

Risk Management Policy

Objectives

Alligator Energy Limited (AGE or the Company) recognises that the identification and effective management of risk, including prudent, informed risk taking, is an essential part of the Company's aim of creating long-term shareholder value.

The objective of this Policy is to integrate risk management into AGE's strategy and operations. This Policy forms part of AGE's risk management framework and supporting documents and will be regularly reviewed by the Board to ensure it is effective in ensuring an appropriate standard for risk management across the Company's operations.

Principles

The Company aims to achieve the objectives by:

- the Board defining a risk tolerance which is consistent with the Company's strategy.
- implementing a structured and comprehensive risk management system which establishes common risk management understanding, language and methodology.
- ensuring value is created for shareholders through prudent, informed risk taking.
- identifying, assessing, monitoring and reporting risks to management and the Board
- identifying and implementing controls to either eliminate, reduce or manage risk, as is reasonably practicable.
- developing and annually reviewing the risk framework with the Audit & Risk Management Committee of the Board (reviewed at least annually in compliance with ASX Corporate Governance Principle 7.2).
- reviewing and evaluating the significant strategic risks for the Company on a regular basis at Board Meetings.
- embedding risk management into AGE's critical business activities and processes;
- ensuring that the risk management framework considers AGE's occupational health and safety, environmental, legal/compliance, community and cultural and reputational exposures.
- maintains an appropriate internal control framework over financial accounting and reporting
- disclosure to shareholders of all material risk exposures to economic, environmental and social sustainability matters and how these are managed or how these are intended to be managed (ASX Corporate Governance Principle 7.4)

Accountability

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control and that the risk management framework continues to be sound.

The Board through the Audit & Risk Management Committee shall regularly review and approve AGE's risk management and oversight of policies, including a review of the effectiveness of the implementation of that system.

Consistent with Principle 4.2 of the Australian Securities Exchange Corporate Governance Principles and Recommendations, the CEO and Company Secretary (being the most senior financial officer) will provide assurance statements to the Board on the integrity of the financial statements (full and half year) and the status of the risk management and internal control system upon which they are based.

Executive Management is responsible for designing, implementing, reviewing and providing assurance as to the effectiveness of the Risk Management Policy. Executive Management will regularly report to the Audit & Risk Management Committee Board on the effectiveness of the systems in place for managing business risk.

Every employee of AGE is responsible for managing risks on a day to day basis by adhering to AGE's risk management policies and internal control systems and by reporting identified risks to their appropriate line manager immediately.

Date Approved: 30 January 2015