

Alligator Energy Limited (AGE)

BUY

Share Price: A\$0.06

One for the AGE's

Target Price: A\$0.11

AGE owns 100% of the Samphire Uranium Project in Australia's most prolific Uranium jurisdiction, South Australia. The Samphire Uranium Project has a Resource of 12Mt @ 640ppm for 18Mlbs U3O8, which we see growing materially from an extensive exploration campaign which commenced in Feb '24. AGE's shallow deposit, geography, and in-situ recovery method are akin to ASX listed peer, Boss Energy's Honeymoon Project (BOE; \$2bn market cap). AGE will look to emulate BOE's stunning success as it grows and derisks Samphire towards first production from FY29. We initiate with a BUY rating and PT A\$0.11/sh.

Samphire Uranium Project - growing off a solid base

- Samphire Resource 12Mt @ 640ppm for 18Mlbs U3O8.
- Multi-year exploration campaign underway to grow the Resource with 1-2 rigs running all year round and an initial Resource upgrade expected in Dec.Q'24.
- AGE is looking to emulate BOE's success in delineating a Resource of similar scale; BOE's Resource grew 323% (17Mlbs to 72Mlbs) in only 4 years.
- Resource growth to underpin a larger project than envisaged in a recent Scoping Study (1.2Mlb p/a), which assumed development of the Blackbush deposit only.
- Scoping Study derived a post-tax NPV₁₀ and IRR of A\$257m and 42%, respectively, based on a US\$75/lb uranium price (spot US\$88/lb).
- We model an initial 1.2Mlb p/a development from FY29 followed by a larger 2.4Mlb p/a from FY31 to FY44.
- We derive an NPV₁₀ and IRR of A\$410m and 43%, respectively, based on a US\$95/lb L/T uranium price.

South Australia is a Tier 1 uranium jurisdiction

- South Australia hosts 4 large-scale producing uranium projects, more than any other Australian state/territory.
- SA is responsible for 23% of global uranium Resources and produces 10% of global supply.

Exploration upside across AGE's portfolio

- Nabarlek North (NT) – high grade U3O8 along strike from DEV's U40 Prospect. Intercepts up to 1,200ppm (0.12%).
- Big Lake (SA) expected to commence 5,600m drilling campaign in Jun.Q'24.

Uranium fundamentals stronger than ever

- Uranium inventories are being depleted, 35Mlb's sold to market in 2022 down to 10 Mlbs expected in 2025.
- New use-cases emerging from Small Modular Reactors.

Key Dates Ahead

- 2H 2024 – Field Recovery Trial (FRT)
- Dec.Q '24 – Resource update
- 2025 – Feasibility Study
- Ongoing – Exploration drilling and resource growth

Company Data

Shares – ordinary (M)	3862
Dilution (M)	465
Total (fully diluted) (M)	4327
Market capitalisation (\$M)	251
12 month low/high (\$)	0.03/ 0.08
Average monthly turnover (\$M)	57.9
GICS Industry	Oil, Gas & Consumable Fuels

Financial Summary (fully diluted/normalised)

Year end June	2028F	2029F	2030F	2031F	2032F
Revenue (\$M)	-	92	159	193	316
Costs (\$M)	(3)	(50)	(72)	(84)	(130)
EBITDAX (\$M)	(3)	42	88	109	186
Exploration (\$M)	-	-	-	-	-
NPAT (\$M)	(10)	16	47	58	109
EPS (¢ps)	(0.2)	0.3	0.9	1.1	2.2
EPS Growth (%)	44	>100%	190	24	88
PER (x)	n/a	20.6	7.1	5.7	3.0
Op. Cashflow (\$M)	0	29	60	74	135
OCFPS (¢ps)	0.0	0.6	1.2	1.5	2.7
POCFPS (x)	n.m.	11.6	5.5	4.5	2.4
Enterprise Value (\$M)	319	294	337	302	172
EV / EBITDAX (x)	n.m.	7.1	3.8	2.8	0.9
Payout Ratio (%)	-	-	-	-	-
Dividends (¢ps)	-	-	-	-	-
Yield (%)	-	-	-	-	-

Board

Director	Position	Independent
Mr Paul Dickson	Non-Executive Chairman	Yes
Mr Gregory Hall	MD & CEO	No
Ms Fiona Nicholls	Non-Executive Director	Yes
Mr Peter McIntyre	Non-Executive Director	Yes
Mr Callum McIntyre	Non-Executive Director	Yes

AGE – performance over one year

