



GLADIATOR RESOURCES LTD

ABN 58 101 026 859

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2011 REVIEW OF OPERATIONS HIGHLIGHTS

ZAPUCAY PROJECT – URUGUAY

- Initial JORC compliant Inferred Mineral Resource of 58Mt at 28% Fe estimated for the Cerro Iman and Cerro Papagayo areas of the Zapucay Project.
- Resource modelling of DTR data confirms excellent magnetite recovery of 33.7% to a high quality concentrate containing 66.1% Fe and low silica, alumina, sulphur and phosphorus.
- Inferred Resource significantly exceeds that required for the base case pig iron development.
- Potential to significantly increase resource base confirmed by mapping and geophysical modelling which indicates potential for over 100Mt for the Zapucay Project and 70Mt at the nearby Areicua Project.
- Resource drilling continuing on the Cerro Iman, Cerro Papagayo and Buena Orden magnetite deposits with 169 holes aggregating 13,650 metres completed to date, including 117 RC holes for 10,273 metres and 52 diamond holes for 3,378 metres. Drilling continues into the September quarter.
- The results from exploration drilling and metallurgical testwork continue to be highly encouraging and confirm earlier expectations.
- DTR assay results for a further 55 holes received and show several thick intersections of magnetite mineralisation with high recovery of excellent quality magnetite.

Best results from Cerro Iman included:

- CIRC 042 – 46m grading 39.3% magnetite containing 67.1% Fe
- CIRC 043 – 77m grading 39.6% magnetite containing 63.4% Fe
- CIRC 046 – 75m grading 42.8% magnetite containing 64.6% Fe
- CIRC 049 – 63m grading 41.4% magnetite containing 64.0% Fe
- CIDD 019 – 52m grading 50.4% magnetite containing 65.7% Fe
- CIDD 020 – 38m grading 49.3% magnetite containing 65.6% Fe

Best results from Cerro Papagayo included:

- CPRC 004 - 48m grading 34.3% magnetite containing 68.0% Fe
- CPRC 008 – 56m grading 41.5% magnetite containing 56.7% Fe
- CPDD 005 – 33m grading 29.8% magnetite containing 63.9% Fe
- CPDD 032 – 51.5m grading 35.4 % magnetite containing 64.5% Fe

- DTR Assays confirm that a high quality magnetite concentrate containing very low levels of contaminants can be produced from both Cerro Iman and Cerro Papagayo.
- Head assays received for a further 18 holes from Cerro Iman and 38 holes from Cerro Papagayo and show thick intersections of magnetite mineralisation south of Cerro Papagayo.

Best intersections recorded from Cerro Iman included:

- CIRC 049 – 63m @ 29.3% Fe

Best intersections recorded from Cerro Papagayo included:

- CPDD 033 – 92m @ 24.6% Fe
- CPDD 053 – 40.5m @ 31.7% Fe
- CPDD 065 – 72.4m @ 21.3% Fe
- CPRC 046 – 36m @ 32.5% Fe

- The results of metallurgical testwork show that a high quality magnetite concentrate can be produced with an extremely low P content.
- Preliminary study on 750,000 tpa concentrator received and shows costs in line with previous estimates.
- Work commenced on preparation of Environmental Impact Assessment for the project.

HOGAN'S PROJECT - AUSTRALIA

- Octagonal drills 133 aircore holes aggregating 6,440 metres at the Carlson, Burns and Salt Creek - Lucky Bay Gravity Trend prospects. Best gold in regolith result 3m @ 0.5g/t Au from 46m in the Salt Creek – Lucky Bay Gravity Trend prospect.
- 168 station gravity survey completed.



Figure 1: Location of the Zapucay Project in the Isla Cristalina Belt in Uruguay

IRON ORE, MANGANESE, BASE METALS

ZAPUCAY PROJECT, URUGUAY

Interest: Gladiator Resources Limited earning up to 80%

Operator: Gladiator Resources Limited

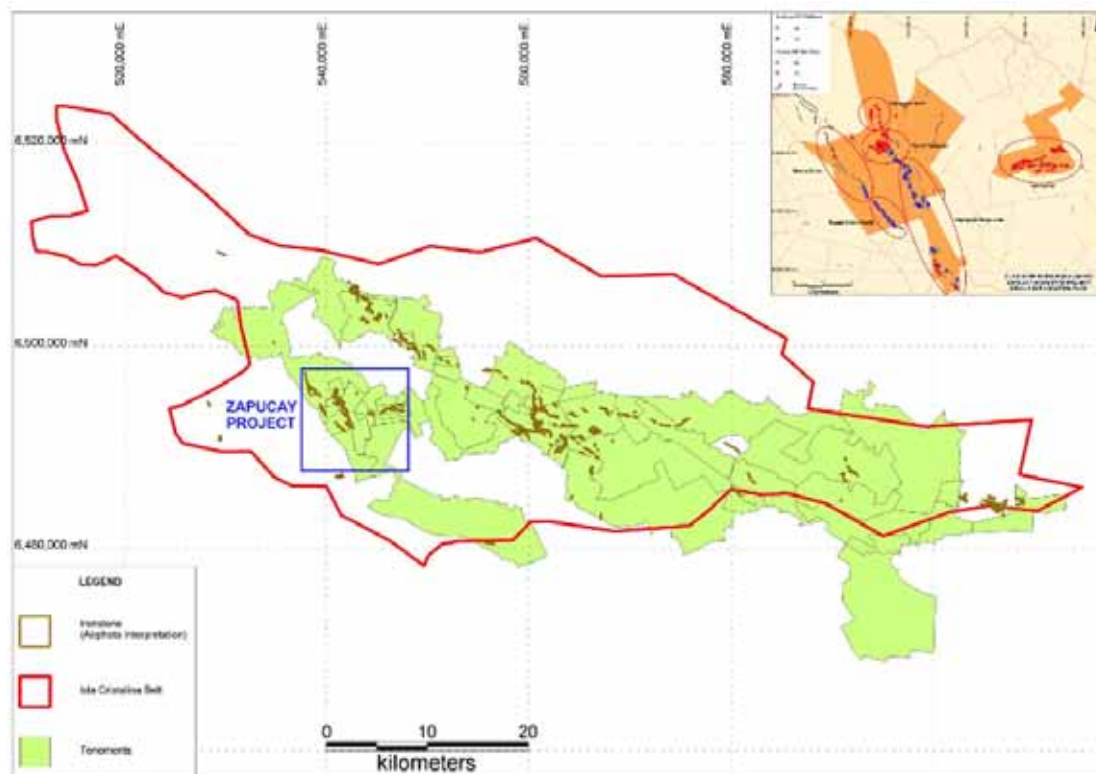


Figure 2: Location of Zapucay Project, Joint Venture Tenements & Ironstone in the Isla Cristalina Belt

ACTIVITIES UNDERTAKEN DURING THE QUARTER

Resource Estimate

Coffey Mining Pty Ltd (Coffey) has completed an initial JORC compliant Inferred Mineral Resource estimate of 58Mt at 28% Fe in the Cerro Iman, Cerro Papagayo and Buena Orden mineral deposits that form part of the Zapucay project. This inferred resource significantly exceeds the resource required for the base case pig iron project development.

Coffey has estimated the mineral resource in accordance with the guidelines set out in the JORC Code (2004) using ordinary kriging and inverse distance weighting. The average density for the resource is 3.46g/cm³. A summary of the resource estimate is provided in Table 1.

Deposit	Tonnes Million	DTR % rec	Assays %					
			Fe	SiO ₂	Al ₂ O ₃	Mn	P	LOI
Cerro Iman	23.9	33.2	29.2	37.7	3.4	4.8	0.107	1.8
Cerro Papagayo	29.0	35.0	27.4	38.5	4.1	5.8	0.094	1.8
Buena Orden	5.4	29.4	25.2	43.0	5.5	3.4	0.107	1.3
TOTAL	58.3	33.7	28.0	38.6	3.9	5.2	0.101	1.7

Note: No lower cut off applied

The mineral resource was based on drilling and assay results available as at 28 February 2011, which comprised 4930 metres of drilling from 76 drill holes and 1640 samples. The resource estimate for Cerro Iman covers a mineralised strike length of approximately 1,500 metres, for Cerro Papagayo the northern 500 metres of a 4km northwest-southeast trending mineralised ridge and for Buena Orden approximately 400m of an 8km long ridge located approximately 1.5km west of and parallel to the Papagayo ridge line (Figure 3).

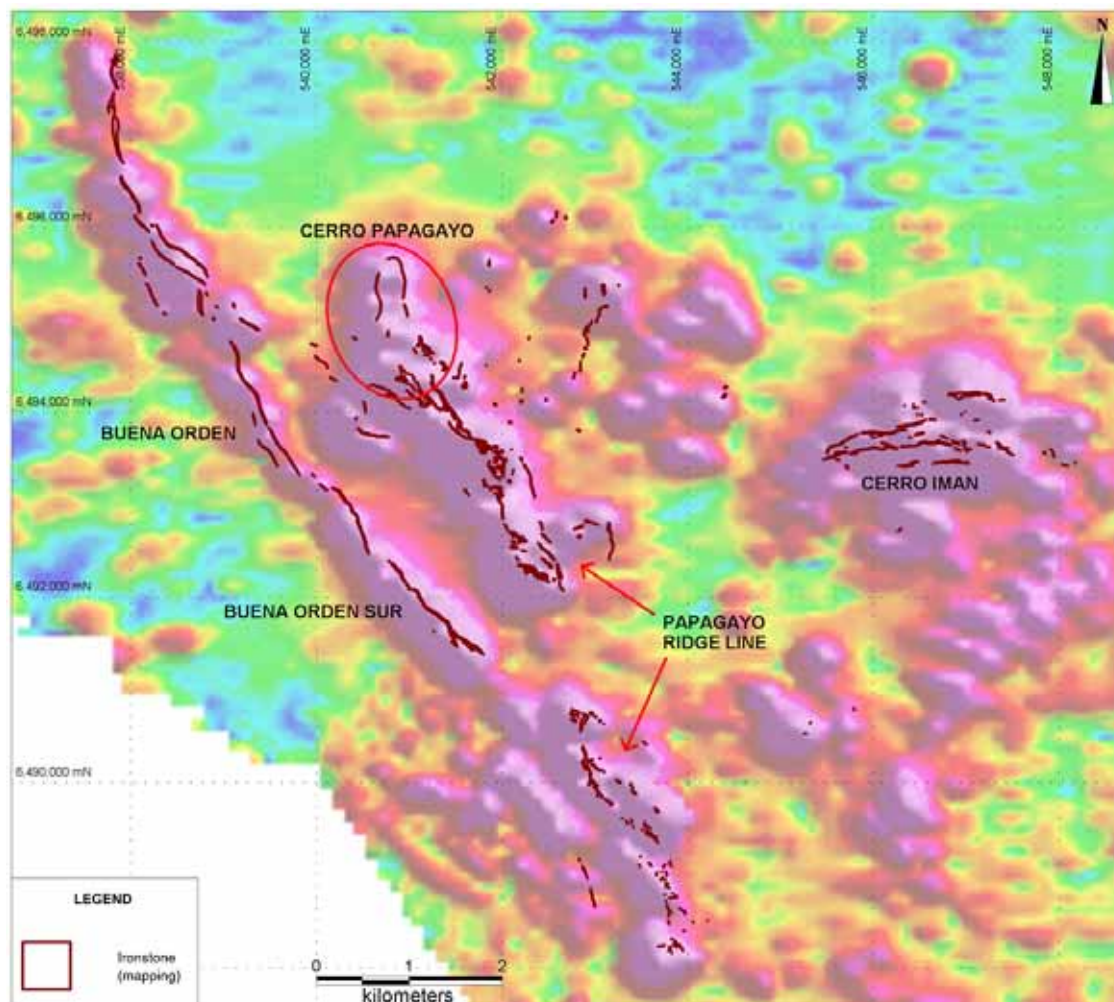


Figure 3: Zapucay Project – Location of Mineral Deposits

From the results of the Davis Tube Recovery test work Coffey estimated that 33.7% of the resource could be recovered by magnetic separation as a magnetite concentrate containing over 66% Fe and low P content of 0.011% (Table 2).

Deposit	Tonnes Million	Assays %				
		Fe	SiO ₂	Al ₂ O ₃	Mn	P
Cerro Iman	7.9	66.0	3.9	0.5	1.8	0.010
Cerro Papagayo	10.2	65.8	3.5	0.4	2.4	0.013
Buena Orden	1.6	67.5	3.1	0.4	1.0	0.009
TOTAL	19.7	66.1	3.6	0.4	2.0	0.011

Note: No lower cut off applied

Since the cut-off date (28 February 2011) for the database for the initial resource estimate by Coffey, a further 93 holes for approximately 9,000 metres have been drilled with numerous significant mineralised intersections being recorded. In addition a further 2,300 samples have been submitted for DTR analysis. Drilling is continuing on the extension of the Cerro Papagayo ridgeline and on the Buena Orden ridgeline.

Geophysical Modelling

Concurrent with the Inferred Resource estimate, Coffey Mining was commissioned to complete geophysical modelling and provide a theoretical estimate of volume of magnetic material at the main mineralised areas within the Joint Venture tenements within the Isla Cristalina Belt. The parameters for this modelling were based on a study at Cerro Iman and Cerro Papagayo where a volume estimate of 32.4 million cubic metres was obtained from the modelling of 1,700 metres of magnetic susceptibility data, airborne and ground magnetic data, and outcrop measurements. This is equivalent to a minimum of 100 Mt assuming an average specific gravity of 3t/m³. It is noted that this volume estimate excludes the material located on the ridgelines currently being drilled.

At Areicua, located approximately 10km north-northeast of the Zapucay project area, an estimate of 22.6 million cubic metres of magnetic material was obtained from the modelling of magnetic data (airborne and ground) and magnetic susceptibility readings of outcrop. This volume is equivalent to nearly 70 Mt, assuming an average specific gravity of 3t/m³.

At Curtume, where a significant strike length of iron formation exists, a volume estimate was not possible due to the weak magnetism of the iron formation.

The locations of Areicua and Curtume in relation to Cerro Papagayo and Iman are illustrated in Figure 4 and the approximate volumes estimated are shown in Table 3.

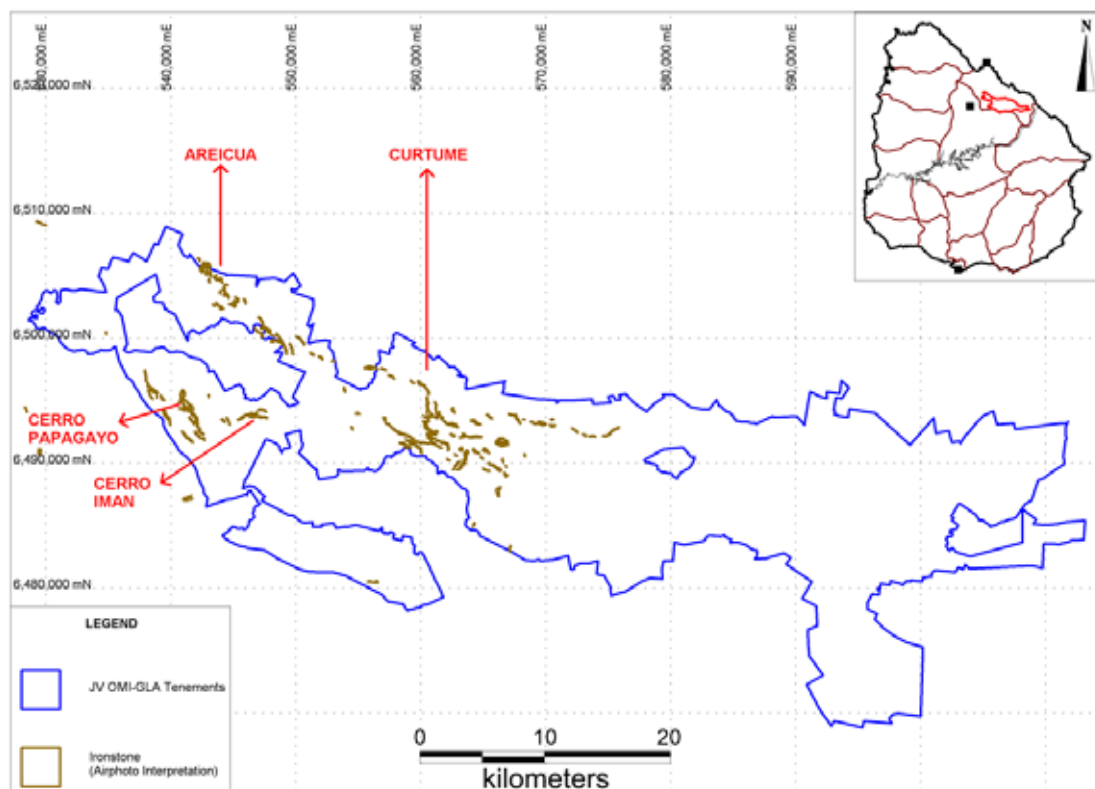


Figure 4: Location of Joint Venture Tenements, Ironstone and Main Prospects

Project	Volume (m ³ x 10 ⁶)	Equivalent Tonnage (t x 10 ⁶)
Zapucay - Cerro Papagayo	19.9	59.7
Zapucay - Cerro Iman	12.5	37.5
Areicua	22.6	67.8
TOTAL	55.0	165.0

The results of the geophysical modelling will assist in prioritising target areas for exploration and resource drilling and in the geological evaluation of the joint venture tenements.

Drilling

Drilling, utilising one RC and one diamond rig, continued during the June quarter at the Papagayo and Buena Orden locations within the Zapucay Project. 34 RC drill holes aggregating 3,597 metres and 17 diamond drill holes aggregating 1,407 metres were completed during the quarter (Table 4). This is the best quarterly drilling progress achieved for the project to date. The magnetite deposits located within the Papagayo iron formation ridge system are now referred to as Papagayo North, Cerro Papagayo and Papagayo Ridge (Figure 5).

Location	RC Drilling		Diamond Drilling	
	Holes	Metres	Holes	Metres
Papagayo Ridge	25	2,733	9	684
Buena Orden	9	864	8	723
TOTAL	34	3,597	17	1,407

117 RC drill holes aggregating 10,273 metres and 52 diamond drill holes aggregating 3,378 metres have been completed to date at the Zapucay Project since commencement of drilling in August 2010. This is summarised in Table 5.

Location	RC Drilling		Diamond Drilling	
	Holes	Metres	Holes	Metres
Cerro Iman	37	2,935	18	699
Cerro Papagayo	23	2,101	16	1,162
Papagayo North	14	944	0	0
Papagayo Ridge	32	3,315	10	793
Buena Orden	11	978	8	723
Total	117	10,273	52	3,377
TOTAL	169 holes for 13,650 metres			

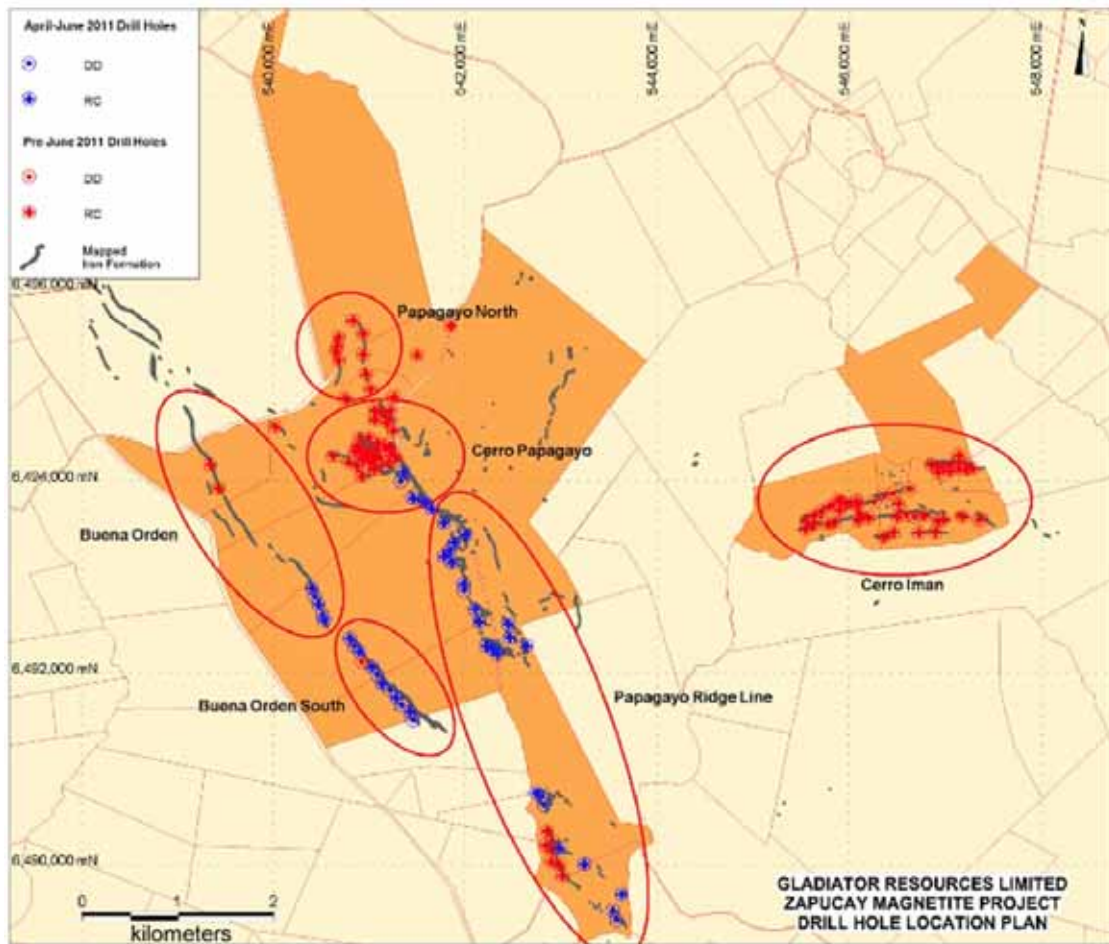


Figure 5: Zapucay Project - Location of Mineral Deposits and Areas Drilled

Analytical Results

During the quarter a further 1,532 samples were sent to Perth for analysis. As at the end of June 2011, 3,928 samples had been sent to Perth for analysis. A summary of samples submitted for assay is provided in Table 6.

Location	Previous			June Quarter 2011			Total		
	RC	DD	RK	RC	DD	RK	RC	DD	RK
Cerro Iman	897	319	0	214	0	0	1,111	319	0
Cerro Papagayo	468	549	0	161	29	0	629	578	0
Papagayo North	54	0	0	188	0	0	242	0	0
Papagayo Ridge	0	0	0	481	74	0	481	74	0
Buena Orden	52	0	0	0	15	0	52	15	0
Buena Orden South	0	0	0	243	115	0	243	115	0
Project Area	0	0	57	0	0	12	0	0	69
TOTAL	1,471	868	57	1,287	233	12	2,758	1,101	69
GRAND TOTAL	2,396			1,532			3,928		

Head assay results for 18 drill holes from Cerro Iman (Table 7, diamond drilling & Table 8, RC drilling) and 38 drill holes from Cerro Papagayo (Table 9, diamond drilling & Table 10, RC drilling) were received during the quarter.

TABLE 7 CERRO IMAN DIAMOND DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Intercept (m)	Fe %	SiO ₂ %	Al ₂ O ₃ %	V ₂ O ₅ %	TiO ₂ %	MnO %	S %	P %
CIDD 016	7.15	9.45	2.3	8.40	60.41	13.23	0.03	1.48	0.90	0.00	0.10
CIDD 022	5.0	7.75	2.75	4.04	61.23	19.44	0.01	0.45	0.85	0.00	0.07
CIDD 029	10.6	13.6	3	11.42	56.51	11.74	0.04	1.45	0.31	0.00	0.31

TABLE 8 CERRO IMAN RC DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Intercept (m)	Fe %	SiO ₂ %	Al ₂ O ₃ %	V ₂ O ₅ %	TiO ₂ %	MnO %	S %	P %
CIRC 026	7	12	5	13.15	51.42	10.44	0.03	1.03	0.75	0.00	0.13
	14	24	10	23.45	46.07	5.13	0.02	0.56	1.07	0.03	0.14
CIRC 038	2	3	1	26.14	38.85	10.02	0.03	1.15	5.39	0.00	0.05
CIRC 040	43	44	1	13.40	46.81	10.88	0.03	0.58	7.22	0.05	0.08
	63	64	1	14.42	51.44	3.49	0.01	0.18	2.92	0.31	0.04
CIRC 043	57	58	1	10.94	42.82	8.28	0.01	0.39	2.57	0.00	0.05
CIRC 044	50	61	11	19.35	49.23	6.04	0.01	0.30	5.82	0.00	0.05
CIRC 045	41	50	9	15.81	44.91	6.11	0.01	0.29	6.04	0.14	0.06
CIRC 046	24	25	1	32.40	31.70	0.20	0.00	0.02	14.68	0.00	0.04
CIRC 048	10	11	1	29.58	40.39	5.68	0.02	0.56	0.99	0.00	0.16
	14	18	4	37.88	41.24	0.74	0.01	0.09	0.78	0.01	0.17
CIRC 049	19	29	10	20.19	35.57	14.05	0.02	0.96	8.20	0.00	0.12
	37	100	63	29.32	35.61	2.36	0.01	0.19	11.05	0.01	0.05
	114	127	13	17.55	48.96	8.89	0.01	0.55	0.52	0.21	0.08
CIRC 050	17	22	5	12.46	53.62	12.76	0.04	1.31	1.30	0.01	0.20
	34	44	10	16.23	51.79	9.97	0.03	1.05	1.76	0.09	0.15
CIRC 051	9	15	6	12.38	52.45	12.91	0.04	1.23	0.36	0.00	0.19
	17	25	8	15.31	52.27	10.29	0.03	1.11	1.64	0.01	0.19
CIRC 052	4	11	7	11.24	56.48	12.09	0.03	0.91	2.55	0.00	0.13
CIRC 053	4	31	27	8.84	53.68	13.74	0.03	1.16	1.11	0.07	0.14
	89	97	8	19.36	36.21	9.25	0.03	0.74	1.39	0.61	0.13
CIRC 054	4	8	4	25.58	36.87	5.80	0.02	0.57	9.47	0.00	0.12
CIRC 055	12	20	8	30.02	42.59	3.63	0.01	0.34	3.19	0.00	0.12
	45	48	3	10.16	38.11	5.30	0.01	0.25	1.49	0.70	0.03
	50	55	5	6.36	22.72	4.75	0.02	0.36	0.75	0.15	0.03
	56	60	4	7.82	27.52	5.60	0.02	0.38	1.00	0.19	0.06

**TABLE 9
CERRO PAPAGAYO DIAMOND DRILL HOLES
HEAD ASSAY RESULTS**

Drill Hole	From (m)	To (m)	Intercept (m)	Fe %	SiO ₂ %	Al ₂ O ₃ %	V ₂ O ₅ %	TiO ₂ %	MnO %	S %	P %
CPDD032	65.0	68.3	3.3	8.05	57.57	12.89	0.03	1.12	0.63	0.11	0.19
CPDD033	0	5.75	5.75	31.46	34.42	7.40	0.03	1.36	6.22	0.00	0.04
	11.75	103.5	91.75	24.58	40.30	4.39	0.02	0.49	8.57	0.07	0.11
CPDD053	0	40.5	40.5	31.66	36.21	1.64	0.01	0.19	7.81	0.01	0.05
CPDD064	0	2.1	2.1	22.15	41.71	10.64	0.02	0.77	7.30	0.00	0.02
	32.6	63	30.4	13.51	43.47	4.10	0.01	0.28	4.16	0.09	0.06
CPDD065	29.45	101.85	72.4	21.32	41.44	5.46	0.01	0.39	6.53	0.07	0.09
CPDD071	13	70.5	57.5	18.55	46.13	7.81	0.01	0.57	2.24	0.03	0.11
CPDD085	37.1	93.7	56.6	21.42	45.94	5.88	0.01	0.44	3.52	0.03	0.11
	102.85	110.55	7.7	12.95	48.42	10.82	0.03	0.88	1.59	0.04	0.10

**TABLE 10
CERRO PAPAGAYO RC DRILL HOLES
HEAD ASSAY RESULTS**

Drill Hole	From (m)	To (m)	Intercept (m)	Fe %	SiO ₂ %	Al ₂ O ₃ %	V ₂ O ₅ %	TiO ₂ %	MnO %	S %	P %
CPRC 031	49	50	1	8.21	56.96	10.45	0.03	1.32	1.78	0.00	0.09
CPRC 036	0	14	14	17.62	50.97	8.55	0.02	0.49	4.16	0.00	0.06
CPRC 037	1	12	11	6.37	83.16	4.29	0.01	0.34	0.56	0.01	0.04
CPRC 038	0	3	3	25.42	39.68	10.47	0.03	0.95	4.76	0.00	0.04
	9	14	5	11.52	58.11	13.59	0.02	0.82	1.93	0.00	0.02
	15	32	17	19.02	50.70	5.62	0.02	0.43	4.20	0.05	0.08
CPRC 039	0	2	2	22.80	45.08	10.99	0.03	1.15	2.69	0.00	0.06
	10	31	21	23.93	41.39	7.13	0.02	0.81	6.74	0.00	0.13
CPRC 040	14	18	4	2.25	71.71	13.32	0.01	0.24	0.11	0.02	0.04
	22	72	50	16.31	48.37	8.11	0.02	0.67	3.73	0.16	0.11
CPRC 041	17	22	5	8.66	58.35	9.50	0.02	0.46	1.69	0.24	0.04
	34	41	7	15.96	49.58	8.37	0.03	0.88	2.08	0.37	0.10
CPRC 042	10	26	16	14.75	52.73	10.84	0.03	0.91	0.75	0.35	0.15
	29	37	8	14.39	51.25	8.72	0.02	0.53	6.20	0.09	0.09
	39	41	2	15.68	53.23	10.07	0.02	0.84	1.14	0.10	0.14
	42	54	12	19.56	39.50	6.36	0.02	0.56	12.17	0.15	0.11
CPRC 044	13	38	25	19.74	46.30	8.18	0.02	0.70	3.88	0.07	0.12
CPRC 045	94	121	27	24.21	39.33	4.41	0.01	0.34	8.92	0.14	0.08
CPRC 046	10	46	36	32.52	34.50	2.01	0.01	0.27	9.25	0.00	0.07
	116	138	22	28.45	38.46	2.74	0.01	0.25	8.83	0.11	0.06
CPRC 047	49	53	4	14.31	46.34	4.69	0.02	0.22	2.40	0.05	0.04
CPRC 048	5	11	6	21.10	43.03	7.96	0.02	0.71	6.13	0.00	0.14
CPRC 049	21	24	3	11.23	52.86	11.46	0.02	0.75	2.56	0.06	0.16
	30	35	5	18.88	45.12	6.91	0.02	0.61	7.48	0.10	0.12
CPRC 050	7	10	3	7.01	65.87	12.10	0.01	0.46	1.24	0.00	0.06

Head assay results from the Papagayo ridge line confirm that thick intersections of magnetite mineralisation are present south of Cerro Papagayo, which is very encouraging as this ridge line has a strike length of approximately 4 kilometres.

Best intersections of magnetite mineralisation recorded from Cerro Iman included:

- CIRC 049 – 63m @ 29.3% Fe

Best intersections of magnetite mineralisation recorded from Cerro Papagayo included:

- CPDD 033 – 92m @ 24.6% Fe
- CPDD 053 – 40.5m @ 31.7% Fe
- CPDD 065 – 72.4m @ 21.3% Fe
- CPRC 046 – 36m @ 32.5% Fe

Davis Tube Recovery (DTR)

Davis Tube Recovery (DTR) test work is being undertaken in Perth on all mineralised samples. DTR test work recovers the magnetic fraction from a sample, which is then assayed. The test work provides information on the recovery of magnetite that could be expected from a commercial plant and also the quality of magnetite that could be produced.

During the quarter DTR results were received for 790 samples from a total of 32 holes at Cerro Iman (Table 11, diamond drilling & Table 12 RC drilling), and 23 holes at Cerro Papagayo, Papagayo North and the southern part of the Papagayo ridge line (Table 13, diamond drilling & Table 14, RC drilling). It should be noted that the DTR data are incomplete with additional DTR results pending for several drill holes.

Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO ₂ %	Al ₂ O ₃ %	S %	P %	LOI %
CIDD 009	0.0	5.0	5.0	24.15	64.75	5.01	0.90	0.022	0.015	-1.71
	13.5	29.0	15.5	18.00	64.66	4.75	0.52	0.112	0.013	-2.08
CIDD 017	0.0	20.0	20.0	51.75	64.16	3.34	0.13	0.002	0.006	-1.75
CIDD 019	0.0	3.10	3.10	37.60	67.13	2.21	0.95	0.000	0.013	-1.32
	11.35	63.75	52.40	50.41	65.67	3.24	0.13	0.005	0.006	-2.68
CIDD 020	0.0	38.0	38.0	49.29	65.62	3.28	0.17	0.000	0.012	-1.86
CIDD 022	0.0	5.0	5.0	25.04	64.03	3.60	1.73	0.004	0.012	-1.05
	7.75	29.0	21.25	40.66	62.29	7.12	0.76	0.007	0.017	-2.76
	31.0	35.0	4.0	8.48	55.67	5.46	0.50	0.014	0.011	-1.82
CIDD 024	0.0	7.15	7.15	15.00	68.37	1.92	0.79	0.005	0.010	-1.65
	12.0	29.0	17.0	42.90	65.41	4.43	0.36	0.002	0.011	-2.54
CIDD 029	0.0	11.6	11.6	28.72	63.77	3.33	0.45	0.004	0.011	-1.58
CIDD 047	0.0	17.05	17.05	48.21	64.03	3.53	0.24	0.000	0.010	-1.57

Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO ₂ %	Al ₂ O ₃ %	S %	P %	LOI %
CIRC004	4.0	10.0	6.0	16.85	64.28	5.69	0.73	0.001	0.020	-1.74
	18.0	30.0	12.0	11.59	63.57	4.82	0.73	0.017	0.021	-1.42
CIRC018	76.0	85.0	9.0	45.02	67.66	2.59	0.08	0.000	0.005	-3.11
	87.0	102.0	15.0	30.73	66.40	3.25	0.29	0.002	0.008	-3.13
CIRC021	3.0	23.0	20.0	52.51	65.75	2.20	0.26	0.000	0.018	-1.27

**TABLE 12
CERRO IMAN REVERSE CIRCULATION DRILL HOLES
DTR RESULTS FOR MAGNETITE MINERALISATION**

Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO ₂ %	Al ₂ O ₃ %	S %	P %	LOI %
	29.0	38.0	9.0	32.02	67.82	2.30	0.28	0.000	0.006	-2.87
	40.0	43.0	3.0	5.45	54.08	12.67	2.75	0.020	0.020	-0.41
CIRC025	8.0	27.0	19.0	23.24	63.54	6.52	0.82	0.013	0.019	-2.29
	32.0	38.0	6.0	21.94	63.40	6.25	0.37	0.002	0.014	-2.63
CIRC026	7.0	11.0	4.0	10.18	68.67	1.98	0.41	0.003	0.003	-2.74
	14.0	24.0	10.0	21.52	68.77	1.54	0.45	0.002	0.009	-2.38
CIRC027	17.0	28.0	11.0	26.39	65.58	3.81	0.38	0.008	0.010	-3.06
	46.0	55.0	9.0	32.06	68.42	2.68	0.56	0.029	0.010	-3.24
	60.0	72.0	12.0	33.96	68.52	2.11	0.42	0.011	0.010	-3.33
CIRC028	0.0	2.0	2.0	7.86	68.72	1.01	0.50	0.000	0.003	-2.00
	10.0	24.0	14.0	9.77	63.67	4.36	0.78	0.005	0.019	-2.00
	59.0	80.0	21.0	28.24	64.59	5.40	0.82	0.009	0.013	-2.52
	90.0	95.0	5.0	46.27	68.25	3.39	0.56	0.009	0.012	-3.16
	110.0	114.0	4.0	38.82	62.42	8.48	1.37	0.032	0.026	-2.64
CIRC036	0.0	8.0	8.0	20.04	66.53	3.37	0.80	0.004	0.011	-2.28
	14.0	18.0	4.0	34.89	68.12	1.41	0.96	0.006	0.013	-2.57
	22.0	39.0	17.0	23.23	66.71	3.67	0.46	0.020	0.013	-2.76
	57.0	67.0	10.0	23.81	67.96	2.81	0.79	0.021	0.006	-3.30
CIRC038	2.0	3.0	1.0	26.89	68.11	1.70	0.61	0.000	0.006	-1.64
	9.0	17.0	8.0	44.11	68.53	1.74	0.42	0.000	0.022	-1.58
	23.0	31.0	8.0	15.01	67.03	3.05	0.59	0.158	0.007	-2.53
CIRC039	4.0	9.0	5.0	40.67	66.77	2.46	0.53	0.094	0.009	-2.18
	16.0	32.0	16.0	14.89	56.90	3.53	0.48	0.005	0.007	-2.16
CIRC040	2.0	9.0	7.0	16.18	65.83	3.34	0.59	0.000	0.010	-2.19
	12.0	31.0	19.0	32.92	68.23	2.85	0.36	0.005	0.012	-2.38
	43.0	44.0	1.0	7.59	67.69	2.88	0.53	0.014	0.005	-3.23
	63.0	64.0	1.0	5.00	58.30	10.97	0.67	1.486	0.001	-1.28
CIRC041	5.0	19.0	14.0	11.35	64.99	2.38	0.54	0.051	0.004	-1.11
	91.0	103.0	12.0	18.89	67.54	2.99	0.62	0.114	0.006	-3.05
CIRC042	19.0	27.0	8.0	10.00	64.71	3.25	0.69	0.000	0.021	-1.61
	32.0	36.0	4.0	1.88	50.18	5.08	0.81	0.119	0.021	0.00
	68.0	114.0	46.0	39.34	67.12	2.21	0.15	0.008	0.005	-2.84
CIRC043	54.0	131.0	77.0	39.63	63.40	4.53	0.28	0.003	0.008	-2.88
CIRC044	50.0	61.0	11.0	24.31	66.44	2.51	0.13	0.000	0.003	-2.82
	67.0	72.0	5.0	4.73	65.08	4.48	0.45	0.061	0.004	-1.75
CIRC045	41.0	50.0	9.0	10.31	63.44	2.59	0.23	0.008	0.003	-2.73
CIRC046	2.0	77.0	75.0	42.76	64.60	3.10	0.16	0.002	0.006	-2.22
CIRC048	8.0	27.0	19.0	35.86	67.85	2.19	0.29	0.004	0.021	-2.75
CIRC049	19.0	29.0	10.0	23.19	62.17	4.43	1.14	0.001	0.022	-1.43
	37.0	100.0	63.0	41.38	64.01	4.35	0.31	0.000	0.006	-2.53
	114.0	127.0	13.0	12.72	59.72	7.13	1.65	0.172	0.018	-2.23
CIRC050	17.0	22.0	5.0	1.40	62.17	6.45	1.00	0.007	0.018	-0.79
	34.0	44.0	10.0	9.92	62.30	4.34	0.54	0.030	0.007	-2.69
CIRC051	9.0	15.0	6.0	2.52	47.07	1.24	0.49	0.000	0.005	-1.42
	17.0	25.0	8.0	10.75	63.80	4.40	0.53	0.000	0.016	-1.74
CIRC053	4.0	31.0	27.0	2.16	55.60	2.02	0.42	0.000	0.005	-2.13
	89.0	97.0	8.0	15.70	63.66	4.10	1.01	0.059	0.009	-1.77
CIRC054	4.0	8.0	4.0	20.86	68.36	1.59	0.25	0.000	0.005	-2.17

TABLE 12 CERRO IMAN REVERSE CIRCULATION DRILL HOLES DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO ₂ %	Al ₂ O ₃ %	S %	P %	LOI %
CIRC055	12.0	20.0	8.0	34.44	68.36	2.49	0.28	0.007	0.022	-2.05
	45.0	48.0	3.0	5.82	52.39	12.28	0.53	4.818	0.004	0.17
	50.0	55.0	5.0	4.90	50.26	8.38	0.85	0.947	0.004	3.64
	56.0	60.0	4.0	9.19	37.24	14.91	0.95	0.634	0.009	6.96

TABLE 13 CERRO PAPAGAYO DIAMOND DRILL HOLES DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO ₂ %	Al ₂ O ₃ %	S %	P %	LOI %
CPDD 005	25.0	58.0	33.0	29.80	63.90	2.52	0.36	0.003	0.006	-1.86
CPDD 014	33.0	37.0	4.0	10.62	61.93	4.16	0.73	0.310	0.014	-1.86
CPDD 029	52.0	67.10	15.10	30.23	65.57	3.98	0.09	0.000	0.010	-2.61
CPDD 032	0.0	6.9	6.9	11.74	56.75	2.85	1.58	0.006	0.007	-0.65
	16.8	68.3	51.50	35.42	64.53	3.93	0.23	0.001	0.013	-2.45
CPDD 033	0.0	5.75	5.75	27.42	64.01	3.82	1.51	0.006	0.013	-0.41
	11.75	100.5	88.75	27.48	66.57	2.49	0.24	0.002	0.007	-2.43

TABLE 14 CERRO PAPAGAYO REVERSE CIRCULATION DRILL HOLES DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO ₂ %	Al ₂ O ₃ %	S %	P %	LOI %
CPRC 004	11.0	59.0	48.0	34.30	68.0	1.72	0.19	0.000	0.004	-2.66
	123.0	160.0	37.0	13.79	64.5	5.18	1.00	0.003	0.009	-2.46
CPRC 008	4.0	42.0	38.0	22.58	66.73	3.75	0.35	0.000	0.005	-2.27
	82.0	138.0	56.0	41.45	56.66	7.49	0.46	0.001	0.013	-2.05
CPRC 024	3.0	18.0	15.0	18.86	65.75	4.28	0.36	0.000	0.006	-1.69
	29.0	40.0	11.0	27.70	67.83	3.21	0.28	0.000	0.006	-2.94
CPRC 030	44.0	48.0	4.0	7.85	61.08	4.32	0.60	0.000	0.014	0.00
	25.0	46.0	21.0	25.67	64.03	6.09	0.68	0.000	0.016	-2.04
CPRC 031	50.0	56.0	6.0	9.74	52.31	11.95	1.21	0.000	0.054	-0.45
	0.0	2.0	2.0	5.47	68.61	1.97	0.34	0.000	0.006	0.00
CPRC 036	20.0	36.0	16.0	30.27	65.16	4.23	0.33	0.000	0.017	-1.53
	39.0	50.0	11.0	40.76	64.54	3.99	0.30	0.000	0.002	-2.56
CPRC 037	0.0	14.0	14.0	11.12	62.73	3.32	0.27	0.000	0.012	-1.34
CPRC 038	1.0	12.0	11.0	2.40	52.38	2.91	0.59	0.000	0.007	-0.29
CPRC 039	0.0	3.0	3.0	23.18	66.86	2.87	0.92	0.000	0.007	-1.54
	9.0	14.0	5.0	8.78	49.14	0.66	0.18	0.000	0.006	-1.15
	15.0	32.0	17.0	12.34	67.20	1.96	0.20	0.000	0.009	-1.10
CPRC 040	0.0	2.0	2.0	11.05	68.67	1.70	0.37	0.000	0.009	-2.07
	10.0	31.0	21.0	28.63	66.51	3.71	0.22	0.000	0.009	-2.50
CPRC 041	22.0	72.0	50.0	13.67	64.23	2.26	0.37	0.001	0.004	-2.91
CPRC 042	34.0	41.0	7.0	16.08	61.38	6.18	0.55	0.001	0.009	0.10
	10.0	26.0	16.0	9.81	65.82	5.10	0.66	0.001	0.011	-2.61
	29.0	36.0	7.0	12.98	65.41	3.67	0.47	0.000	0.006	-2.49
CPRC 047	39.0	54.0	15.0	23.09	61.60	4.71	0.41	0.001	0.005	-2.38
CPRC 047	49.0	53.0	4.0	5.05	35.52	29.35	1.68	0.001	0.010	0.84

TABLE 14 CERRO PAPAGAYO REVERSE CIRCULATION DRILL HOLES DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO ₂ %	Al ₂ O ₃ %	S %	P %	LOI %
CPRC 050	7.0	10.0	3.0	3.81	55.18	1.61	0.51	0.000	0.003	-0.84
	35.0	39.0	4.0	17.93	67.55	3.33	0.47	0.000	0.004	-2.90
CPRC 051	20.0	57.0	37.0	20.58	66.52	3.42	0.43	0.000	0.005	-2.86
CPRC 052	33.0	40.0	7.0	23.94	48.51	16.65	1.86	0.001	0.045	1.73
CPRC 055	13.0	16.0	3.0	3.86	59.20	4.33	1.38	0.000	0.007	0.00
	37.0	48.0	11.0	30.38	64.68	3.93	0.67	0.000	0.008	-2.84
	53.0	64.0	11.0	30.38	64.68	3.93	0.67	0.000	0.008	-2.84
CPRC 057	4.0	11.0	7.0	11.02	63.77	5.16	0.38	0.000	0.003	-2.40
	15.0	18.0	3.0	20.89	68.81	1.64	0.35	0.000	0.022	-1.56
	31.0	34.0	3.0	17.77	63.39	2.23	0.77	0.000	0.007	-0.21
	45.0	53.0	8.0	24.94	65.79	3.22	0.60	0.000	0.007	-2.99
	61.0	70.0	9.0	16.14	60.71	4.98	0.77	0.000	0.011	-2.33
	77.0	81.0	4.0	37.44	61.67	7.30	0.27	0.000	0.009	-3.00

The results show several thick intersections of magnetite mineralisation with high recovery of excellent quality magnetite. The most significant results include:

Cerro Iman

- CIRC 042 – 46m grading 39.3% magnetite containing 67.1% Fe
- CIRC 043 – 77m grading 39.6% magnetite containing 63.4% Fe
- CIRC 046 – 75m grading 42.8% magnetite containing 64.6% Fe
- CIRC 049 – 63m grading 41.4% magnetite containing 64.0% Fe
- CIDD 019 – 52m grading 50.4% magnetite containing 65.7% Fe
- CIDD 020 – 38m grading 49.3% magnetite containing 65.6% Fe

Cerro Papagayo

- CPRC 004 - 48m grading 34.3% magnetite containing 68.0% Fe
- CPRC 008 – 56m grading 41.5% magnetite containing 56.7% Fe
- CPDD 005 – 33m grading 29.8% magnetite containing 63.9% Fe
- CPDD 032 – 51.5m grading 35.4 % magnetite containing 64.5% Fe

The DTR results are very similar to those previously reported and confirm that a high quality magnetite concentrate can be produced containing very low levels of contaminants such as sulphur and phosphorous from both Cerro Papagayo and Cerro Iman.

Metallurgical Test Work

The results of testwork to assess the benefits of multi-stage grinding and dry magnetic separation have been received and clearly show a significant improvement in the quality of the product compared to that produced after single stage grinding.

The results of testwork to date have shown that a high quality magnetite concentrate can be produced with an extremely low P content, which will produce a low P pig iron that should be attractive in the market place.

Test work is ongoing and further advice on optimising the programme and resulting flow sheet is being sought from consultants.

Pre-Feasibility Study

The Company is undertaking a pre-feasibility study on an initial starter project. The main elements of the project will consist of:

- A mine site where the iron ore will be mined and processed to an iron concentrate;
- A pig iron plant where the concentrate will be sintered or pelletised and then converted into pig iron;
- Several charcoal production modules, which may be located at the pig iron plant or next to plantations;
- Development and augmentation of relevant infrastructure to support the project operations.

Environment

Work has commenced on the preparation of the Environmental Impact Assessment for the project, which is estimated to be completed by the end of 2011.

PROJECT OVERVIEW AND BACKGROUND

Agreement

During August 2010 the Company entered into an Option and Joint Venture Agreement with Orosur Mining Inc ("OMI") whereby the Company can earn up to an 80% interest in the iron ore, manganese ore and base metals in OMI's project area at the Isla Cristalina Belt ("ICB") in Uruguay. The Agreement with OMI provides for Gladiator to earn a 20% interest in the Zapucay Project by expending USD \$1,000,000 on work programmes. Gladiator may, at its discretion, earn a further 31% by expending a further USD \$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 2015.

Geology

The Isla Cristalina Belt is a Palaeoproterozoic orogenic belt located in Northern Uruguay, with approximate dimensions of 100 kms by 40 kms, and which hosts several discrete iron formation occurrences, several of which are located at the Zapucay Project. Additional areas include Areicua and Curtume, and subject to drill evaluation they have the potential to become stand alone projects or allow expansions of the Zapucay Project.

Development Concept

The Company completed a conceptual study on the project as part of Gladiator's obligations under the Option Agreement. **Based on the results of the study Gladiator is of the opinion that the Zapucay Project has the potential for the development of a financially attractive project based on the production of pig iron using the iron ore resources located within the project tenements.**

The concept envisages that the iron ore will be mined and processed to an iron concentrate, which will then be sintered to make it suitable as a blast furnace feed. Charcoal, produced using the timber from nearby plantations will be used as the reductant in the mini blast furnace. The pig iron will then be exported using the established rail and port infrastructure.

A sealed road passes within 10km of the project area, the electrical grid terminates less than 20km from the project and employees experienced in mining and forestry can be sourced from population centres in the vicinity of the project.

BIOMASS PYROLYSIS TECHNOLOGY

LICENSING RIGHTS TO DPC PROCESS

ACTIVITIES UNDERTAKEN DURING THE QUARTER

DPC Process and Zapucay Project

DPC is preparing a final report on the charcoal production testwork undertaken by them. DPC is also providing data on gaseous emissions from a DPC charcoal kiln for the Environmental Impact Assessment of the Zapucay project.

PROJECT OVERVIEW AND BACKGROUND

Licensing Agreement

During July 2010 the Company entered into an agreement, "The Patent Technology and Know-How Licence Agreement", with the inventors of the DPC biomass pyrolysis process.

The licence grants to Gladiator the worldwide rights, with the exclusion of Brazil, in the field of carbonisation and pyrolysis of biomass, mainly wood and other materials (with the exception of tyres) for the production of charcoal. Gladiator is able to proceed to develop and commercially exploit the technology within the territory and is also able to sub-licence the use of the technology territorially or to industry sectors.

The Licence is for an initial term of six years with extensions of four further terms of three years provided commercial milestones are met in commissioning plants or payments in lieu of commissioning fees to the inventors.

DPC Process

The DPC Process comprises three phases occurring simultaneously in three interconnected horizontal kilns to produce charcoal from suitable organic feedstock, such as timber from eucalypt plantations. Compared to conventional and traditional methods of charcoal production, the DPC Process offers many advantages including:

- Higher yield;
- Lower fines generation;
- Significantly faster production cycles;
- The ability to process green, freshly harvested timber;
- A dramatically reduced environmental impact; and
- Lower overall charcoal production costs.

The Process also leads to a reduction in timber consumption, resulting in minimising the area of plantation necessary to support a given level of charcoal production, with a saving in timber production costs. When compared to other methods, the Process generates a stronger charcoal with higher fixed carbon content and more uniform product quality.

The charcoal produced by the Process is very suitable for use as a reductant in mini blast furnaces. Gladiator believes that the Process represents a valuable addition to its Uruguay Pig Iron Project and will assist in ensuring that the project will be highly competitive when compared to other pig iron producers.

GOLD and NICKEL

EAST KALGOORLIE

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

Interest: 100%

Operator: Gladiator Resources Ltd

The Company has a joint venture arrangement over the Hogan's Project area, located approximately 25km east of Kambalda, with Octagonal Resources (WA) Limited, which acquired the earn-in rights to the project from Newmont Exploration Pty Ltd in December 2010.

Joint Venture with Octagonal

The joint venture with Octagonal deals with the rights to gold on the project area. Under the terms of the Joint Venture, Octagonal has an option to earn a 70% interest in the rights for gold in the project tenements by expending \$800,000 on exploration by 24 March 2012 after which Octagonal may elect to earn an additional 10% interest by expending a further \$300,000. Expenditure by

Octagonal during the June quarter amounted to \$175,221 bringing the total expenditure credited to Octagonal for the project to \$670,009.

Gladiator is not required to contribute its proportion of joint venture costs until a decision to mine is made by the Joint Venture.

Summary of Work Completed by Octagonal

Work completed by Octagonal during the June quarter included:

- Completion of 133 aircore drill holes aggregating 6,440 metres at the Carlson Prospect, Burns Prospect and Salt Creek – Lucky Bay Gravity Trend (Table 15).
- Best gold in regolith result was 3m @ 0.5g/t Au from 46m in OSC091 from the Salt Creek – Lucky Bay Gravity Trend;
- 168 station gravity survey completed with data currently being processed;
- Consultant anthropologist undertaking heritage survey to facilitate exploration access to salt lakes and lake margins. Survey expected to be completed during July 2011.

Activity	Tenement	Gravity Stations	Holes Drilled	Metres Drilled
Aircore Drilling	E15/774		79	3,522
	E15/803		3	59
	E15/1044		51	2,859
Gravity Survey	E15/803	2		
	E15/1044	27		
	E26/108	139		
Totals		168	133	6,440

Drilling

During the April and May 2011 Octagonal drilled 133 aircore holes aggregating 6,440 metres on a 160 metre by 640 metre spaced grid to test for gold anomalism in the regolith that may lead to the discovery of a major gold deposit. The drilling programme was designed to test the eastern side of the Burns prospect, the south eastern side of the Carlson Prospect and the southern side of the Salt Creek – Lucky Bay Gravity Trend (Figure 6).

Nine holes aggregating 723 metres were drilled at the Burns prospect and intersected mafic, felsic and meta-sedimentary rocks but failed to return any significant old in regolith results.

Fifty-four holes aggregating 2,918 metres were drilled at the Carlson Prospect and intersected predominantly mafic and felsic rocks but failed to return any significant gold in regolith results.

Sixty-eight holes aggregating 2,799 metres were drilled at the Salt Creek – Lucky Bay Gravity Trend and significant gold in regolith results were returned including 1 metre @ 0.11 g/t gold from 36 metres in OSC078 and 3 metres @ 0.5 g/t gold from 46 metres in OSC091 (Table 16). These assay results define a greater than 1,300 metre long northwest striking mineralised trend that is unconstrained by drilling to the north west (Figure 6).

TABLE 16 HOGAN'S PROJECT SALT CREEK – LUCKY BAY GRAVITY TREND SIGNIFICANT ASSAY RESULTS FROM AIR CORE DRILLING					
Hole Number	From (m)	To (m)	Intercept (m)	Au (ppm)	Comments
OSC078	36	37	1	0.11	Weathered meta-sediment
OSC091	46	47	1	0.20	Weathered meta-sediment
	47	48	1	0.81	Weathered meta-sediment
	48	49	1	0.49	Weathered meta-sediment
	46	49	3	0.50	

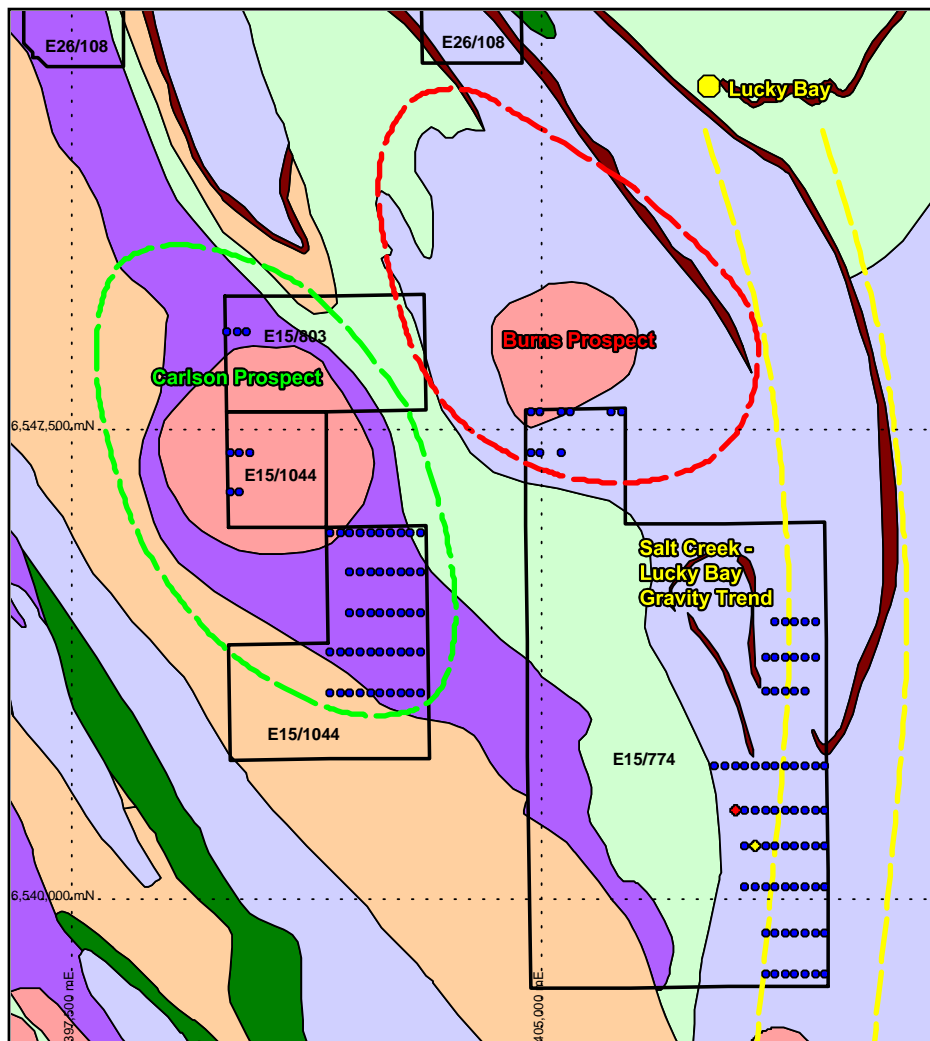


Figure 6: Hogan's Project – Prospect location plan showing drill hole locations with significant gold in regolith assay results and interpreted geology

Legend:

Drilling Results
 Blue dots: no significant assay result
 Yellow dots: 0.1 – 0.5 g-m Au
 Red dots: 1.0 – 5.0 g-m Au

Interpreted Geology
 Purple: ultramafic rocks
 Light green: mafic volcanic rocks
 Dark green: mafic intrusive rocks
 Orange: felsic volcanic rocks
 Red: felsic intrusive rocks
 Blue: metasedimentary rocks
 Brown: banded iron formation

The Salt Creek – Lucky Bay Gravity Trend is characterised by a north trending major fault and adjacent gravity high associated with the Salt Creek Mine and Lucky Bay Prospect. This fault extends for more than 20 kilometres strike length within the Hogan's Project and cuts a complex sequence of Archaean sediments and mafic and intermediate intrusive and volcanic rocks.

Octagonal is planning to complete extensional aircore drilling at this target later in the year, while at the same time completing 160 metre by 640 metre spaced drill coverage over several areas in the northern section of the target.

Gravity Survey

The previous managers of the Hogan's Project completed a 648 station regional ground gravity survey over the project area using 800m by 400m and 1,600m by 400m spaced grids.

During June Octagonal undertook a 168 station ground gravity survey to complete regional gravity coverage over the entire project area using a 400m by 800m spaced grid with the aim of better defining gravity gradients and deep penetrating structures to generate and refine regional exploration targets (Figure 7). This data is currently being processed.

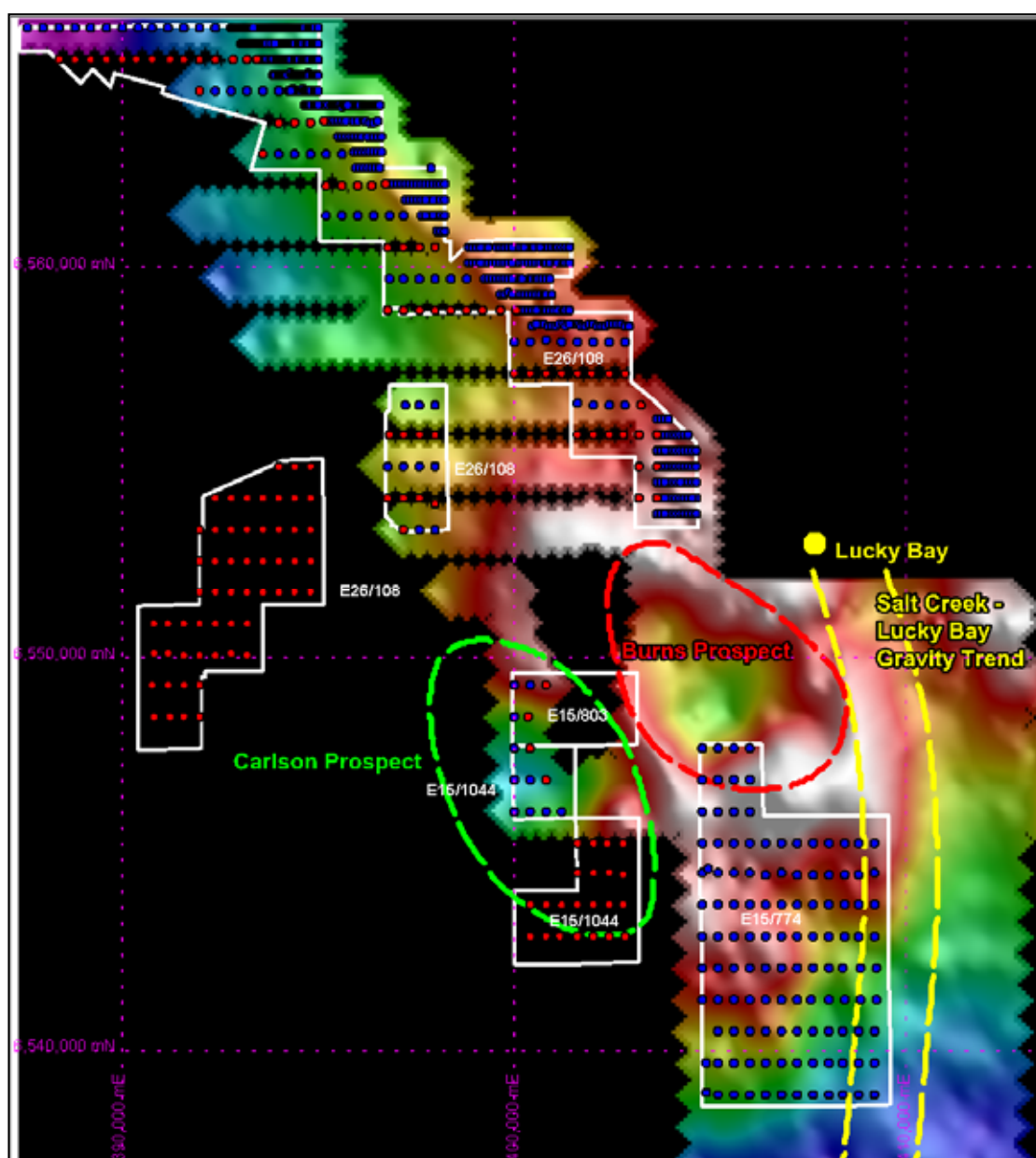


Figure 7: Gravity survey location plan – (red dots recent survey stations, blue dots previous survey stations)

Proposed Future Activities

Octagonal are planning to undertake the following work during the quarter ending 30 September 2011:

- Heritage survey to gain clearance to drill on salt lakes and lake margins;
- Interpretation of regional gravity survey data;
- Reprocessing and interpretation of detailed historic aeromagnetic data; and
- Planning infill drilling at the Salt Creek – Lucky Bay Gravity Trend gold in regolith anomaly.

Signed on behalf of the Board of Gladiator Resources Limited

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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.

The information in this report that relates to Mineral Resources is based upon information compiled by Bernardo Viana, a geologist with 10 years relevant experience, who is a Member the Australian Institute of Geoscientists. Mr Viana is a full time employee of Coffey Mining Pty Ltd 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. Mr Viana consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.

Forward-Looking Statement

This document may contain forward-looking statements concerning the Company and the projects owned by the Company. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are based on the Company's beliefs, opinions and estimates as of the date the forward-looking statements are made and no obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates change or to reflect future developments.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10.

Name of entity

GLADIATOR RESOURCES LIMITED

ABN

58 101 026 859

Quarter ended ("current quarter")

30 JUNE 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for (a) exploration & evaluation	(2,059)	(4,478)
(b) development	--	--
(c) production	--	--
(d) administration	(137)	(682)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	166	326
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (GST)	(62)	(120)
Net Operating Cash Flows	(2,092)	(4,954)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	--	--
(b) equity investments	--	--
(c) other fixed assets	--	(122)
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)	333	186
Net investing cash flows	333	64
1.13 Total operating and investing cash flows (carried forward)	(1,759)	(4,890)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,759)	(4,890)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	--	6,693
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 (capital raising costs)	--	(436)
	Net financing cash flows	--	6,257
	Net increase (decrease) in cash held	(1,759)	1,367
1.20	Cash at beginning of quarter/year to date	6,281	3,155
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,522	4,522

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	214
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	600
4.2 Development	--
4.3 Production	--
4.4 Administration	200
Total	800

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	322	331
5.2 Deposits at call	4,200	5,950
5.3 Bank overdraft	--	--
5.4 Other (share application account)	--	--
Total: cash at end of quarter (item 1.22)	4,522	6,281

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	114,179,949	114,179,949		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>			<i>Exercise price</i>	<i>Expiry date</i>
	9,236,923	--	\$0.065	31/12/2011
	1,500,000	--	\$0.35	06/07/2012
	6,500,000	--	\$0.50	06/07/2013
	6,000,000	--	\$0.70	06/07/2013
	13,267,389	--	\$0.40	31/12/2012
	1,000,000	--	\$0.30	31/12/2013
	1,000,000	--	\$0.40	31/12/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Director)

Date: 29 July 2011

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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