

Alligator Invests into South Australian ISR Copper

Highlights:

- Alligator expands its energy minerals interest by making a strategic investment in EnviroCopper Ltd ('ECL') with optionality to further invest to acquire up to 50.1% of the company.
- Provides exposure to ECL's South Australian In-Situ Recovery ('ISR') copper project portfolio and experienced ISR team.
- EnviroCopper Ltd is currently advancing ISR trials for environmentally sustainable copper extraction at its flagship Kapunda copper project and has similar plans at its Alford West copper project.
- BHP Ltd (previously OZ Minerals) continues to fund part of ECL's field investigations including a Site Environmental Lixiviant Trial (SELT) of copper ISR at Kapunda.
- ISR has been successfully (and economically) used to extract copper in a number of projects both in Australia and the US and offers distinct advantages and environmental benefits over conventional open pit / crush / heap leach for shallow oxide copper projects.
- ECL's experienced ISR team has undertaken significant exploration, R&D and approvals for test work into ISR of shallow fractured rock aquifer hosted oxide copper deposits and will continue to develop this knowledge at its existing portfolio as well as future prospects.
- The investment in ECL and resultant collaboration is extremely complimentary to Alligator's existing and substantial in house ISR expertise and expands Alligator's ISR footprint to include an additional future in-demand commodity.
- A technical advisory committee will be formed enabling Alligator to assist ECL with its planned in-situ trial work across all projects and an ability to jointly apply any IP that is developed.
- Alligator will make an initial investment of ~\$0.9M for 7.8% of ECL with the exclusive option to make further staged investments to increase its ownership in ECL to 50.1%.
- The SA Government's copper strategy targeting 1Mtpa of copper production in the State provides a positive backdrop to the potential for ISR copper.

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Alligator’s CEO, Greg Hall commented:

“Alligator has been evaluating options for potential energy minerals opportunities both within its existing portfolio (exploration) and externally, as a potential second future business stream along with its significant uranium portfolio. The investment into EnviroCopper Ltd supports this, along with significant synergies to our existing in-house ISR uranium expertise. It provides the opportunity for AGE to be invested in and involved in future copper demand for the green energy transition through the significant oxide copper resources in these projects, and with wider potential within South Australia and Australia.

ECL has approvals in place to proceed with initial copper ISR trials at Kapunda, and Alligator commends ECL’s strong inroads into exploration, resource and extraction modelling, bench scale test work, and community engagement around its trial work now underway at Kapunda. The fact that ECL was able to attract a non-dilutive \$2.5m funding commitment from OZ Minerals (now BHP Ltd) demonstrates the growing interest in ISR as a credible and environmentally friendly technique to economically extract copper from the right geological setting.

*The ECL team’s expertise augments our own, with our team also having substantial downstream operational experience which will complement ECL. **As ECL has its own ISR technical team, this investment will not distract from Alligator’s increasing pace of work on the Sapphire ISR Uranium Project as we advance into a field recovery trial and commence a Feasibility Study through 2024.***

Alligator views ECL as the perfect vehicle to participate in the potential of copper ISR in Australia.”

EnviroCopper’s Managing Director, Leon Faulkner, commented:

“EnviroCopper welcomes the Alligator investment strategy which further supports our growth in smarter, lower impact, environmentally and therefore socially acceptable exploration and mining developments. Low footprint exploration and extraction for copper and other energy metals is vital for the vertical integration in green energy transition. The synergies between both companies will accelerate our projects with additional expertise.”

Overview of EnviroCopper Ltd Projects and Transaction Structure

Alligator Energy (ASX: AGE, ‘Alligator’ or ‘the Company’) is pleased to announce an initial investment into EnviroCopper Ltd, an unlisted company undertaking early stage ISR test work and trials on two oxide copper projects in South Australia. The transaction also involves Alligator and ECL entering into a Shareholder’s Agreement providing Alligator with an exclusive option to sole fund ECL’s activities and increase its equity ownership in ECL to 50.1% over the next ~4 years.

About EnviroCopper

ECL was established in 2017 and is a copper ISR specialist focussed on its Kapunda and Alford West (Moonta) ISR projects in South Australia (refer Figure 1).

ECL’s specialist team has over 90 years of combined experience and is leading the way in copper ISR technology development. Through collaboration with leading universities and research institutions under a Commonwealth Government CRC-P Research grant in 2018, ECL is achieving successful outcomes in ISR mining study economics, environmental mitigation and community acceptance of this extension to existing ISR technology.



Figure 1: Location of EnviroCopper Ltd's Kapunda and Alford West ISR copper projects

Thor Energy Plc (ASX:THR), prior to the effects of the AGE initial subscription and the Andromeda Metals Limited (ASX:ADN) tenement consolidation transaction outlined further below, holds a 30% interest in ECL.

Kapunda Copper ISR Project:

The Kapunda Project is located in a heritage mine ~90km north east of Adelaide adjacent to the town of Kapunda in South Australia. Kapunda was the first economic copper mine in Australia in the 1840s. The project is held in joint venture with Terramin Australia Limited (ASX:TZN) with ECL currently holding a 50% interest in the project but will earn a 75% interest by spending a further \$1million.

Kapunda has strong ISR copper extraction potential from shallow oxide ores and includes an ISR amenable inferred mineral resource estimate (JORC Code 2012) of 47.4 Mt at 0.25% copper for 119,000 tonnes of copper using a 0.05% copper cut off (see Table Below)¹.

Type	Mt	Copper (%)	Copper tonnes
Copper oxide	30.3	0.24	73,000
Secondary copper sulphide	17.1	0.27	46,000
Total	47.4	0.25	119,000

Table A: Kapunda 2018 Resource estimates reported at a 0.05% cut off.

¹ Terramin Australia Limited Announcement – 12 February 2018 – ISR Copper Resource at Kapunda

The Resource estimate is only in respect of that part of the Kapunda mineralisation that is considered amendable to ISR (Copper oxides and secondary copper sulphides) within TZN’s tenement EL 5262 and only reports mineralisation that is within 100 metres of the surface.



Photo of ECL Managing Director, Leon Faulkner with copper sample from current test work at Kapunda

Alford West (Moonta) Copper ISR Project:

The Alford West Copper ISR Project is ECL’s second copper ISR project and is located on the Yorke Peninsula, just north of the town of Kadina in South Australia.

The project is considered to be highly mineralised and includes numerous historically mined deposits, as well as more recent copper discoveries including at the Bruce/Larwood and Wombat zones. These zones are considered to have a number of critical attributes that may allow ISR copper production. In August 2019, an inferred mineral resource of 66.1 Mt at 0.17% copper containing 114,000 tonnes of copper at a cut-off grade of 0.05% was declared².

Resource Classification	COG (Cu %)	Deposit	Volume (Mm3)	Tonnes (Mt)	Cu (%)	Cu (metal Kt)	Au (g/t)	Au (kOz)
INFERRED	0.05	Wombat	20.91	46.5	0.17	80		
		Bruce	5.51	11.8	0.19	22		
		Larwood	3.48	7.8	0.15	12	0.04	10
Total			29.9	66.1	0.17	114		

Table B: Alford West (Moonta) Copper Mineral Resource Estimate – JORC Code 2012 – figures rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

ECL’s interest in Alford West originally stemmed from an earn in and joint venture with Andromeda Metals Limited (Moonta ISR Joint Venture). However, an Alford West consolidation transaction has been

² Thor Energy Plc Announcement of 19 August 2019 – Substantial Initial Copper Resource – Moonta Project

agreed between ECL and Andromeda, with ECL to acquire Andromeda's project interest as well as additional ISR targets on the broader tenement in conjunction with Alligator's proposed ECL investment.

Key Commercial Terms

On 17 December 2023, Alligator and ECL entered into a Subscription Agreement for the initial transaction, and on completion of the transaction a Shareholders' Agreement governing Alligator's further staged investment options in ECL.

Alligator has committed to an initial investment of ~\$0.9 million by subscribing for a 7.8% shareholding in ECL and following this, Alligator has an option to sole fund ECL over an envisaged ~4 year period by investing a further \$10.1 million to \$11.7 million (in total) across 4 additional stages to achieve a 50.1% interest in ECL.³ ECL's field trial results and programme progress will be a key factor in AGE's determination of future staged investments.

Committed Investment:

- **Initial Investment:** Alligator is committed to an initial investment of ~\$0.9 million for a 7.8% shareholding in ECL.

Optional Future Investment:

- **Stage 1 Investment:** Following the Initial Investment, in mid-2024, Alligator may elect to invest a further ~\$1.1 million to increase its interest in ECL to 15.6%.
- **Stage 2A Investment:** Following the Stage 1 Investment outcomes and upon receipt of a satisfactory Stage 2A budget programme from ECL, Alligator may elect to invest a further ~\$2.0 million to increase its interest in ECL to 26.7%.
- **Stage 2B & 2C Investment:** Following the Stage 2A Investment outcomes and upon receipt of satisfactory Stage 2B & 2C budget programmes from ECL, Alligator may elect to invest between A\$7.0 million and \$8.6 million across two equal tranches (Alligator not obligated to fund both tranches) to increase its interest in ECL to 50.1%³.

Election Not to Further Invest:

- **Working Capital Facility:** Should Alligator elect not to make the Stage 1 Investment, it will offer a 6-month working capital facility to ECL up to a maximum of A\$450,000 to allow for alternative funding sources to be pursued. Under this scenario, ECL shares will be issued to Alligator for the amount of the working capital facility at the same valuation as the Initial Investment.

Further ISR Copper Projects:

First right of refusal: ECL intends to apply any ISR learnings to acquiring and developing additional copper prospects and will have the first right of refusal on any additional ISR copper project opportunities identified by the parties.

The Shareholders' Agreement contains other customary provisions for a transaction of this nature including, but not limited to, ECL Board observer and representation rights, budgeting requirements, and equity top up rights. ECL and AGE will be able to share information, focused principally around ISR, for

³ In November 2022, OZ Minerals (now BHP Ltd) committed to a non-dilutive research funding with ECL of ~\$2.5 million over an initial 18-month period (funding partially complete) to pursue research into the potential economic extraction of copper through ISR at the Kapunda Project. As such, the total maximum potential investment amount required by Alligator to reach 50.1% is dependent pro-rata on how much of the remaining BHP Ltd investment is received by ECL.

the purposes of developing their respective business and will grant each other a royalty free, irrevocable and perpetual licence to use any developed IP internally.

At the end of the sole funding period, an approach has been agreed for either a consolidation of ECL or to pursue a process to realise value for all ECL shareholders.

The Subscription Agreement and Shareholders' Agreement are cross conditional on each other as well as well as completion of ECL's Alford West consolidation transaction with Andromeda Metals Limited. Completion of that transaction is conditional on a deed of assignment and assumption being entered into in relation to the Moonta Porphyry Joint Venture which covers a portion of the tenement area.

This announcement was authorised for release by the CEO and Managing Director.

Contacts

For more information, please contact:

Mr Greg Hall

CEO & Managing Director

gh@alligatorenergy.com.au

Mr Mike Meintjes

Company Secretary

mm@alligatorenergy.com.au

For media enquiries, please contact:

Alex Cowie

Media & Investor Relations

alexc@nwrcommunications.com.au

Forward Looking Statement

This announcement contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company. These risks and uncertainties could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. Actual results and future events could differ materially from anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

Competent Person's Statement

The information in this announcement that relates to the Kapunda Mineral Resource estimate (copper) is based on and fairly represents information compiled by and generated by Mr Eric Whittaker, a Competent Person was the Principal Geologist of Terramin Australia Limited at the time and is a Member of the Australasian Institute of Mining and Metallurgy (the AusIMM). Mr Whittaker has reviewed this release and consents to the inclusion, form and context in which it is presented based on his information which was included in the Terramin Australia Limited release of 12 February 2018. Mr Whittaker has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

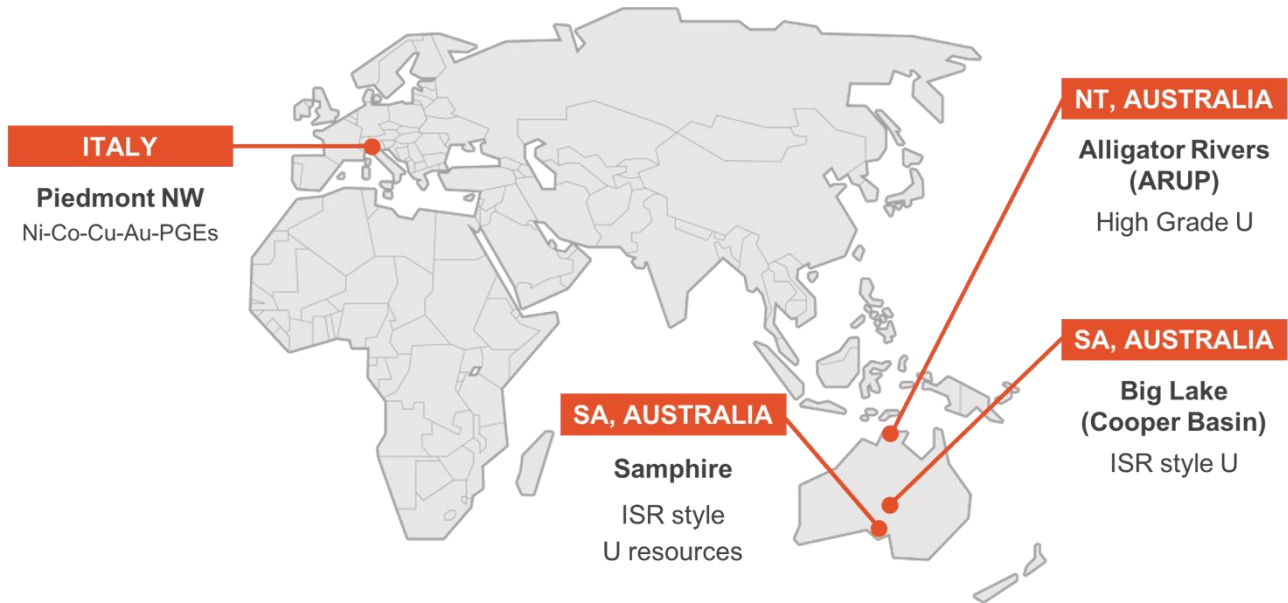
The information in this announcement that relates to the Alford West (Moonta) Mineral Resource estimate (copper) is based on and fairly represents information compiled by and generated by Mr David Coventry BSc (Hons), a Competent Person who was a full-time employee of Mining Plus Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy (the AusIMM). Mr Coventry has reviewed this release and consents to the inclusion, form and context in which it is presented based on his information which was included in the Thor Energy Plc release of 15 August 2019. Mr Coventry has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

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About Alligator Energy

Alligator Energy Ltd is an Australian, ASX-listed, exploration company focused on uranium and energy related minerals, principally cobalt-nickel. Alligator's Directors have significant experience in the exploration, development and operations of both uranium and nickel projects (both laterites and sulphides).

Projects



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