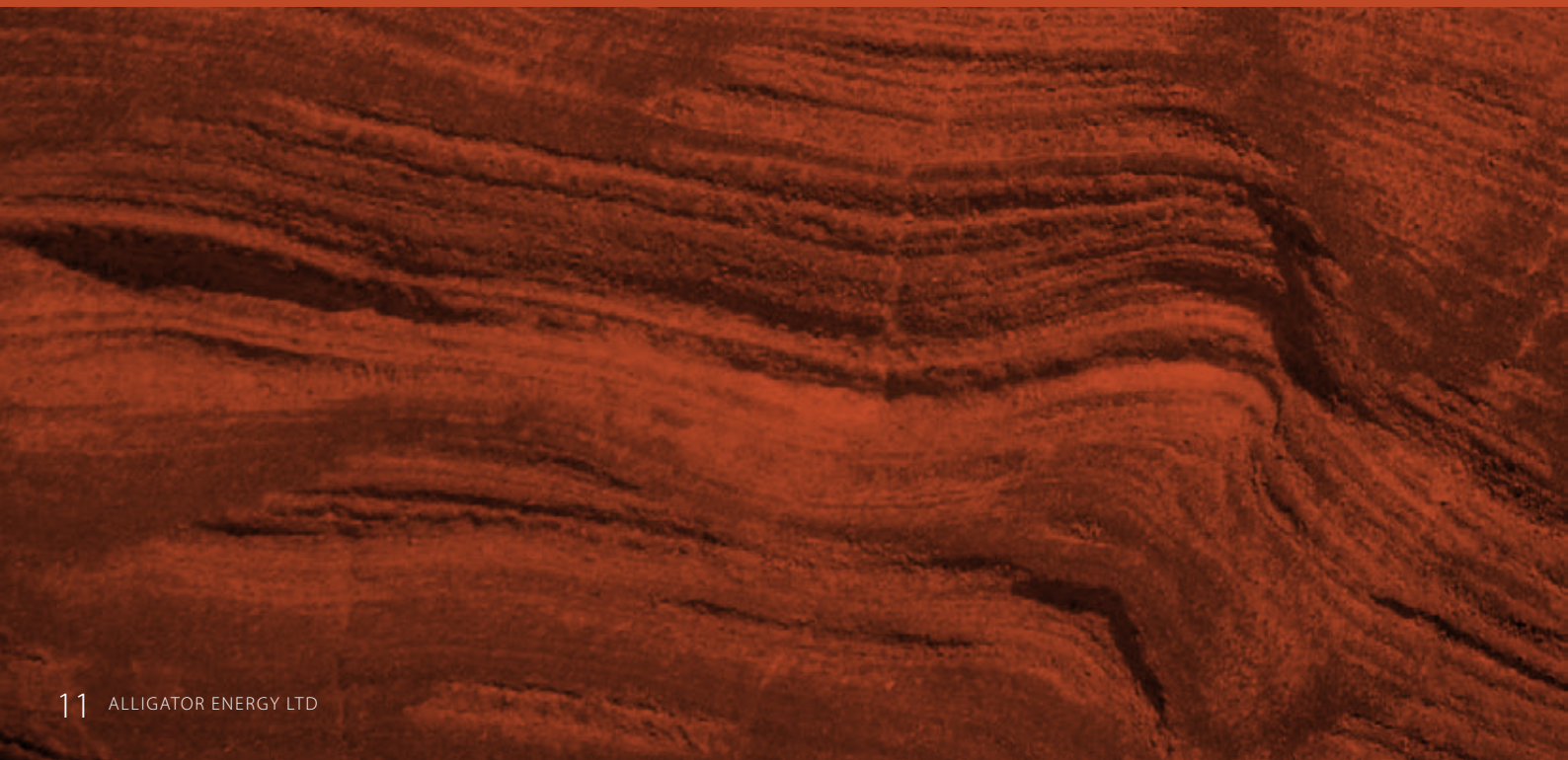
- Alligator has committed to spend \$500,000 on exploration including the completion of three drill holes for an aggregate of 600m prior to 31 December 2012.
- Upon electing to and subsequently spending a further \$2 million within three years, Alligator will earn a 40% interest in EL 24992, following which Cameco may elect to fund their 60% interest, or upon Alligator sole funding a cumulative \$10 million within six years, Alligator will be entitled to a further 50% of the tenement (for a total interest of 90%), or Cameco may elect to refund three times total expenditure to claw back 60%.

In summary, solid progress has been made since Alligator listed on the ASX. The Company remains committed to its strategy of exploring the Alligator Rivers Uranium Province. Limited drilling undertaken to date on the Tin Camp Creek Project has provided early encouragement of the prospectivity of the region and that our exploration models are valid. Alligator has also made solid progress in progressing its EL applications towards granting and has been successful in securing the Mamadawerre JV opportunity with Cameco Australia. The management of Alligator looks forward to an even more productive and successful year in 2012, focused solidly on discovery of new resources. I would like to take this opportunity to thank our staff, Board and investors for their support during this important foundation period for the Company and look forward to your continued support in 2012.

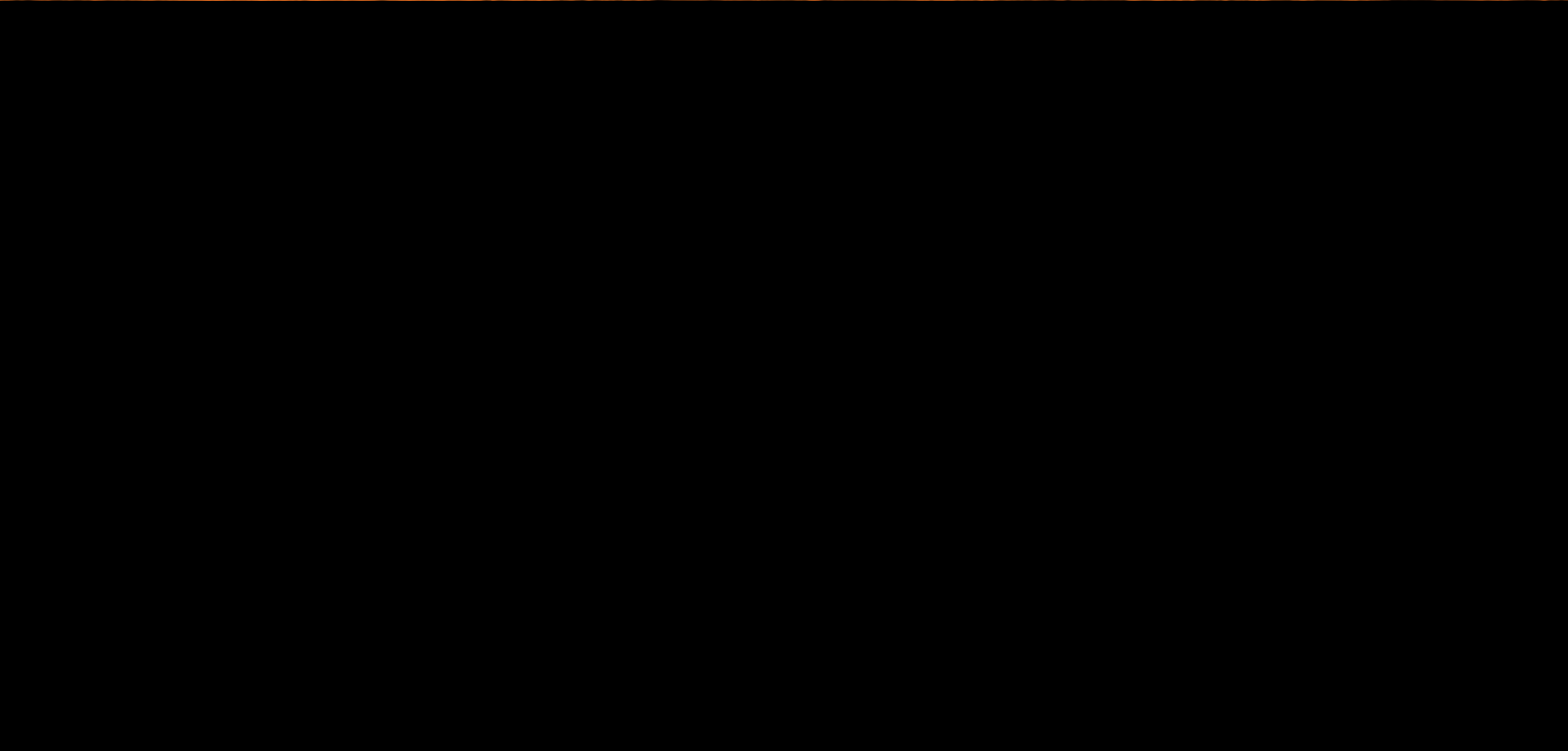
Robert Sowerby
Chief Executive Officer



Tenement Register



TITLE NUMBER	TITLE NAME	HOLDER	%	STATE	STATUS
SEL24921	Tin Camp Creek	TCC Project P/L	98	NT	Granted
SEL24922	Tin Camp Creek	TCC Project P/L	98	NT	Granted
EL25002	Tin Camp Creek	TCC Project P/L	100	NT	Granted
EL27250	TBA	Northern Prospector P/L	100	NT	application
EL27251	TBA	Northern Prospector P/L	100	NT	application
EL27252	TBA	Northern Prospector P/L	100	NT	application
EL27253	TBA	Northern Prospector P/L	100	NT	application
EL27777	TBA	Northern Prospector P/L	100	NT	application
EL27778	TBA	Northern Prospector P/L	100	NT	application
EL28176	TBA	Northern Prospector P/L	100	NT	application
EL28293	TBA	Northern Prospector P/L	100	NT	application
EL28315	TBA	Northern Prospector P/L	100	NT	application
EL28389	TBA	Northern Prospector P/L	100	NT	application
EL28390	TBA	Northern Prospector P/L	100	NT	application
EL28863	TBA	Northern Prospector P/L	100	NT	application
EL28864	TBA	Northern Prospector P/L	100	NT	application
EL28865	TBA	Northern Prospector P/L	100	NT	application
EL28950	TBA	Northern Prospector P/L	100	NT	application
EL24992	Mamadewerre	Cameco	Earning	NT	Granted
EL6490		Asia Pacific Gold Corporation P/L	100	NSW	Granted
EL7561		Alligator Energy Ltd	100	NSW	Granted
EPM13841		Chillagoe Resources P/L	100	Qld	Granted
EPM15707		Chillagoe Resources P/L	100	Qld	Granted





Financial Report

FOR THE YEAR ENDED 30 JUNE 2011

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DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the company and its controlled entities, for the financial year ended 30 June 2011.

Directors

The following persons were Directors of Alligator Energy Limited (formerly Titus Resources Limited) ("the Group") during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paul Dickson	
Andrew Johnstone	(Resigned 10 August 2010)
Wayne Kernaghan	(Resigned 19 October 2010)
Andrew Vigar	(Appointed 10 August 2010)
Robert Sowerby	(Appointed 17 August 2010)
Gregory Duncan	Alternate to Andrew Vigar (Appointed 18 August 2010)
Leigh Curyer	(Appointed 4 Sept 2010)
Denis Gately	(Appointed 12 October 2010)

Principal activities

The principal activity of the Group is mineral exploration. There are no significant changes in the nature of the Group's activities anticipated.

Dividends

There were no dividends paid to members during the financial period.

Review of operations

The Sale & Purchase agreement for the Tin Camp Creek Project was finalised and settled with Cameco Australia Pty Ltd ("Cameco").

Northern Prospector Pty Ltd, a company owning a number of exploration rights in the same region as the Tin Camp Creek Project, was acquired for a consideration of the issue of 10,000,000 shares at 10 cents per share in the Company.

The Company held its annual general meeting on 22nd November 2010. All resolutions were passed. At the Annual General Meeting the Company changed its name from Titus Resources Limited to Alligator Energy Limited.

Further capital was raised during the period as follows:

- Privately, during October and November 2010 through the issue of 24,870,000 shares at 10 cents per share.
- In November 2010, the Company undertook an initial public offering ("IPO") and issued a prospectus to raise up to \$15,000,000 at 20 cents per share. The closing date for subscriptions was 17 December 2010 and the offer closed fully subscribed. 75,000,000 shares were allotted under the IPO on 25 January 2011.

The Company commenced trading on the Australian Securities Exchange on 3 February 2011. The total amount received from the share issue was \$15,000,000.

2,000,000 options were issued to Taylor Collison as part of their contract for services during the Initial Public Offering. These options have an exercise price of 20 cents and expire three years after issue.

Preliminary fieldwork commenced in January 2011 which included geochemical analysis of historical drill core.

A detailed airborne geophysical survey was carried out during May 2011 which was followed by the commencement of drilling in June 2011. Initial drill results were issued in July 2011 and the drilling is continuing as at the date of this report.

The loss for the consolidated group for the year was \$1,529,095 (17 November 2009 to 30 June 2010: loss – \$345,471).

Significant changes in the state of affairs

Other than the items discussed in the review of operations above, there were no significant changes in the state of affairs of the Company during the year.

DIRECTORS' REPORT *(continued)*

Environmental Issues

The Group's operations are subject to environmental regulations in regards to its exploration activities. The Group is compliant with all aspects of these requirements. The directors are not aware of any environmental law that is not being complied with.

Matters subsequent to the end of the year

On 5 July 2011 Alligator Energy Ltd reported that it had entered into an earn in and Joint Venture Agreement with Cameco over tenement EL 24992 in the Alligator Rivers Province near its other current tenements.

A general meeting was held on 10 August 2011 which approved the issue of 2 million options to R Sowerby and 2 million options to G Duncan. These options were contracted under the service contracts for Messrs Sowerby and Duncan respectively however shareholder approval was required prior to their issue. That general meeting also approved an Employee Share Option Plan.

On 16 August 2011, 250,000 shares were issued to DDM Capital Pty Ltd as agreed under a contract for financial advisory services.

No other matter or circumstance has arisen since 30 June 2011 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.

Likely developments and expected results from operations

The Company will continue its activities in the area of mineral exploration including the evaluation and acquisition of suitable mineral projects to further the aims of the Company and generate shareholder value.

Information on Directors

Denis Gately – BA, LLB (Syd), FAICD **Independent Chairman and** **Non-executive Director**

Denis has more than 30 years' experience working in the energy and resources sector. His experience covers on and off market sales and purchases of assets and businesses in the minerals, oil and gas and energy sectors. He has advised on related corporate structuring, joint venture arrangements and foreign investment approvals. Denis was head of Minter Ellison's national energy and resources group (four years), a member of the firm's national board (nine years) and a Managing Partner of the Brisbane office (six years). He joined Minter Ellison in 1985 and became a Partner in 1987. In 1989, he established the firm's office in Hong Kong and worked there for three years. He is a former director, national president, and now an honorary life member of AMPLA Ltd (the Australian Resources and Energy Law association).

Other current directorships Denis is a non-executive director of Gloucester Coal Limited, an ASX listed coal producer.

Former directorships (last three years) – Nil

Special responsibilities – Chairman of Board of Directors

Interests in shares / options – 93,825 ordinary shares/
1,750,000 options (indirect)

DIRECTORS' REPORT *(continued)*

Information on Directors *(continued)*

Robert Sowerby – B.App.Sci, M.Env.Eng., MAIG Managing Director

Robert has 24 years experience in the resource industry. He has diverse experience in mineral exploration, project generation, evaluations and assessments, ore reserve estimation, and in stakeholder negotiations. He has exploration and resource evaluation experience in uranium, gold, nickel and base metals in the complete spectrum of geological environments. His primary expertise is resource evaluation and assessment of uranium resources. Robert has specific expertise in the management of highly contentious issues involving the resources industry, such as indigenous ownership rights and obtaining government approvals. He has worked for a number of major minerals companies, including ERA at the Ranger mine and for North Limited / Peko Wallsend in the NT, WA, SA, NSW and Qld. In the past 5 years, Robert has worked as an Independent Consultant in Australia and overseas, principally in Uranium and as technical advisor to Laramide Resources' Westmoreland Uranium Project.

Other current directorships – Nil

Former Directorships (last three years) – Nil

Special responsibilities – Managing Director

Interests in shares / options – 5,625,000 ordinary shares/
2,000,000 options

Andrew Vigar - BSc (App. Geo.), FAusIMM, MSEG Independent Non-executive Director

Andrew has 33 years experience in the minerals industry covering areas from regional exploration to mining, corporate and finance. He held company positions with Utah, Emperor, WMC and CRAE prior to commencing consulting in 1996 at Vigar & Associates which became part of SRK Consulting where he built and managed the Brisbane practice. He left SRK in 2003 to pursue a range of mining related interests, including the formation of Mining Associates, Forum Pacific and the Brisbane Mining Club and founded the ASX listed Drummond Gold in 2007. He returned to Mining Associates as a Director in 2009. Andrew has been working on uranium projects for more than 15 years across a wide range of deposits in the Australasia/Pacific area and is recognised by the AusIMM as a Competent

Person and independent technical advisor. This has focused on exploration support, deposit geology, ore body modelling, resource and reserve estimation for project development. Andrew is aware of, and experienced in, the specialist skill areas required for operation in the uranium industry.

He was a national councillor of the AusIMM in 2000 and Chairman of the International Mine Geology 2000 and 2003 conference committees. He is the past Chairman and current member of the AusIMM Geoscience Committee. He is the Chairman of the Brisbane Mining Club.

Other current directorships – Nil

Former Directorships (last three years) – Andrew was formerly a Director of Drummond Gold Ltd, a gold exploration company listed on the ASX.

Special responsibilities – Andrew is a member of the company's Audit Committee

Interests in shares / options – 100,000 ordinary shares/ 1,500,000 options (indirect)

Paul Dickson -B.Ed. F Fin Grad Dip TA Non-executive Director

Paul Dickson has over 20 years experience in the finance services industry. He has worked with a number of stock broking firms including Ord Minett Ltd and Colonial Stock-broking Limited and more recently has been a director of a number of corporate advisory boutiques.

Paul is currently a director of DDM Capital Pty Ltd, which provides a range of services including capital raising and general corporate advice for small-cap companies.

Other current directorships – Paul is a non-executive director of ASX listed Terrain Minerals Limited.

Former directorships (last three years) – Nil

Special responsibilities – Paul is a member of the company's Audit Committee

Interests in shares / options – 1,715,000 ordinary shares/ 1,500,000 options (indirect)

DIRECTORS' REPORT *(continued)*

Leigh Curyer BA(Acc), ACA Independent

Non-executive Director

Leigh was formerly a partner of Accord Nuclear Resources LP and Head of Corporate Development of Accord Nuclear Resources Management (Pty) Ltd. Leigh has worked for over 15 years in the resources and corporate sectors, incorporating all aspects of merger and acquisitions from origination to successful execution. Prior to Accord, Leigh worked both in Australia and internationally as Chief Financial Officer and Vice President – Corporate Development for two publicly listed uranium companies in Australia and Canada.

Other current directorships – Nil

Former directorships (last three years) – Nil

Special responsibilities – Leigh is chairman of the company's Audit Committee

Interests in shares / options – 1,500,000 options (indirect)

Gregory Duncan B.Sc., MAusIMM

Alternate director to Andrew Vigar

Greg Duncan is an exploration geologist with extensive experience in gold, base metal and diamond exploration in Australia. He combines field experience with technical expertise in the planning and management of exploration programs in remote locations and has successfully advanced conceptual models to exploration success during his career.

Other current directorships – Nil

Former directorships (last three years) – Greg was a Director of ASX listed Gulf Industrials Limited having resigned from this directorship in March 2011.

Special responsibilities – Nil

Interests in shares / options – 4,197,000 shares/ 2,000,000 options (direct and indirect)

Company Secretary

Evan Hughes, CA (NZ). Mr Hughes is a Chartered Accountant with over 20 years experience in the mining and exploration industry. His past positions include Managing Director L&M Mining Limited in New Zealand and CEO of CH Warman Slurry Technologies FZE in Dubai. Mr Hughes was appointed company secretary on 17 August 2010.

Meetings of directors

The number of meetings of the Company's board of directors held during the year ended 30 June 2011, and the number of meetings attended by each director were:

DIRECTORS' MEETINGS

	Number held while a director	Number attended
P Dickson	18	17
A Johnstone	1	1
W Kernaghan	9	7
A Vigar	17	15
G Duncan (Alternate for A Vigar)	2	2
R Sowerby	14	13
L Curyer	11	10
D Gately	11	10

The Audit committee function during the period was undertaken by the full Board in the ordinary course of director meetings.

Indemnification of Directors and Officers

Insurance premiums have been paid, during or since the end of the financial period, in respect of a contract of insurance indemnifying the insured against liability, which payment does not contravene the *Corporations Act (Cth) 2001* as amended. The contract of insurance prohibits the disclosure of the nature of the liabilities and the

DIRECTORS' REPORT *(continued)*

amount of the premium.

Shares under Option

NUMBER UNDER OPTION	EXPIRY DATE	ISSUE PRICE OF SHARES
5,000,000	7 May 2013	\$0.20
1,000,000	31 Aug 2012	\$0.35
1,000,000	30 Jun 2013	\$0.45
6,250,000	21 Nov 2015	\$0.20
2,000,000	25 Jan 2014	\$0.20
2,000,000	17 Aug 2012	\$0.25
2,000,000	17 Aug 2013	\$0.40

At the date of this report, the unissued ordinary shares of Alligator Energy Limited under option are as follows:

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

During the year ended 30 June 2011, no ordinary shares were issued on the exercise of options granted. No further shares have been issued since year-end.

DIRECTORS' REPORT *(continued)*

REMUNERATION REPORT (AUDITED)

THIS REPORT PROVIDES INFORMATION REGARDING THE REMUNERATION DISCLOSURES REQUIRED UNDER S300A OF THE CORPORATIONS ACT AND HAS BEEN AUDITED.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

a) Principles used to determine nature and amount of Remuneration

The Board of Alligator Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives.

Compensation arrangements are determined after considering competitive rates in the market place for similar sized exploration companies with similar risk profiles.

Fixed Compensation

Key management personnel receive a fixed amount of base compensation which is based on factors such as length of service and experience. Any applicable statutory superannuation amounts will be paid based on this fixed compensation.

Long Term Incentives

Incentives are paid in the form of options or rights and are intended to align the interests of the directors and company with those of the shareholders.

An Employee Share Option Plan has recently been approved at a shareholder general meeting in August 2011.

Performance related Compensation

The Company does not currently have any formal performance related remuneration policy with regards to cash bonus' for achievement of pre determined targets.

Non-Executive Directors

The Company's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The total fees for all non executive directors, as approved at the 2010 Annual General Meeting, is not to exceed \$250,000 per annum.

Non executive directors currently receive \$42,000 per annum plus statutory superannuation. The non executive chairman receives \$54,000 per annum plus statutory superannuation. There are no termination or retirement benefits other than statutory superannuation.

Options have been granted to non executive directors, as approved by shareholders at the 2010 Annual General Meeting. This arrangement is intended to align directors' interests with shareholders' interests. The options do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share upon payment to the company of the exercise price. The options were valued using the Black-Scholes methodology.

DIRECTORS' REPORT *(continued)*

REMUNERATION REPORT (AUDITED)

b) Directors and executive officers remuneration

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

		SHORT-TERM BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS		TERMINATION BENEFITS	TOTAL	VALUE OF OPTIONS AS % OF REMUNERATION
		Salary and Fees	Superannuation	Shares	Options			
		\$	\$	\$	\$	\$	\$	%
DIRECTORS								
D Gately	2011	38,758	3,488		97,263	-	139,509	70%
(appointed 12 Oct 2010)	2010	-	-		-	-	-	-
A Vigar	2011	37,333	3,360		83,370	-	124,063	67%
(appointed 10 Aug 2010)	2010	-	-		-	-	-	-
P Dickson	2011	42,000	3,465		83,370	-	128,835	65%
	2010	18,000	-		17,910	-	35,910	-
L Curyer	2011	34,533	3,108		83,370	-	121,011	69%
(appointed 4 Sep 2010)	2010	-	-		-	-	-	-
A Johnstone	2011	30,000	12,600		37,900	184,897	265,397	14%
(resigned 10 Aug 2010)	2010	60,000	-		17,910	-	77,910	23%
W Kernaghan	2011	3,500	-		-	43,750	47,250	-
(resigned 19 Oct 2010)	2010	18,000	-		17,910	-	35,910	50%
R Sowerby	2011	234,265	-	250,000*	-	-	484,265	-
(appointed 17 Aug 2010)	2010	30,000	-		-	-	30,000	-
G Duncan	2011	250,000	-	250,000*	-	-	500,000	-
(Alternate for A Vigar)								
(appointed 18 Aug 2010)	2010	30,000	-		-	-	30,000	-

DIRECTORS' REPORT *(continued)*

REMUNERATION REPORT (AUDITED)

		SHORT-TERM BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS		TERMINATION BENEFITS	TOTAL	VALUE OF OPTIONS AS % OF REMUNERATION
		Salary and Fees	Superannuation	Shares	Options			
		\$	\$	\$	\$	\$	\$	%
KEY MANAGEMENT PERSONNEL								
I D Michel	2011	7,000				21,000	28,000	-
Company secretary (resigned 17 Aug 2010)	2010	4,000			5,970		9,970	60%
E Hughes	2011	52,500					52,500	-
Company secretary (appointed 17 Aug 2010)	2010	-					-	-
Total	2011	729,889	26,021	500,000	385,273	249,647	1,890,830	20%
	2010	160,000	-	-	59,700	-	219,700	27%

* 2,500,000 ordinary shares were issued to each of Rob Sowerby and Greg Duncan as finders fees for arranging the purchase of the Tin Camp Creek project on behalf of Alligator Energy Ltd.

c) Service Agreements

A contract for service was entered into with Minearth Pty Ltd (a company associated with Robert Sowerby). This contract includes a consulting fee of \$220,000 per annum for services of 13 days per month and provision for the issue of 2 million options. Any days worked in excess of 13 days are payable at \$1,400 per day. The contract currently expires on 17 August 2013. In the event of termination by the company all consulting amounts which would otherwise be due until the end of the contract will be payable.

A contract for service was entered into with Pacific Consulting Services Pty Ltd (a company associated with Gregory Duncan). This contract includes a consulting fee of \$220,000 per annum for services of 13 days per month and provision for the issue of 2 million options. Any days worked in excess of 13 days are payable at \$1,400 per day. The contract currently expires on 17 August 2013. In the event of termination by the company all consulting amounts which would otherwise be due until the end of the contract will be payable.

DIRECTORS' REPORT *(continued)*

REMUNERATION REPORT (AUDITED)

d) Share based compensation

Details of options over ordinary shares in the Company that were granted as compensation to directors or key management personnel during the reporting periods and options that vested are as follows:

		OPTIONS GRANTED	VALUE OF OPTIONS \$	NOTE	OPTIONS VESTED	OPTIONS CANCELLED	OPTIONS AVAILABLE FOR VESTING IN FUTURE PERIODS
DIRECTORS							
D Gately (appointed 12 Oct 2010)	2011 2010	1,750,000	97,263	(i)	583,333		1,166,667 -
A Vigar (appointed 10 Aug 2010)	2011 2010	1,500,000	83,370	(i)	500,000		1,000,000 -
P Dickson	2011 2010	1,500,000 1,500,000	83,370 17,910	(i) (iii)	500,000 1,500,000	1,500,000*	1,000,000 -
L Curyer (appointed 4 Sep 2010)	2011 2010	1,500,000	83,370	(i)	500,000		1,000,000 -
A Johnstone (resigned 10 Aug 2010)	2011 2010	2,000,000 1,500,000	37,900 17,910	(ii) (iii)	2,000,000 1,500,000		- -
W Kernaghan (resigned 19 Oct 2010)	2011 2010	- 1,500,000	- 17,910	- (iii)	- 1,500,000		- -
R Sowerby (appointed 17 Aug 2010)	2011 2010	-	-				- -
G Duncan (Alternate for A Vigar) (appointed 18 Aug 2010)	2011 2010	-	-				- -

DIRECTORS' REPORT *(continued)*

REMUNERATION REPORT (AUDITED)

		OPTIONS GRANTED	VALUE OF OPTIONS \$	NOTE	OPTIONS VESTED	OPTIONS CANCELLED	OPTIONS AVAILABLE FOR VESTING IN FUTURE PERIODS
KEY MANAGEMENT PERSONNEL							
I D Michel (Company Secretary)	2011						-
(resigned 17 Aug 2010)	2010	500,000	5,970	(iii)	500,000		-
E Hughes (Company secretary)	2011	-					-
(Appointed 17 August 2010)	2010						-
Total	2011	8,250,000			4,083,000	1,500,000	4,166,667
	2010	5,000,000			5,000,000	-	-

*The options granted to P Dickson on 7 May 2010 were cancelled during the 2011 financial year.

Details of options in above table

NOTE	NUMBER ISSUED	GRANT DATE	EXPIRY DATE	EXERCISE PRICE	VESTING	FAIR VALUE
(i)	6,250,000	22-Nov-10	21-Nov-15	\$0.20	1/3 per year*	\$0.056
(ii)	1,000,000	1-Jul-10	31-Aug-12	\$0.35	Immediate	\$0.017
	1,000,000	1-Jul-10	30-Jun-13	\$0.45	Immediate	\$0.021
(iii)	5,000,000	7-May-10	7-May-13	\$0.20	Immediate	\$0.012

*The options under note (i) vested as follows: 1/3 on issue, 1/3 12 months from issue, 1/3 24 months from issue.
During the year no options were exercised.

END OF AUDITED REMUNERATION REPORT

DIRECTOR'S REPORT *(continued)*

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Lawler Hacketts Audit, or its related entities, for non-audit services provided during the year ended 30 June 2011:

	\$
Independant Accountants Report in IPO Prospectus	15,000
	15,000

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 26.

This report is made in accordance with a resolution of Directors.



Denis Gately
Director

Brisbane,
8 September 2011



AUDITOR'S INDEPENDENCE DECLARATION



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ALLIGATOR ENERGY LIMITED
AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
2. no contraventions of any applicable code of professional conduct in relation to the review.

Lawler Hacketts

Lawler Hacketts Audit

Sg Lindemann

**Shaun Lindemann
Partner**

Brisbane, 8 September 2011

INDEPENDENT AUDIT REPORT



Independent Auditor's Report to the members of Alligator Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Alligator Energy Limited ("the company") and its controlled entities ("the consolidated entity"), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

INDEPENDENT AUDIT REPORT *(continued)*



Opinion

In our opinion:

- a) the financial report of Alligator Energy Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty regarding capitalised Exploration Expenditure

Without qualification to the opinion expressed above, attention is drawn to the following matter:

As a result of the matter described in Note 2 to the financial statements, there is uncertainty as to whether the company will be able to recover the carrying value of exploration expenditure for the amount recorded in the financial report. The ultimate recovery of the carrying value of exploration expenditure, and future exploration expenditure, is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interests in the tenements.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 20 to 24 of the Directors' Report for the year ended 30 June 2011. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Alligator Energy Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in dark ink, appearing to read "Lawler Hacketts".

LAWLER HACKETTS AUDIT

A handwritten signature in dark ink, appearing to read "Sg Lindemann".

**Shaun Lindemann
Partner
Brisbane, 8 September 2011**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011 \$	17 NOVEMBER 2009 TO 30 JUNE 2010 \$
Other income – Interest received		385,771	7,133
Accounting and audit fees		(48,858)	(5,000)
Consultants and professional fees		(341,542)	(202,778)
Depreciation		(37,033)	(2,044)
Directors' fees		(169,545)	(33,000)
Employee benefits expense		(87,554)	-
Legal fees		(134,315)	(13,534)
Office rent and outgoings		(72,849)	(6,000)
Share-based payments		(258,332)	(77,610)
Stock exchange fees		(73,207)	-
Investor relations		(70,030)	-
Termination payments		(249,647)	-
Travel and accommodation expenses		(183,035)	(3,632)
Other expenses		(188,919)	(9,006)
Loss before income tax		(1,529,095)	(345,471)
Income tax expenses	19	-	-
Loss for the period		(1,529,095)	(345,471)
Other comprehensive income		-	-
Total comprehensive income for the period		(1,529,095)	(345,471)
Loss attributable to members of the parent entity		(1,529,095)	(345,471)
Total comprehensive income attributable to members of the parent entity		(1,529,095)	(345,471)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company		CENTS	CENTS
Basic loss per share		1.5	3.0
Diluted loss per share		1.5	3.0

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	NOTE	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	12,497,801	1,005,959
Trade and other receivables	7	590,115	125,196
Total Current Assets		13,087,916	1,131,155
Non-Current Assets			
Property, plant and equipment	8	328,564	21,001
Exploration expenditure	9	6,220,961	1,444,505
Total Non-Current Assets		6,549,525	1,465,506
Total Assets		19,637,441	2,596,661
LIABILITIES			
Current Liabilities			
Trade and other payables	10	511,770	45,162
Total Current Liabilities		511,770	45,162
Total Liabilities		511,770	45,162
Net Assets		19,125,671	2,551,499
EQUITY			
Contributed equity	11	20,443,495	2,819,360
Reserves		556,742	77,610
Accumulated Losses		(1,874,566)	(345,471)
Total Equity		19,125,671	2,551,499

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	CONTRIBUTED EQUITY	OPTIONS RESERVE	RETAINED EARNINGS	TOTAL
	\$	\$	\$	\$
Balance as at 17 November 2009	-	-	-	-
Total comprehensive income for the period	-	-	(345,471)	(345,471)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	2,819,360	-	-	2,819,360
Options issued during the period	-	77,610	-	77,610
Balance at 30 June 2010	2,819,360	77,610	(345,471)	2,551,499
Total comprehensive income for the period	-	-	(1,529,095)	(1,529,095)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	17,624,135	-	-	17,624,135
Options issued during the period	-	479,132	-	479,132
Balance at 30 June 2011	20,443,495	556,742	(1,874,566)	19,125,671

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	17 NOVEMBER 2009 TO 30 JUNE 2010 \$
		INFLOWS / (OUTFLOWS)	INFLOWS / (OUTFLOWS)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		285,611	7,133
Payments to suppliers		(1,589,771)	(320,484)
Net cash inflow(outflow) from operating activities	16	(1,304,160)	(313,351)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(2,893,673)	(1,272,005)
Payments for security deposits		(308,493)	(10,000)
Payments for purchase of property, plant and equipment		(364,567)	(23,045)
Proceeds from sale of property, plant and equipment		17,800	-
Net cash inflow(outflow) from investing activities		(3,548,933)	(1,305,050)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on issue of shares		17,487,000	2,791,500
Payment of capital raising costs		(1,142,065)	(167,140)
Net cash inflow(outflow) from financing activities		16,344,935	2,624,360
Net increase (decrease) in cash held		11,491,842	1,005,959
Cash at beginning of financial period		1,005,959	-
Cash at the end of financial period	6	12,497,801	1,005,959

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

These consolidated financial statements and notes represent those of Alligator Energy Limited and Controlled Entities (the "Group").

The separate financial statements of the parent entity, Alligator Energy Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 8 Sept 2011 by the directors of the company.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Alligator Energy Limited is a publicly listed company incorporated and domiciled in Australia. The company was incorporated as Titus Resources Limited on 17 November 2009. The change of name to Alligator Energy Limited was ratified at the Annual General Meeting on 22 November 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Alligator Energy Limited at the end of the reporting period. A controlled entity is any entity over which Alligator Energy Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 15 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Property, Plant and Equipment (Continued)

Plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Plant and equipment	20 - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Exploration and Development Expenditure

Expenditure is accumulated separately for each area of interest until such time as the area is abandoned or sold. The realisation of the value of the expenditure carried forward depends on any commercial results that may be obtained through successful development and exploitation of the area of interest or alternatively by its sale. If an area of interest is abandoned or is considered to be of no further commercial interest the accumulated exploration costs relating to the area are written off against income in the year of abandonment. Some exploration expenditure may also be written off where areas of interest are partly relinquished. In cases where uncertainty exists as to the value, provisions for possible diminution in value are established.

(e) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(f) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using *the effective interest method*.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Impairment of Assets (continued)

asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(h) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. There are currently no employee benefits payable later than one year.

Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for

services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, and other short-term highly liquid investments with original maturities of six months or less.

(k) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable, when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Interest revenue is recognised using the effective interest rate method.
- All revenue is stated net of the amount of goods and services tax (GST).

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(m) Comparative Figures

Comparative information is for the period 17 November 2009 to 30 June 2010, being the date of incorporation of the company.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued the following new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt.

- AASB 2009–12: Amendments to Australian Accounting Standards (issued December 2009);
- AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (issued December 2009);
- AASB 124: Related Party Disclosures (issued December 2009);
- AASB 1053: Application of Tiers of Australian Accounting Standards (issued June 2010);
- AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (issued June 2010);
- AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (issued June 2010);
- AASB 2010–5: Amendments to Australian Accounting Standards (issued October 2010);
- AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (issued November 2010);
- AASB 2010–8: Amendments to Australian Accounting

Standards – Deferred Tax: Recovery of Underlying Assets (issued December 2010);

- AASB 2010–9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (issued December 2010);
- AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters (issued December 2010)
- AASB 9: Financial Instruments (issued December 2010);
- AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (issued December 2010); and
- AASB 1054: Australian Additional Disclosures and AASB 2011–1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project (issued May 2011).

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial statements of the Group.

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 company has capitalised exploration expenditure of \$6,220,961 (30 June 2010: \$1,444,505). This amount includes costs directly associated with exploration and the purchase of exploration properties. 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, permit rentals and payments to contractors. 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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

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.

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, with its revenue being predominantly sourced in Australia.

Note 4 DIVIDEND

No dividend has been paid during the year ended 30 June 2011 and none is proposed.

Note 5 EARNINGS PER SHARE

	2011 CENTS	2010 CENTS
(a) Basic earnings per share		
Profit (loss) attributable to the ordinary equity holders of the company	(1.5)	(3.0)
(b) Diluted earnings per share		
Profit (loss) attributable to the ordinary equity holders of the company	(1.5)	(3.0)
	2011 \$	2010 \$
(c) Reconciliations of earnings used in calculating earnings per share		
<i>Basic earnings per share</i>		
Profit (loss) attributable to ordinary equity holders of the company used in calculating basic earnings per share	(1,529,095)	(345,471)
<i>Diluted earnings per share</i>		
Profit (loss) attributable to ordinary equity holders of the company used in calculating diluted earnings per share	(1,529,095)	(345,471)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

(d) Weighted average number of shares used as the denominator	2011 NUMBER	2010 NUMBER
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	100,766,452	11,562,703
Adjustments for calculation of diluted earnings per share:		
Options	-	-
<i>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	100,766,452	11,562,703

Note 6 CURRENT ASSETS – CASH AND CASH EQUIVALENTS	2011 \$	2010 \$
Cash at bank and in hand	2,497,801	1,005,959
Term Deposits	10,000,000	-
	12,497,801	1,005,959

The effective interest rate on term deposits was 5.96%.

Reconciliation of cash	2011 \$	2010 \$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	12,497,801	1,005,959

Note 7 CURRENT ASSETS – TRADE AND OTHER RECEIVABLES	2011 \$	2010 \$
Deposits	340,994	32,500
GST Receivable	111,374	67,484
Other receivables	137,747	25,212
	590,115	125,196

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Company.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 8	NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT	2011 \$	2010 \$
	Plant and Equipment – at cost	367,613	23,045
	Accumulated depreciation	(39,049)	(2,044)
		328,564	21,001

	Carrying value at beginning of financial year	21,001	-
	Additions	364,567	23,045
	Disposals / written off	(18,124)	-
	Depreciation charge	(38,880)	(2,044)
	Carrying value at end of financial year	328,564	21,001

Note 9	NON-CURRENT ASSETS – EXPLORATION EXPENDITURE	2011 \$	2010 \$
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Exploration phase property costs			
	Geological, geophysical, drilling and other expenditure – at cost	6,220,961	1,444,505
The capitalised exploration expenditure carried forward above has been determined as follows:			
	Opening balance	1,444,505	-
	Expenditure incurred or tenements acquired during the period	4,776,456	1,444,505
		6,220,961	1,444,505

Note 10 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Trade and other payables	444,170	18,162
	Accrued expenses	67,600	27,000
		511,770	45,162

The average credit period on purchases is 30 days. No interest is charged on trade payables.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 11 CONTRIBUTED EQUITY AND RESERVES

a) Ordinary Shares

	2011	2011	2010	2010
	SHARES	\$	SHARES	\$
Ordinary shares fully paid	155,335,000	20,443,495	40,465,000	2,819,360

Movements of ordinary share capital are as follows:

DATE	DETAILS	NUMBER OF SHARES	ISSUE PRICE CENTS	\$
17 November 2009	Incorporation	5	20c	1
5 Mar 2010	Share Issue	5,000,000	2c	100,000
21 Apr 2010	Share Issue	1,950,000	10c	195,000
30 Apr 2010	Share Issue	2,000,000	2c	40,000
15 May 2010	Share Issue	10,000,000	5c	500,000
31 May 2010	Share Issue	21,514,995	10c	2,151,499
	Capital Raising costs			(167,140)
30 June 2010	Balance	40,465,000		2,819,360
24 Sep 2010	Share Issue	15,000,000	10c	1,500,000
25 Oct 2010	Share Issue	18,770,000	10c	1,877,000
10 Nov 2010	Share Issue	6,100,000	10c	610,000
25 Jan 2011	Share Issue	75,000,000	20c	15,000,000
	Capital Raising costs			(1,362,865)
30 June 2011	Balance	155,335,000		20,443,495

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 11 CONTRIBUTED EQUITY AND RESERVES *(continued)*

b) Share Options

	2011		2010	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
On issue at beginning of financial year	6,500,000	\$0.20	-	
Options issued during year	10,250,000	\$0.24	6,500,000	\$0.20
Options cancelled during year	(1,500,000)		-	
Options exercised during year	-		-	
On issue at end of financial year	15,250,000	\$0.23	6,500,000	\$0.20

At 30 June 2011 the Company had 15,250,000 unlisted options on issue under the following terms and conditions:

NUMBER UNDER OPTION	EXPIRY DATE	ISSUE PRICE OF SHARES
5,000,000	7 May 2013	\$0.20
1,000,000	31 Aug 2012	\$0.35
1,000,000	30 Jun 2013	\$0.45
6,250,000*	21 Nov 2015	\$0.20
2,000,000	25 Jan 2014	\$0.20

*Options vest – 1/3 on issue, 1/3 after 12 months, 1/3 after 24 months.

Options exercisable as at 30 June 2011	11,083,333
Options exercisable as at 30 June 2010	6,500,000

c) Option Reserve

The option reserve records items recognised as expenses on valuation and issue of share options.

d) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes cash and cash equivalents, equity attributable to equity holders, comprising of contributed equity, reserves and accumulated losses. In order to maintain or adjust the capital structure, the company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the Group.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

The Group monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Group's exposure to borrowings as at 30 June 2011 totals \$nil (2010 : \$nil). The Group will continue to use capital market issues to satisfy anticipated funding requirements.

The group's strategy to capital risk management is unchanged from prior years.

Note 12 FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	CONSOLIDATED GROUP	
		2011	2010
		\$	\$
Financial assets			
Cash and cash equivalents	6	12,497,801	1,005,959
Loans and receivables	7	590,115	125,196
Total financial assets		13,087,916	1,131,155
Financial liabilities			
Trade and other payables	10	511,770	45,162
Total financial liabilities		511,770	45,162

Financial Risk Management Policies

The Risk and Audit Committee (RAC) has been delegated responsibility by the Board of Directors for, among other issues, monitoring and managing financial risk exposures of the Group.

The Group's overall risk management strategy seeks to meet its financial requirements, while minimising potential adverse effects on financial performance. It includes the review of the use of credit risk policies and future cash flow requirements.

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 12 FINANCIAL RISK MANAGEMENT *(continued)*

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for regular monitoring of exposures against such limits and monitoring of the financial stability of significant counterparties), ensuring to the extent possible, that counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the company has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7.

Credit risk related to balances with banks and other financial institutions is managed by the company in accordance with the policy of only investing surplus cash with major financial institutions. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	NOTE	CONSOLIDATED GROUP	
		2011 \$	2010 \$
Cash and cash equivalents:			
– AA rated	6	12,497,801	1,005,959

b) Liquidity risk.

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group considers liquidity risk as immaterial as the company has sufficient cash funding to meet its obligations as they fall due. This risk is also managed by regular review of future period cash flows and operational activity budgets.

c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

The company's exposure to interest rate risk is summarised in the table below:

	FIXED INTEREST MATURING IN					
	FLOATING INTEREST RATE	1 YEAR OR LESS	OVER 1 YEAR, LESS THAN 5	NON INTEREST BEARING	TOTAL	WEIGHTED AVERAGE INTEREST RATE
2010						
Financial assets						
Cash at bank	-	-	-	17,643	17,643	-
Cash at bank	988,316	-	-	-	988,316	5.0%
Term Deposits	-	-	-	-	-	-
Receivables	-	-	-	125,196	125,196	-
Financial Liabilities						
Trade Creditors and accruals	-	-	-	(45,162)	(45,162)	-
2011						
Financial assets						
Cash at bank	-	-	-	106,323	106,323	-
Cash at bank	2,391,478	-	-	-	2,391,478	4.75%
Term Deposits	-	10,000,000	-	-	10,000,000	5.96%
Receivables	-	-	-	590,114	590,114	-
Financial Liabilities						
Trade Creditors and accruals	-	-	-	(511,771)	(511,771)	-

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 12 FINANCIAL RISK MANAGEMENT *(continued)*

c) Market risk (continued)

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how the company's (loss) /profit reported at the end of the reporting period would have been affected by interest rate movements that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	CARRYING VALUE	+1 % INTEREST RATE	-1 % INTEREST RATE
	\$	\$	\$
2010			
Interest bearing cash	988,316	9,883	(9,883)
2011			
Interest bearing cash	12,391,478	123,915	(123,915)

Net Fair Values of financial assets and liabilities

The carrying amounts of all financial assets and financial liabilities approximate their net fair values.

Note 13 AUDITORS REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor, its related practises and non-related audit firms:

	CONSOLIDATED GROUP	
	2011	2010
	\$	\$
Remuneration of the auditor of the parent entity for:		
– auditing or reviewing the financial statements	28,000	12,500
– Preparation of Independent Accountants Report for IPO Prospectus	15,000	-
	43,000	12,500

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 14 CONTINGENCIES

To the best knowledge of the board the Group had no material contingent liabilities at year end.

Note 15 CONTROLLED ENTITIES

a) Subsidiaries of Alligator Energy Limited

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy disclosed in note 1 (a):

NAME OF ENTITY	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%)*	
		2011	2010
TCC Project Pty Ltd	Australia	100%	-
Northern Prospector Pty Ltd	Australia	100%	-
Asia Pacific Gold Corporation Pty Ltd	Australia	100%	100%
Chillagoe Resources Pty Ltd	Australia	100%	100%

* Percentage of voting power is in proportion to ownership

b) Acquisition of Controlled Entities

On 24 August 2010 a new company, TCC Project Pty Ltd, was incorporated. This company holds the Tin Camp Creek project and is owned 100% by Alligator Energy Ltd.

On 17 August 2010 the board, after due process, resolved to acquire 100% of the issued capital of Northern Prospector Pty Ltd, a uranium explorer in the Northern Territory, for a purchase consideration of \$1,000,000.

The acquisition is consistent with the Group's overall strategy to conduct uranium exploration in the Alligator Rivers Uranium Province of the Northern Territory.

The purchase was satisfied by the issue of 10,000,000 ordinary shares at an issue price of \$0.10.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 15 CONTROLLED ENTITIES *(continued)*

	PRE-ACQUISITION CARRYING AMOUNTS	FAIR VALUE ADJUSTMENT	RECOGNISED VALUES ON ACQUISITION
Exploration expenditure	-	1,000,000	1,000,000
Net identifiable assets and liabilities		1,000,000	1,000,000
Goodwill on acquisition			-
Consideration paid – issue of shares			1,000,000
Net cash outflow			-

Profit (loss) and revenue resulting from the acquisition of Northern Prospector Pty Ltd amounting to \$7,734 (loss) and \$nil respectively are included in the consolidated statement of comprehensive income for the year ended 30 June 2011.

Had the results relating to Northern Prospector Pty Ltd been consolidated from 1 July 2010, consolidated revenue of the consolidated group would have been nil and consolidated profit (loss) of the combined group would have been (\$1,529,095) for the year ended 30 June 2011.

There are no acquisition-related costs included within administration expenses in the statement of comprehensive income.

Note 16 CASH FLOW INFORMATION

	CONSOLIDATED GROUP	
	2011 \$	2010 \$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Loss after income tax	(1,529,095)	(345,471)
Non-cash flows in loss:		
- depreciation	36,708	2,044
- share based payment expenses	258,332	77,610
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and term receivables	(156,424)	(92,696)
- increase/(decrease) in trade payables and accruals	86,320	45,162
Cash flow from operations	(1,304,160)	(313,351)
Non-cash investing and financing activities		
Shares issued as consideration for the acquisition of subsidiaries, including tenements	1,500,000	195,000
Options issued as consideration for capital raising costs	220,800	-
	1,720,800	195,000

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 17 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	2011 \$	2010 \$
Short-term employee benefits	755,910	160,000
Share-based payments	885,273	59,700
	1,641,183	219,700

Further information regarding the identity of key management personnel and their compensation may be found in the Audited Remuneration Report contained in the Directors Report.

(b) Equity instrument disclosures relating to key management personnel

(i) Share holdings

The number of ordinary shares in the company held during the financial year by directors and key management personnel and their personally related entities is set out below:

NAME	BALANCE AT THE START OF THE YEAR	NET PURCHASED / (SOLD)	OTHER CHANGES	NOTE	BALANCE AT THE END OF THE YEAR
2010					
P Dickson	-	1,450,000	-		1,450,000
W Kernaghan	-	1,560,000	-		1,560,000
A Johnstone	-	1,250,000	-		1,250,000
I D Michel	-	520,000	-		520,000
Total	-	4,780,000	-		4,780,000

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 17 KEY MANAGEMENT PERSONNEL DISCLOSURES *(continued)*

(b) Equity instrument disclosures relating to key management personnel *(continued)*

NAME	BALANCE AT THE START OF THE YEAR	NET PURCHASED / (SOLD)	OTHER CHANGES	NOTES	BALANCE AT THE END OF THE YEAR
2011					
Directors					
D Gately	-	53,825	-		53,825
R Sowerby		(1,425,000)*	7,000,000	(i)	5,575,000
P Dickson	1,450,000	200,000	-		1,650,000
W Kernaghan	1,560,000		(1,560,000)	(ii)	-
A Johnstone	1,250,000		(1,250,000)	(ii)	-
A Vigar	-	100,000	-		100,000
L Curyer	-				
G Duncan	700,000	(103,000)*	3,450,000	(i)	4,047,000
E Hughes	-	100,000	300,000	(ii)	400,000
I D Michel	520,000		(520,000)	(ii)	-
Total	5,480,000	(1,074,175)	7,420,000		11,825,825

*Sales of shares by Messrs Sowerby and Duncan were undertaken prior to the Alligator Energy Ltd IPO.

Note

- (i) R Sowerby and G Duncan each received 2,500,000 shares as finders fee for the Tin Camp Creek project. Mr Sowerby, Mr Duncan and Mr Hughes received 4,500,000 shares, 950,000 shares and 300,000 shares respectively as part of the Northern Prospector Pty Ltd acquisition.
- (ii) Mr W Kernaghan and Mr A Johnstone resigned as directors and Mr I D Michel resigned as secretary during the year. Disclosures have therefore ceased.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

(ii) Options

The numbers of options over ordinary shares in the Company held during the financial period by each director of Alligator Energy and other key management personnel of the Company, including their personally related parties, are set out as follows:

NAME	BALANCE AT THE START OF THE YEAR	GRANTED	NOTE	OTHER CHANGES	BALANCE AT THE END OF THE YEAR
2010					
P Dickson	-	1,500,000			1,500,000
W Kernaghan	-	1,500,000			1,500,000
A Johnstone	-	1,500,000			1,500,000
I D Michel	-	500,000			500,000
2011					
D Gately	-	1,750,000	(b)	-	1,750,000
P Dickson*	1,500,000	1,500,000	(b)	(1,500,000)*	1,500,000
W Kernaghan**	1,500,000			(1,500,000)**	-
A Johnstone**	1,500,000	2,000,000	(a)	(3,500,000)**	-
A Vigar	-	1,500,000	(b)	-	1,500,000
L Curyer	-	1,500,000	(b)	-	1,500,000
R Sowerby	-	-		-	-
I D Michel	500,000	-		(500,000)**	-

* Paul Dickson surrendered the options that were issued to him on 7th May 2010.

** Mr W Kernaghan and Mr A Johnstone resigned as directors during the year and Mr I D Michel resigned as secretary during the year. Disclosures have therefore ceased.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 17 KEY MANAGEMENT PERSONNEL DISCLOSURES *(continued)*

(b) Equity instrument disclosures relating to key management personnel (continued)

(ii) Options (continued)

(a) On 1 July 2010 A Johnstone was issued the following options:

1,000,000 options with an exercise price of 35 cents and expiry date of 31 Aug 2012.

1,000,000 options with an exercise price of 45 cents and expiry date of 30 June 2013.

A Black Scholes option valuation of these options using a 10 cent share price and a 81.7% volatility gives a value of 1.7 cents per option for the options with the 31 Aug 2012 expiry and 2.1 cents per option for the 30 June 2013 expiry options. The value of these options have been included in share-based payment expense in the statement of comprehensive income. The options hold no voting or dividend rights and are not transferable.

(b) On 22 November 2010 each non executive director was issued 1,500,000 options and the non executive chairman was issued 1,750,000 options. The options are exercisable at 20 cents with a five year life. The options vest on the basis of: 1/3 vest upon issue, 1/3 vest after 12 months of the issue date and 1/3 vest 24 months after issue date.

A Black Scholes option valuation of these options using a 10 cent share price and a 81.7% volatility gives a value of 5.6 cents per option. The value of these options have been included in share-based payment expense in the statement of comprehensive income. The options are exercisable on or before 21 November 2015. The options hold no voting or dividend rights and are not transferable.

(iii) Loans to key management personnel

There were no loans to key management personnel.

(iv) Other transactions with key management personnel

A number of key management personnel, or their related parties, have transacted with the Company during the reporting period. The terms and conditions of the transactions with management personnel or their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non related entities on an arms length basis.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

The following transactions with related parties occurred during the year to 30 June 2011:

KEY MANAGAMENT PERSON	TRANSACTION	NOTE	2011	2010
P Dickson	Corporate advisory fees	(i)	72,000	-
P Dickson	Commission on capital raised	(ii)	175,000	35,200
A Vigar	Casual Office lease	(iii)	21,000	-
R Sowerby	Consulting fees	(iv)	234,265	30,000
R Sowerby	Finders fee	(v)	250,000	-
G Duncan	Consulting fees	(vi)	250,000	30,000
G Duncan	Finders fees	(vii)	250,000	-
G Duncan	Expense administration fees	(viii)	51,781	-
G Duncan	Rental of equipment	(ix)	53,300	-

- (i) DDM Capital Pty Ltd (a company of which Paul Dickson is a Director), is engaged as a Corporate Advisor and was paid monthly fees of \$15,000 per month for the first two months and \$7,000 per month for the following six months. Under the contract DDM was also due to receive 250,000 shares which were issued to them on 16 August 2011.
- (ii) DDM Capital Pty Ltd (a company of which Paul Dickson is a Director) was paid commissions on funds raised as seed capital in 2010 and in the IPO in 2011.
- (iii) Alligator Energy Limited leased an office on a casual lease from Mining Associates Pty Ltd (a company of which Andrew Vigar is a Director) at a rate of \$2,500 per month.
- (iv) A contract for service was entered into with Minearth Pty Ltd (a company associated with Robert Sowerby). This contract includes a consulting fee of \$220,000 per annum for services of 13 days per month with additional days paid in excess of this. The amount paid under this contract is also disclosed in the remuneration report. The contract also provides for the issue of 2 million options which were issued after the end of the financial period following approval at a general meeting of shareholders.
- (v) 2.5 million shares as finder's fee for the Tin Camp Creek Project were issued to Robert Sowerby on 24 September 2010.
- (vi) A contract for service was entered into with Pacific Consulting Services Pty Ltd (a company associated with Gregory Duncan). This contract includes a consulting fee of \$220,000 per annum for services of 13 days per month with additional days paid in excess of this. The amount paid under this contract is also disclosed in the remuneration report. The contract also provides for the issue of 2 million options which were issued after the end of the financial period following approval at a general meeting of shareholders.
- (vii) 2.5 million shares as finder's fee for the Tin Camp Creek Project were issued to Gregory Duncan on 24 September 2010.
- (viii) Prior to the IPO Pacific Consulting Services Pty Ltd incurred various exploration and administration expenditure of \$267,268 on behalf of Alligator Energy Limited. This expenditure included wages and expenses of exploration staff as well as travel costs and various other payments. Upon reimbursement Pacific Consulting Services was paid for administration and reimbursement of financial expenses relating to the costs.
- (ix) Pacific Consulting Services Pty Ltd has been paid for the rental of various equipment and vehicles used for operational activities.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 18 SHARE BASED PAYMENTS

(i) Options granted to key management personnel are as follows:

Grant Date	Number
1 July 2010	2,000,000
22 Nov 2010	6,250,000

The options issued on 1 July vested immediately. The options issued on 22 November vest over a two year period with one third vesting on grant date, one third vesting on each of the first and second anniversaries of the grant date, respectively. Further details of these options are provided in the directors' report, and note 17. The options hold no voting or dividend rights but have been listed.

A summary of the movements of all company options are shown in Note 11.

(ii) Shares granted to key management personnel as share-based payments are as follows:

Grant Date	Number
24 Sep 2010	5,000,000

The weighted average fair value of those equity instruments, determined by reference to market price, was \$0.10.

These shares were issued as finders fees to key management of the Group. Further details are provided in the directors' report.

Note 19 INCOME TAX	CONSOLIDATED	
	2011 \$	2010 \$
(a) Numerical reconciliation of income tax expense / (income) to prima facie tax payable:		
Total profit/(loss) before income tax	(1,529,095)	(345,471)
Tax at the Australian tax rate of 30% (2010 - 30%)	(458,729)	(103,641)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	77,500	23,283
Entertainment	2,203	-
	(379,026)	(80,358)
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	379,026	80,358
Income tax expense	-	-

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

	CONSOLIDATED	
(b) Unrecognised net deferred tax assets:	2011	2010
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	6,829,957	296,293
Temporary differences for which no deferred tax asset / (liability) has been recognised:		
- Accruals	79,537	27,000
- Business capital costs	1,079,613	133,712
- Exploration expenditure	(5,048,460)	(22,004)
- Interest receivable	(100,160)	-
	2,840,487	435,001
Potential tax effect at 30%	852,146	130,500

The above deferred tax liabilities have not been recognised as there are sufficient tax losses for which no deferred tax asset has been recognised to offset the potential deferred tax liabilities.

Unused losses which have not been recognised as an asset, will only be obtained if:

- (i) the economic entity derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
- (ii) the economic entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the economic entity in realising the losses.

(c) Tax consolidation legislation

Alligator Energy Ltd and its wholly-owned Australian controlled entities became eligible to form a tax consolidated group from 17 March 2010. The Group had not consolidated for income tax purposes during the 2010 income tax year. No decision has been made as to whether the tax consolidation legislation will be implemented by the Group during the 2011 income tax year. The financial statements have been prepared on the assumption that the tax consolidation regime has not been adopted.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 20 COMMITMENTS

Exploration commitments

So as to maintain current rights to tenure of various exploration and mining tenements, the company will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. These outlays (exploration expenditure and rent), which arise in relation to granted tenements, inclusive of tenement applications granted subsequent to 30 June 2010, are as follows:

	2011 \$	2010 \$
Exploration expenditure commitments payable:		
- within one year	500,000	64,500
- later than one year but not later than five years	-	64,500
- later than five years	-	-
	500,000	129,000

Outlays may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished. Cash security bonds totalling \$332,000 (2010 \$32,500) are currently held by the relevant governing authorities to ensure compliance with granted tenement conditions.

Operating lease commitments

Non-cancellable operating lease rentals are as follows:

	2011 \$	2010 \$
- within one year	70,700	-
- later than one year but not later than five years	129,617	-
- later than five years	-	-
	200,317	-

In April 2011 the Company entered into a three year lease on an office in Fortitude Valley, Brisbane.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 21 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Since 30 June 2011 matters of significance that have occurred include the following:

On 5 July 2011 Alligator Energy Ltd reported that it had entered into an earn in and Joint Venture Agreement with Cameco Australia over tenement EL 24992 in the Alligator Rivers Province near its other current tenements.

A shareholders general meeting was held on 10 August which approved the issue of 2 million options to R Sowerby and 2 million options to G Duncan. These options were contracted under the service contracts for Mr Sowerby and Duncan respectively however shareholder approval was required prior to their issue. The shareholders general meeting also approved an Employee Share Option Plan.

On 16 August 250,000 shares were issued to DDM Capital Pty Ltd as agreed under a contract for financial advisory services.

No other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- a) The Groups operations in future financial years, or
- b) The results of those operations in future financial years, or
- c) The Groups state of affairs in future financial years.

Note 22 RELATED PARTY TRANSACTIONS

a) The Group's main related parties are as follows:

i) Parent entity

The ultimate parent entity, which exercises control over the Group is Alligator Energy Limited.

ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 17: Key Management Personnel.

b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

For details of transactions relating to key management personnel, refer to Note 17: Key Management Personnel.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 30 JUNE 2011

Note 23 PARENT ENTITY FINANCIAL INFORMATION

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2011 \$	2010 \$
BALANCE SHEET		
Current assets	18,087,701	1,108,655
Total assets	19,645,174	2,596,661
Current liabilities	511,771	45,162
Total liabilities	511,771	45,162
Issued capital	20,443,495	2,819,360
Option reserve	556,742	77,610
Accumulated losses	(1,866,832)	(345,471)
Total equity	19,133,405	2,551,499
Loss for the year	(1,521,361)	(345,471)
Total comprehensive income for the year	(1,521,361)	(345,471)

b) Guarantees entered into by the parent entity

The Parent Entity has provided no financial guarantees.

c) Contingent liabilities of the parent entity

The Parent Entity did not have any contingent liabilities as at 30 June 2011 (30 June 2010: Nil)

d) Contractual commitments for the acquisition of property, plant or equipment

The Parent Entity had no contractual commitments as at 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

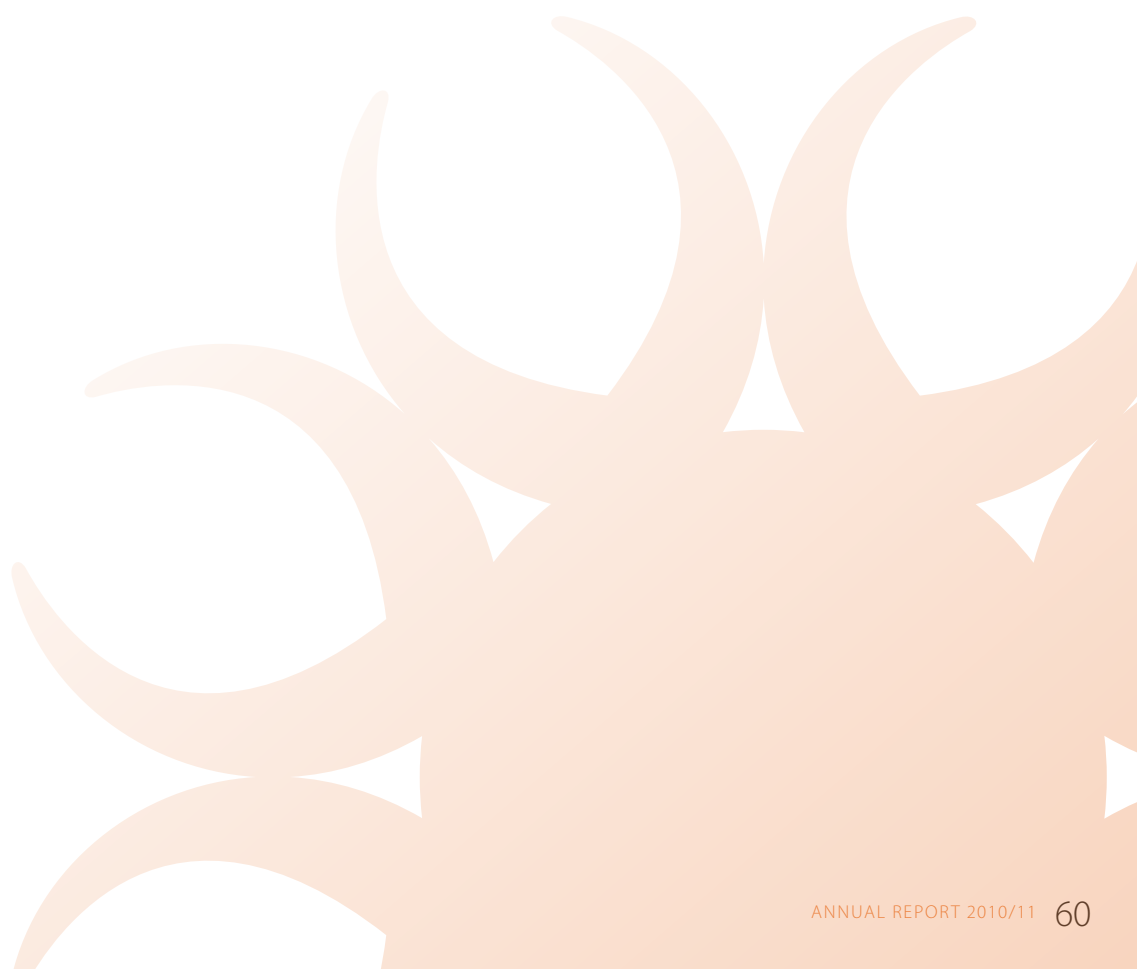
FOR THE YEAR ENDED 30 JUNE 2011

Note 24 COMPANY DETAILS

The registered office and principal place of business of the company as at 30 June 2011 was:

Suite 1, 36 Agnes St
Fortitude Valley
Brisbane QLD 4006

Phone (07) 3852-4712



DIRECTORS DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 29 to 60, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company and consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view; and
3. 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.



Denis Gately
Director

Brisbane,
8 September 2011

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the recommendations of the ASX Corporate Governance Council (including 2010 amendments) have been applied covering the period that the company has been listed on the ASX to the end of the financial year (ie 3rd February 2011 to 30 June 2011.)

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at www.alligatorenergy.com.au.

CORPORATE GOVERNANCE PRINCIPLE AND RECOMMENDATIONS

COMPLY

Principle 1 – Lay solid foundations for management and oversight

1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	YES
1.2	Companies should disclose the process for evaluating the performance of senior executives.	YES
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	YES

Principle 2 - Structure the Board to add value

2.1	A majority of the board should be independent directors.	YES
2.2	The chair should be an independent director.	YES
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	YES
2.4	The board should establish a nomination committee.	NO
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	YES
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	YES

CORPORATE GOVERNANCE STATEMENT *(continued)*

CORPORATE GOVERNANCE PRINCIPLE AND RECOMMENDATIONS

COMPLY

Principle 3 - Promote ethical and responsible decision-making

3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to:	YES
	- the practices necessary to maintain confidence in the company's integrity - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	YES
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	YES
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	YES
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	YES

Principle 4 - Safeguard integrity in financial reporting

4.1	The Board should establish an audit committee.	YES
4.2	The audit committee should be structured so that it:	YES
	- consists only of non-executive directors - consists of a majority of independent directors - is chaired by an independent chair, who is not chair of the Board - has at least three members.	
4.3	The audit committee should have a formal charter.	YES
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	YES

Principle 5 - Make timely and balanced disclosure

5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	YES
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	YES

CORPORATE GOVERNANCE STATEMENT *(continued)*

CORPORATE GOVERNANCE PRINCIPLE AND RECOMMENDATIONS

COMPLY

Principle 6 - Respect the rights of shareholders

- | | | |
|-----|--|-----|
| 6.1 | Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy. | YES |
| 6.2 | Companies should provide the information indicated in the Guide to reporting on Principle 6. | YES |

Principle 7 - Recognise and manage risk

- | | | |
|-----|---|-----|
| 7.1 | Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies. | YES |
| 7.2 | The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks. | YES |
| 7.3 | The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. | YES |
| 7.4 | Companies should provide the information indicated in the Guide to reporting on Principle 7. | YES |

Principle 8 - Remunerate fairly and responsibly

- | | | |
|-----|--|-----|
| 8.1 | The board should establish a remuneration committee. | NO |
| 8.2 | The remuneration committee should be structured so that it: <ul style="list-style-type: none"> • consists of a majority of independent directors • is chaired by an independent chair • has at least three members. | NO |
| 8.3 | Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. | YES |
| 8.4 | Companies should provide the information indicated in the Guide to reporting on Principle 8. | YES |



CORPORATE GOVERNANCE STATEMENT *(continued)*

Principle 1 – Lay solid foundations for management and oversight

The company has established a Corporate Governance Charter which details the adopted practices and processes in relation to matters reserved for the Board's consideration and decision-making and specifies the level of authorisation provided to other key management personnel.

The Corporate Governance Charter sets out the functions of the board which include:

- input into and final approval of the management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance, implementation of strategy and ensuring appropriate resources are available;
- developing, implementing and monitoring operational and financial targets for the Company;
- appointment of appropriate staff, consultants and experts to assist in the Company's operations, including the selection and monitoring of a chief executive officer;
- approving and monitoring financial and other reporting;
- setting, monitoring and ensuring appropriate accountability for directors' and executive officers' remuneration;
- implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives, are formally delegated by the Board to the Managing Director and ultimately to senior executives.

The Chief Executive Officer evaluates the performance of senior executives by monitoring output and conduct of formal and informal meetings. During the relevant period the performance of senior executives has been undertaken in accordance with the process outlined.

Principle 2 – Structure the Board to add value

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the Directors' Report.

Presently under the ASX Guidelines it is considered that there are three independent Directors, being Denis Gately, Andrew Vigar and Leigh Curyer.

When determining whether a non-executive director is independent, the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no material sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- No material level of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Messrs Gately, Vigar and Curyer are considered independent directors as they have no material relationship or association with the Company or its subsidiary other than their directorships.

Denis Gately is a former partner of Minter Ellison. Minter Ellison is the Company's principal legal advisor and was engaged by the Company prior to Mr Gately's appointment to the Board in October 2010. The Board does not believe that this relationship affects Mr Gately's independence, particularly because he is not involved in engaging Minter Ellison to provide legal services and does not receive or approve invoices issued by Minter Ellison.

During the financial period the company leased office space for \$2,500 per month from Mr Vigar. This was for a short period and is not considered to be sufficiently of a material nature to consider Mr Vigar not independent.

CORPORATE GOVERNANCE STATEMENT *(continued)*

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the Chair prior to incurring any expense on behalf of the company.

Nomination, retirement and appointment of Directors

The Board has not established a nomination committee and therefore the Group has not complied with recommendation 2.4 of the Corporate Governance Council. The Board's view is that the Company is not currently of the size to justify the formation of a separate nomination committee. The Board currently performs the functions of a nomination committee and where necessary will seek the advice of external advisers in relation to this role. The Board shall, upon the Company reaching the requisite corporate and commercial maturity, approve the constitution of a nomination committee to assist the Board in relation to the appointment of Directors and senior management.

Board composition - The board currently consists of persons from a variety of professional backgrounds and the board has members with respectively geological, mining, legal, financial and investment skills. Alligator Energy Limited is comfortable with this mix of skills. Board composition will be reviewed periodically either when a vacancy arises or if it is considered that the board would benefit from the services of a new director, given the existing mix of skills and experience of the board which should match the strategic demands of the Group. Once it has been agreed that a new director is to be appointed, a search would be undertaken, sometimes using the services of external consultants. Nominations are subsequently received and reviewed by the board.

The Company's constitution provides that at every Annual General Meeting, one third of the directors shall retire from office but may stand for re-election.

Performance Evaluation

The chair is responsible for evaluation of the performance of the board, its committees and individual directors. This is undertaken by the conduct of formal and informal meetings.

The chairman will question all Board members and members of the senior management team to provide feedback on how they

thought the Board had performed. The Chair will also speak to each director individually regarding their role as director. The results from the investigation will be collated and developed into a series of recommendations to improve performance.

Because the company had only been listed for 5 months by the 30th June 2011 the annual performance evaluation has not yet been undertaken but it is intended that this will be completed on an annual basis.

Principle 3 – Promote ethical and responsible decision-making

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the code of conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Accordingly, the company has established a diversity policy which is available at www.alligatorenergy.com.au.

CORPORATE GOVERNANCE STATEMENT *(continued)*

This diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next few years as director and senior executive positions become vacant and appropriately qualified candidates become available:

	2011		2012 – 2013	
	No.	%	No.	%
Women on the Board	0	0%	0	0%
Women in senior management roles	0	0%	1	25%
Women employees in the Company	3	27%	4	28%

Trading Policy

The Company's constitution permits directors to acquire securities in the Company, however Company policy prohibits directors and senior management from dealing in the Company's securities at any time whilst in possession of price sensitive information and for 24 hours after:

- Any major announcements;
- The release of the Company's quarterly, half yearly and annual financial results to the Australian Securities Exchange; and
- The Annual General Meeting.

Directors must advise the chairman of the Board before buying or selling securities in the Company. In accordance with the provisions of the Corporations Act and the Listing Rules of the Australian Securities Exchange, the Company advises the Exchange of any transaction conducted by directors in securities in the Company.

Principle 4 – Safeguard integrity in financial reporting

The company has established an audit and risk management committee.

The audit and risk management committee is currently comprised of Leigh Curyer (chair), Paul Dickson and Andrew Vigar. The Committee consists only of non-executive, and a majority of independent, directors. The qualifications and experience of those appointed to the audit committee are included in the directors' report.

The audit and risk management committee charter is on the Corporate website.

Because the company was only listed in February of 2011 there have been no formal meetings of the audit committee prior to the one that will be held in regard to approval of this annual report. The half year accounts were reviewed in detail by the chair of the audit committee and the audit committee process was performed by the entire board.



CORPORATE GOVERNANCE STATEMENT *(continued)*

Principle 5 – Make timely and balanced disclosure

The Company has written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance. These policies are included in the Corporate Governance Charter which is available on the company website.

The board ensures that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act and ASX Listing Rules.

Principle 6 – Respect the rights of shareholders

The Company has a communications policy and it is available on the company's website.

The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders through:

- annual, half-yearly and quarterly financial reports;
- annual and other general meetings convened for Shareholder review and approval of Board proposals;
- continuous disclosure of material changes to ASX for open access to the public; and
- the Company maintains a website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX.

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Alligator Energy Limited, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

Principle 7 – Recognise and manage risk

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. The Board has identified the significant areas of potential business and legal risk of the Group. The identification, monitoring and, where appropriate, the reduction of significant risk to the Group is the responsibility of the Managing Director and the Board. The Board has also established the audit and risk management committee which addresses the risk of the Group.

The Board reviews and monitors the parameters under which such risks will be managed. Management accounts are prepared and reviewed with the Managing Director at subsequent Board meetings. Budgets are prepared and compared against actual results.

Management and the Board monitor the Group's material business risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The Board has received a report as to the effectiveness of the company's management of its material business risks.

Managing Director and Company Secretary Declaration to the Board of Directors

The Managing Director and the Company Secretary will be required to state in writing to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results are in accordance with relevant accounting standards. Included in this statement will be confirmation that the Group's risk management and internal controls are operating efficiently and effectively.

The Company has established a policy for the oversight and management of material business risks in the Corporate and this is disclosed in the Corporate Governance Charter on the company's website.

CORPORATE GOVERNANCE STATEMENT *(continued)*

Principle 8 – Remunerate fairly and responsibly

The Board has not established a remuneration committee. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing such a committee. The role of the remuneration committee is carried out by the full Board. The Company has adopted a Remuneration Committee Charter, which is set out in the Company's Corporate Governance Charter.

There are no schemes for retirement benefits other than statutory superannuation for non executive directors.

The Chairman and the non-executive Directors are entitled to draw Directors fees and receive reimbursement of reasonable expenses for attendance at meetings. The Company discloses in its annual report details of remuneration to Directors. Please refer to the remuneration report within the directors' report for details regarding the remuneration structure of the managing director and senior management.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 31 August 2011:

1. Shareholding

a. Distribution of Shareholders

Category (size of holding):	NUMBER ORDINARY
1 – 1,000	4
1,001 – 5,000	36
5,001 – 10,000	86
10,001 – 100,000	514
100,001 – and over	255
	895

b. The number of shareholdings held in less than marketable parcels is 40.

c. The names of the substantial shareholders listed in the holding company's register are:

	Ordinary Shares	HOLDING %
Macquarie Bank Limited	17,500,000	11.25%

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES *(continued)*

e. 20 Largest Shareholders – Ordinary Shares

NAME	NUMBER OF ORDINARY FULLY PAID SHARES HELD	% HELD OF ISSUED ORDINARY CAPITAL
1. Macquarie Bank Ltd	17,500,000	11.25%
2. Lagoon Creek Res Pty Ltd	7,000,000	4.50%
3. Sowerby Robert	5,625,000	3.62%
4. Mo U Inv co Ltd	4,000,000	2.57%
5. Hsbc Custody Nom Aust Ltd	3,050,000	1.96%
6. National Nom Ltd	2,500,000	1.61%
7. Pinetree Res Partnership	2,500,000	1.61%
8. JI Baoxian	2,500,000	1.61%
9. Duncan Gregory	2,380,000	1.53%
10. Soh Anthony Guan-Cheow	2,000,000	1.29%
11. Ricketts Point Inv Pty Ltd Dickson Family Fund A/C	1,715,000	1.10%
12. Bowra Janelle Leone	1,500,000	0.96%
13. Gulf Industrials Ltd	1,350,000	0.87%
14. Suburban Hldgs Pty Ltd - Suburban S/F A/C	1,300,000	0.84%
15. Mining Invrs Aust Pty Ltd	1,300,000	0.84%
16. Dinwoodie Inv Pty Ltd - Dinwoodie Inv A/C	1,200,000	0.77%
17. Abn Amro Clearing Sydney Cust A/C	1,105,000	0.71%
18. Darroch J + G + R + H J N - Darroch Private	1,065,322	0.68%
19. Johnstone AI + Morrison H - Sunstone S/F A/C	1,050,000	0.67%
20. Alpha Sec Pty Ltd	1,000,000	0.64%
	61,640,322	39.62%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES *(continued)*

f. Restricted Securities

The following securities are restricted securities

CLASS	NUMBER	DATE THAT ESCROW ENDS
Fully paid Ordinary	4,550,000	24 Sep 2011
Fully paid Ordinary	9,085,000	22 Oct 2011
Fully paid Ordinary	3,050,000	10 Nov 2011
Fully paid Ordinary	15,754,998	3 Feb 2013
Options: exercise-\$0.20c, expiry-07/05/13	4,300,000	3 Feb 2013
Options: exercise-\$0.20c, expiry-21/11/15	6,250,000	3 Feb 2013
Options: exercise-\$0.20c, expiry-25/01/14	2,000,000	3 Feb 2013
Options: exercise-\$0.35c, expiry-31/08/12	1,000,000	3 Feb 2013
Options: exercise-\$0.45c, expiry-30/06/13	1,000,000	3 Feb 2013

2. Registers of securities are held at the following addresses:

Security Transfer Registrars Pty Ltd
770 Canning Highway, Applecross WA 6153

3. Cash and asset usage

In accordance with listing rule 4.10.19 Alligator Energy Ltd confirms that it has used the cash, and assets in a form readily convertible to cash, that it had at the time of admission in a way consistent with its business objectives during the period between admission and the end of the reporting period.



CORPORATE DIRECTORY

Directors

Denis Gately – Chairman
Rob Sowerby – CEO & Managing Director
Paul Dickson – Deputy Chairman & Non-executive Director
Leigh Curyer – Non-executive Director
Andrew Vigar – Non-executive Director
Greg Duncan – Alternate Director

Company Secretary

Evan Hughes

Principal Place of Business and Registered Office

Suite 1
36 Agnes Street
Fortitude Valley QLD 4006

Tel: (07) 3852 4712
Fax: (07) 3852 5684
Web: www.alligatorenergy.com.au
Email: info@alligatorenergy.com.au

Postal Address

PO Box 338
SPRING HILL QLD 4004

Auditors

Lawler Hacketts Audit
Level 3, 549 Queen Street
Brisbane, QLD 4000

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, WA 6153

Tel: (08) 9315 2333
Fax: (08) 9315 2233
Email: registrar@securitytransfer.com.au

Home Exchange

ASX Limited
Riverside Centre
Level 5
123 Eagle Street
Brisbane QLD 4000

ASX Code

Share Code: AGE

Competent Persons Statement

Information in this report is based on current and historic Exploration Results compiled by Mr Rob Sowerby who is a Member of the Australasian Institute of Geoscientists. Mr Sowerby is CEO and Director of Alligator Energy Ltd, 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sowerby consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

