

GLADIATOR RESOURCES LIMITED
(ABN 58 101 026 859)

QUARTERLY REPORT

FOR THE PERIOD ENDED 31 MARCH 2010

REVIEW OF OPERATIONS

IRON ORE, MANGANESE, BASE METALS

URUGUAY

OPTION AGREEMENT WITH OROSUR MINING INC

The Company announced to the ASX on 11 January 2010 that it had entered into an Exclusive Option Agreement ("Option") with Orosur Mining Inc ("OMI") to explore and develop the iron ore, manganese ore and base metals potential in OMI's project area in the Isla Christalina Belt ("ICB") in Uruguay.

The Agreement provides for GLA to earn up to an 80% interest in iron ore, manganese and base metals potential in the project area. During the Option period Gladiator is committed to expend US\$150,000 and produce a report to OMI covering the iron ore and manganese ore exploration resource potential at the Isla Christalina project area together with a conceptual development plan on or before 30 April 2010. Gladiator may exercise the Option to proceed on or before 30 April 2010 by entering into a Definitive Agreement detailing the Farm-in Joint Venture arrangements.

During the March quarter Gladiator has been undertaking a detailed evaluation of the OMI project area and preparing the report and development plan as required under the Option Agreement.

Upon execution of the Definitive Agreement and Gladiator exercising its option to proceed with the Joint Venture Farm-in, the Company will issue to OMI A\$100,000 in fully paid shares in Gladiator at market value calculated over the preceding five days trading period. Following the election to proceed, the Company will be entitled to earn a 20% interest by expending US\$1,000,000 on work programmes. Gladiator may, at its discretion, earn a further 31% by expending a further US\$4,000,000 taking its interest to 51%. Gladiator may elect to earn a further 29% taking its interest to 80% by producing a Bankable Feasibility Study on or before 31 December 2014. The agreement is otherwise considered standard for agreements of this nature.

The project area has been explored by OMI for gold and precious metals to date. OMI retains the rights to gold, silver and diamonds over the project area. OMI will provide Gladiator with relevant airborne and ground geophysics, geological maps, drilling and other data relevant to iron ore exploration in the project area. The project area comprises 750 km² in the ICB district of Uruguay (see map below) and is located approximately 400km north of Montevideo, the capital of Uruguay and some 50km from the border with Brazil.

The ICB is a geological inlier of Proterozoic age rocks in the northern part of Uruguay. The inlier extends approximately 100km east-west and is 30km wide at its widest point. The ICB is considered to be prospective for a number of commodities and is known to contain areas with good iron ore potential. OMI's tenements extend over the most prospective areas of the ICB.

The rocks comprise a package of basement gneisses, quartzites, schists and metamorphic sedimentary and volcanic rocks. Historic reports viewed by the Company indicate that the project area is prospective for iron ore, manganese ore and base metals.



Iron ore mineralisation occurs in banded iron formations (BIF), comprising alternating bands of magnetite and quartz, which form prominent topographic ridges rising 70 to 100 metres above the surrounding plains. These ridges extend east-west for approximately 60km from Zapucay through Curtume to Vichadero, striking NW-SE and dipping steeply to the SW at 70° to 80°. The zone containing the BIF outcrops varies in width from 5 to 10km.

Based on Gladiator's initial understanding of the resource potential of the Project area, several development possibilities are expected to be considered including:

1. Production of iron ore concentrates
2. Production of manganiferrous iron concentrates
3. Production of iron ore pellets
4. Production of pig iron and ferro alloys

BIOMASS PYROLYSIS TECHNOLOGY

OPTION AGREEMENT TO ACQUIRE LICENSING RIGHTS TO DPC PROCESS

The Company announced to the ASX on 14 October 2009 that it had entered into an Option Agreement for licensing rights to a technology dealing with biomass pyrolysis carbonisation processes. The technology has been developed in Brazil and is known as the DPC process.

Following the completion of a satisfactory due diligence the Company announced on 4 February 2010 that it had exercised the Option to proceed with the licence of the technology. A License Agreement is currently being prepared and is to be finalised during the next quarter.

Under the terms of the Option Agreement the Company will be granted the exclusive right to commercialise, use and sub-license the DPC process worldwide, excluding Brazil, for an initial period of three years with automatic renewal for a further three years. The agreement provides for milestones to be achieved and licensing fees to be paid together with provisions for sub-licensing arrangements, assignments, and termination.

The Company has agreed to pay the sum of US\$100,000 to the licensors upon achieving Milestone 1, which is defined as the execution of the Licensing Agreement. Milestone 2 will be achieved once the grant of the patents in the USA and various other territories is completed. The Company has also agreed to pay a fee to the licensors based on a rate per tonne of annual capacity of plant and equipment acquired and commissioned. The term sheet is otherwise considered standard for agreements of this nature.

The grant of the rights to develop and commercialise the biomass pyrolysis carbonisation process is across all industry sectors and a multitude of input biomass sources. The rights do not include the carbonisation of tyres. The DPC process involves the combination of controlled drying, pyrolysis and cooling of biomass to produce a carbonised product.

Of particular interest to Gladiator is the opportunity to develop sustainable and economic uses for eucalypts and other plantation timbers in Australia and elsewhere apart from their use as woodchips.

The most attractive benefit of the DPC process is that it is far less labour intensive and better controlled with higher productivity and efficiency than traditional carbonisation processes, with significantly better environmental impact. It is the intention of Gladiator to investigate and use the DPC technology to further advance these applications. In this regard the Company understands that the region surrounding the Isla Christalina Belt in Uruguay hosts extensive areas of eucalypt plantations. Consequently Gladiator will be evaluating the potential for the development of a charcoal based pig iron project incorporating the DPC pyrolysis technology in this region of Uruguay.

GOLD and NICKEL

EAST KALGOORLIE

HOGAN'S PROJECT (E26/107, E26/108, E15/774, E15/803 and E15/1044)

Interest: 100%
Operator: Gladiator Resources Ltd

The Company has joint venture arrangements over the Hogan's Project area, located approximately 25km east of Kambalda, with Newmont Exploration Pty Ltd and Independence Group NL.

The joint venture with Newmont Exploration Pty Ltd (Newmont) deals with the rights to gold on the project area and the joint venture with Independence Group NL (IGO) deals with the rights to nickel.

Joint Venture with Newmont

Under the terms of the joint venture, Newmont has an option to earn a 70% interest in the rights for gold in the project tenements by expending a minimum of \$200,000 on exploration by 24 March 2010 and a total of \$800,000 on exploration by 24 March 2012 after which Newmont may elect to earn an additional 10% interest. Gladiator will then be free carried until a Decision to Mine. Expenditure to the end of March 2010 by Newmont amounts to approximately \$491,000.

Newmont has reported that during the March quarter assay results were received for diamond drill hole HGDD0001 (Springfield Prospect). This hole was targeted to test alteration observed around the historical drill hole SAL1089 drilled by Goldfields in 2001 and which reportedly returned a bottom of hole assay of 2m @ 5g/t gold from a depth of 95m. The maximum gold grade recorded from HGDD0001 was 33ppb and Newmont report that the low gold values recorded are consistent with the paucity of veining or any other possible gold hosting structures, as well as the lack of any visible alteration observed in the drill core. Newmont has concluded that the 2m @ 5g/t gold intersection previously recorded from drill hole SAL1089 probably represents either a bad assay or more likely contamination by transported gold washed down the drill hole from an overlying channel fill sequence.

Newmont has decided not to undertake any further follow up work on the project and has advised Gladiator that it is commencing a divestment process for its Hogan's Gold Project in which the Hogan's Gold Joint Venture with Gladiator forms a component. Newmont has acknowledged Gladiator's pre-emptive right over the disposal of its interest in the Hogan's Gold Joint Venture and the requirement for Gladiator's consent to any disposal to a third party.

Joint Venture with IGO

Under the terms of the joint venture, IGO can earn a 70% participating interest in the project tenements by expending \$2 million by June 2010 for the rights to explore for nickel. Expenditure reported to date by IGO amounts to approximately \$390,000.

IGO has previously reported that SQUID TEM testing of ultramafic stratigraphy obscured by conductive lake sediments had defined a number of very large conductors over the Lisa's Dune target area within E15/774, which required follow-up infill TEM surveying to determine whether drill testing of the conductors was warranted.

IGO has recently advised that infill TEM was undertaken during the March quarter and has confirmed that one of the conductors "Anomaly F" has a geometry and conductance consistent with massive sulphide mineralisation. IGO has further advised that drill testing of this conductor is planned to commence late in April 2010.

CAPITAL RAISING

The Company announced to the ASX on 4 March 2010 that it had executed a mandate with Azure Capital Pty Ltd (Azure) pursuant to which Azure had agreed to act as lead manager of a placement by Gladiator of 11,000,000 shares at 25 cents per share to raise \$2.75 million. The share placement represented 15% of the Company's issued capital at that time.

The placement was successfully completed by 11 March 2010. The funds raised are to be utilised to enhance working capital requirements of the Company in pursuing its projects in Brazil and Uruguay.

Signed on behalf of the Board of Gladiator Resources Limited

For further information:

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Director/Secretary

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The information in this report that relates to exploration results is based on information compiled by Alex Nutter who is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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. Alex Nutter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GLADIATOR RESOURCES LIMITED

ABN

58 101 026 859

Quarter ended ("current quarter")

31 MARCH 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for (a) exploration and evaluation	(291)	(504)
(b) development	--	--
(c) production	--	--
(d) administration	(41)	(168)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	2	31
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (GST)	(16)	(30)
Net Operating Cash Flows	(346)	(671)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	--
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	--
1.10 Loans to other entities	--	--
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	--	--
Net investing cash flows	--	--
1.13 Total operating and investing cash flows (carried forward)	(346)	(671)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(346)	(671)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,897	2,897
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	--	--
1.18	Dividends paid	--	--
1.19	Other (costs of capital raising)	(175)	(175)
	Net financing cash flows	2,722	2,722
	Net increase (decrease) in cash held	2,376	2,051
1.20	Cash at beginning of quarter/year to date	1,306	1,631
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	3,682	3,682

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	113
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	--
Total	150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	42	21
5.2 Deposits at call	3,640	1,285
5.3 Bank overdraft	--	--
5.4 Other (share application account)	--	--
Total: cash at end of quarter (item 1.22)	3,682	1,306

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	(refer attached notes)		
6.2	Interests in mining tenements acquired or increased	(refer attached notes)		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	85,247,338	85,247,338		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	13,263,077	13,263,077		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	9,236,923	--	<i>Exercise price</i> \$0.065	<i>Expiry date</i> 31/12/2011
7.8 Issued during quarter				
7.9 Exercised during quarter	2,263,077	--	\$0.065	31/12/2011
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
(Company Secretary)

Date: 27 April 2010

Print name: JOHN PALERMO

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.