



GLADIATOR RESOURCES LTD

ABN 58 101 026 859

QUARTERLY REPORT

FOR THE PERIOD ENDED 31 MARCH 2011

REVIEW OF OPERATIONS

HIGHLIGHTS

ZAPUCAY PROJECT – URUGUAY

- Gladiator earns its first 20% interest in the Zapucay project by expending \$1 million on work programmes on the project, which is located in the Isla Cristalina Belt in Uruguay.
- The results from exploration drilling and metallurgical testwork continue to be highly encouraging and confirm earlier expectations.
- Resource drilling continuing on the Cerro Iman and Cerro Papagayo deposits with **118 holes aggregating 8,646 metres completed** to date, including 83 RC holes for 6,676 metres and 35 diamond holes for 1,970 metres. Drilling continues into the June quarter.
- Head assays received for a further 18 holes from Cerro Iman and 3 holes from Cerro Papagayo and record thick intersections of magnetite mineralisation.
 - **Best intersections recorded from Cerro Iman included:**
 - CIRC 046 – 73m @ 33.9% Fe
 - CIDD 019 – 52m @ 35.0% Fe
 - CIRC 043 – 43m @ 31.2% Fe
 - CIRC 043 – 26m @ 29.4% Fe
 - CIRC 018 – 39m @ 32.6% Fe
 - CIDD 020 – 38m @ 34.0% Fe
- **Thick intersections of manganese mineralisation** associated with the magnetite are being recorded from both Cerro Iman and Cerro Papagayo
 - **Best intersections recorded from Cerro Iman included:**
 - CIRC 046 – 73m @ 11.5% MnO
 - CIRC 018 – 39m @ 11.3% MnO
 - CIRC 043 – 43m @ 9.5% MnO
 - CIRC 043 – 26m @ 15.0% MnO
- Coffey International engaged to provide advice and consulting services to the project on resource evaluation and mine planning.

- Preliminary metallurgical testwork completed with encouraging results showing:
 - Dry magnetic separation at a coarse crush gives a high recovery of magnetite;
 - Each of the three predominant ore-types has similar characteristics indicating the ore is very uniform in its metallurgical responses;
 - High recovery of magnetite appears to be better than indicated in the due diligence test work.
- Pre- feasibility study on development of a pig iron project utilising mini blast furnace technology progressing with MiniTec engaged to undertake a preliminary study on the integrated charcoal plant, sinter plant and blast furnaces.
- Charcoal testwork completed by DPC with results in line with expectations and which confirmed the higher yields and better quality charcoal produced by the DPC technology compared to traditional charcoal making technologies.
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- Report on the baseline environmental studies received and shows there do not appear to be any issues of substance that may prevent or hinder the development of the project.

DPC Process Licence

- DPC continues to provide input into the project and has completed charcoal testwork.

Hogan's Project - Australia

- Octagonal drills 44 aircore holes aggregating 1,827 metres in the Sideshow Prospect. Best gold in regolith result 1m @ 0.92g/t Au from 13m in OSS071.
- Work programme approved for 265 aircore holes within the project area.



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

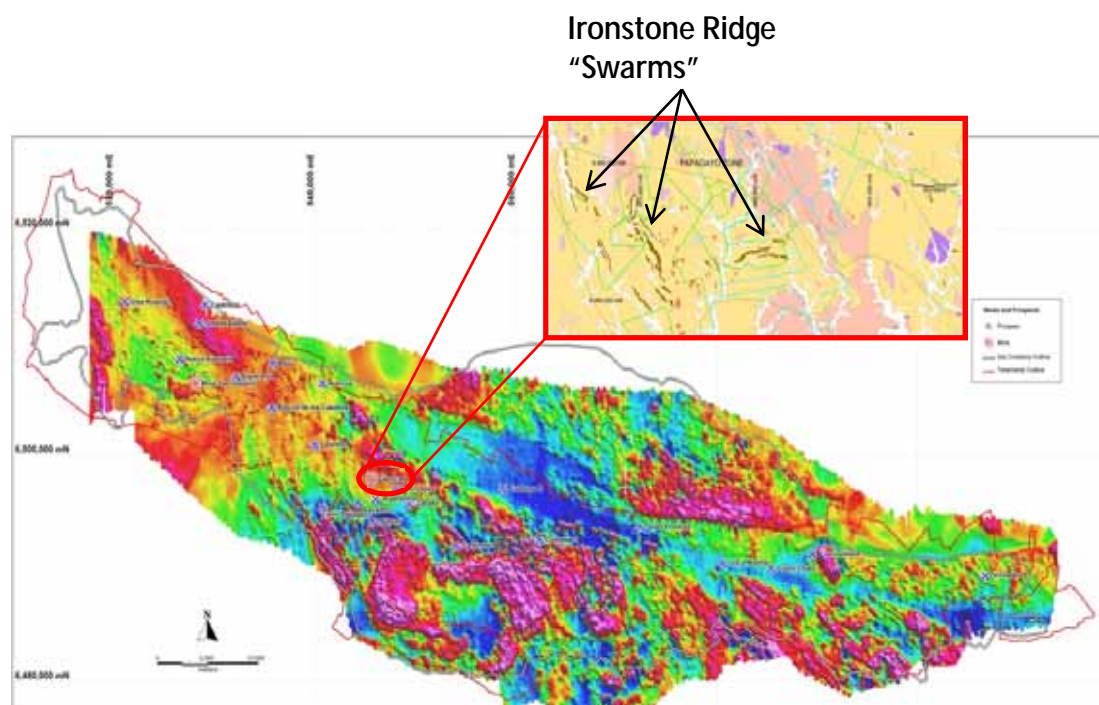


Figure 2: Isla Cristalina Belt

ACTIVITIES UNDERTAKEN DURING THE QUARTER

Joint Venture Agreement

During the March quarter Gladiator earned its first 20% interest in the Zapucay project by confirming expenditure in excess of \$1 million on work programmes on the project. The excess expenditure over \$1 million will be credited towards the earning of the next 31% interest in the venture.

The Joint Venture Agreement provides for the Company to earn up to an 80% interest in the venture by expending \$1 million to earn 20%, a further \$4 million to earn an additional 31% taking its interest to 51%. Gladiator can elect to earn an additional 29% to take its interest to 80% by preparing a bankable feasibility study.

Gladiator anticipates that the expenditure to earn the next 31% will be completed during the course of the current calendar year.

Drilling

Drilling, utilising one RC and one diamond rig, continued during the March quarter at several locations at the Zapucay Project (Figure 3). 51 RC drill holes aggregating 4,209 metres and 7 diamond drill holes aggregating 556 metres were completed during the quarter including 27 holes at Cerro Iman (Figure 4), 9 holes at Cerro Papagayo (Figure 5), 14 holes at Papagayo North (Figure 6) and 8 holes at Papagayo South (Figure 7).

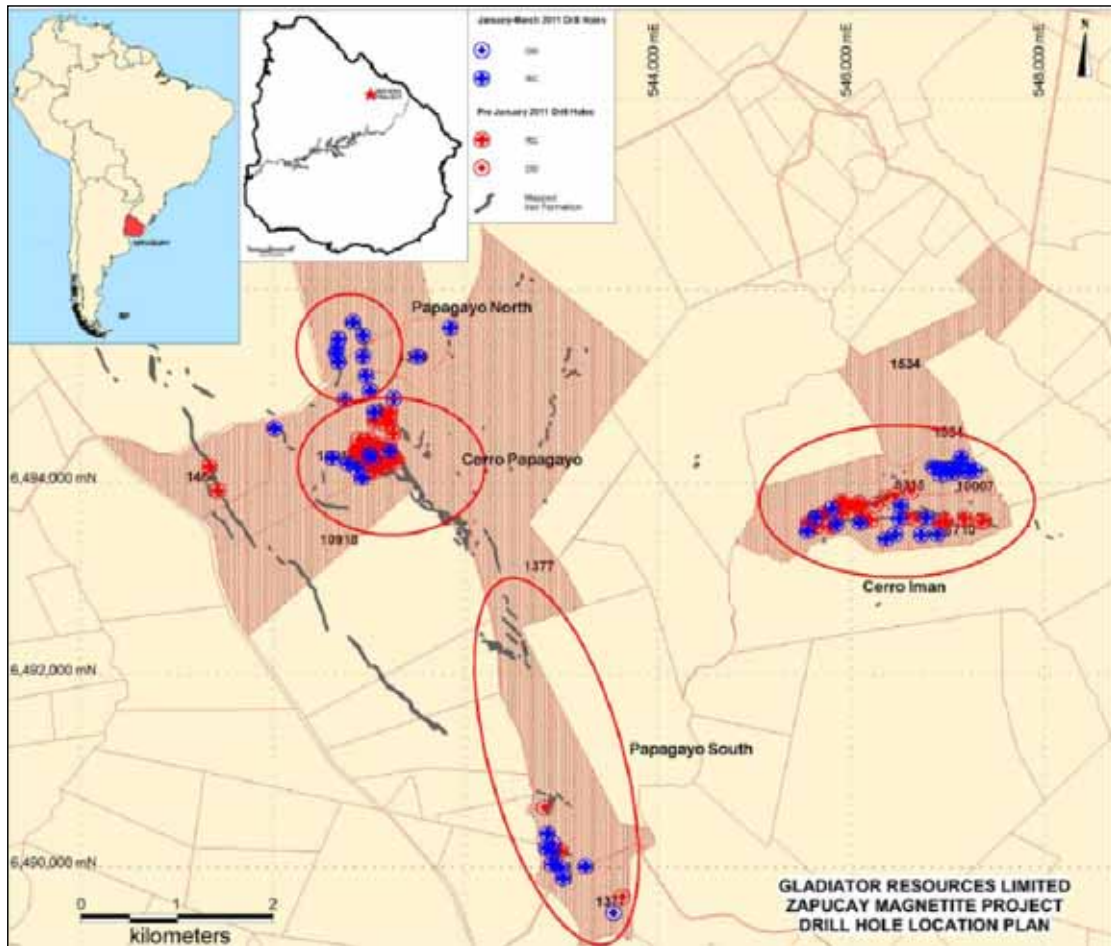


Figure 3: Zapucay Project – Drilling Areas

Drilling completed during the March 2011 quarter is summarised in Table 1.

Location	RC Drilling		Diamond Drilling	
	Holes	Metres	Holes	Metres
Cerro Iman	22	1,947	5	209
Cerro Papagayo	8	736	1	238
Papagayo North	14	944	0	0
Papagayo South	7	582	1	109
TOTAL	51	4,209	7	556

83 RC drill holes aggregating 6,676 metres and 35 diamond drill holes aggregating 1,970 metres have been completed to date at the Zapucay Project since commencement of drilling in August 2010. This is summarised in Table 2.

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 South	7	582	1	109
Buena Orden	2	114	0	0
Total	83	6,676	35	1,970

Drilling is scheduled to continue for several months with the objectives of defining mineral resources, providing material for metallurgical test work and geotechnical data for mine planning.

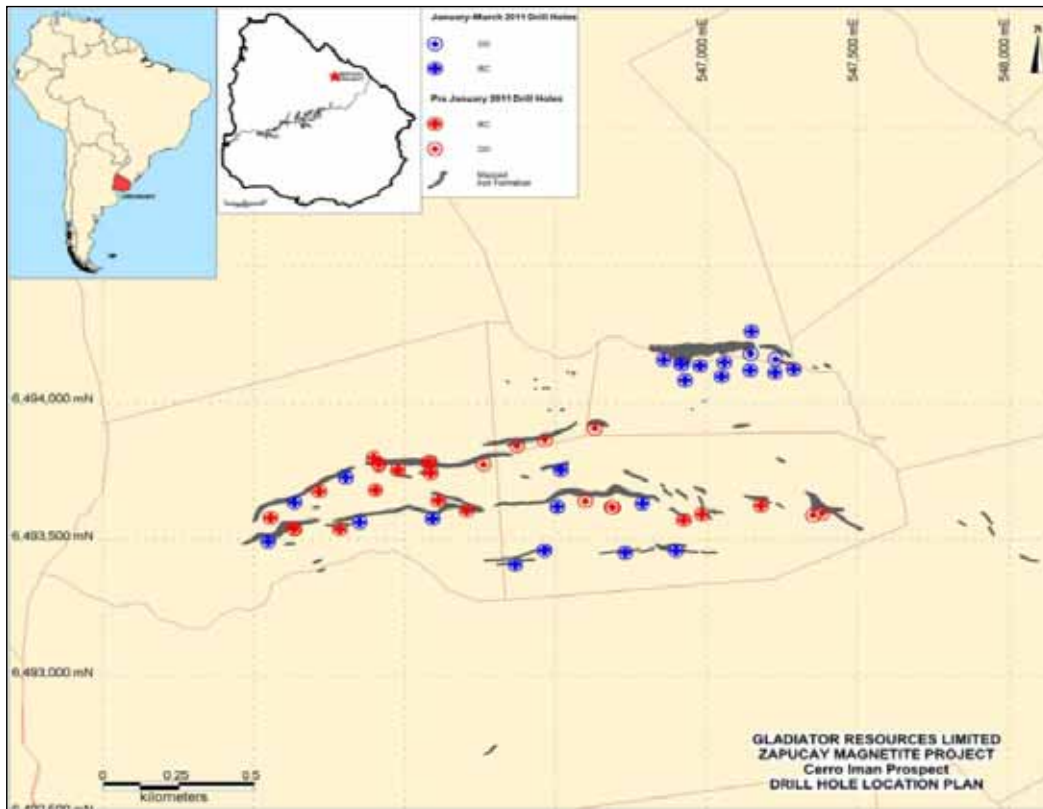


Figure 4: Drill Hole Location Plan – Cerro Iman

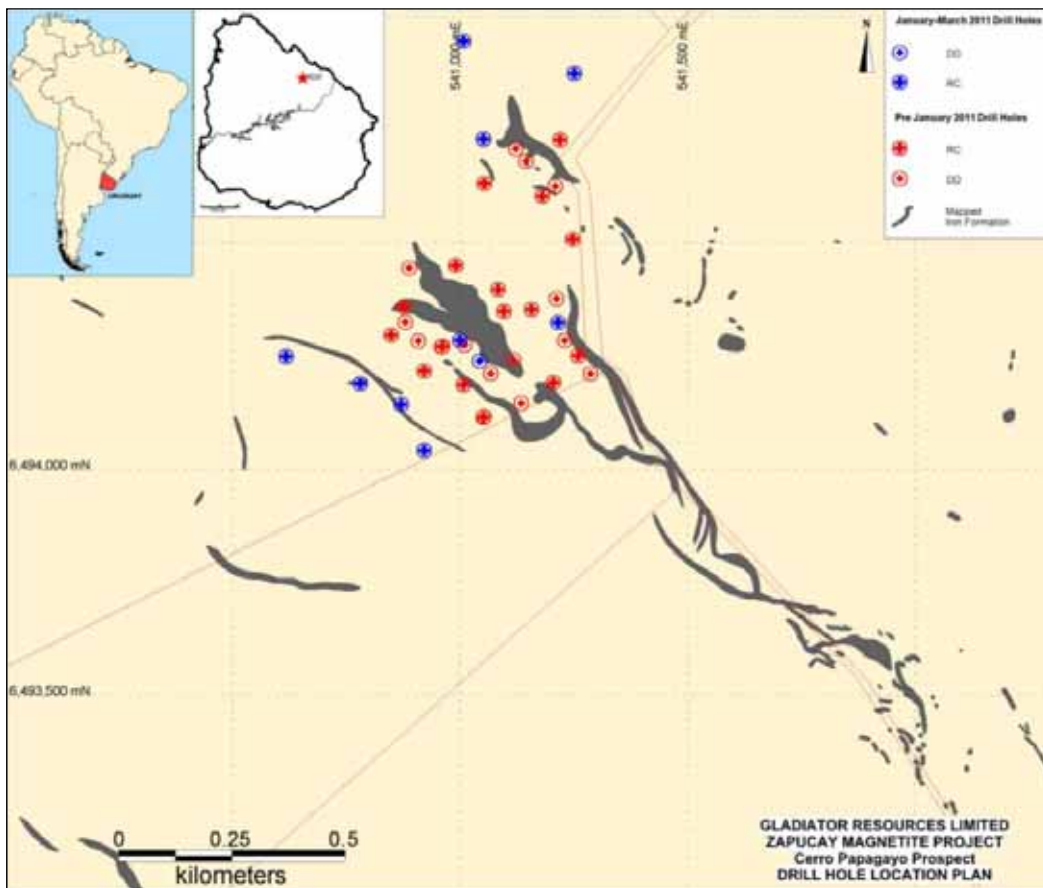


Figure 5: Drill Hole Location Plan – Cerro Papagayo

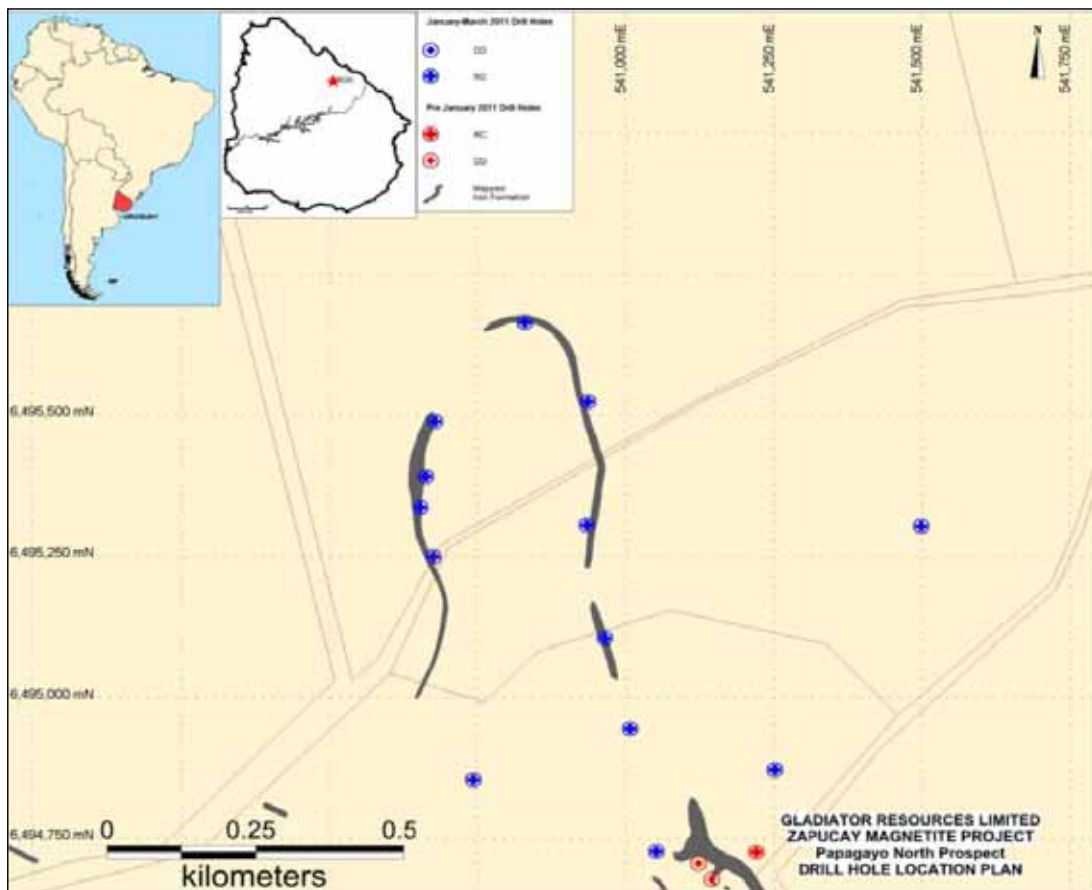


Figure 6: Drill Hole Location Plan – Papagayo North

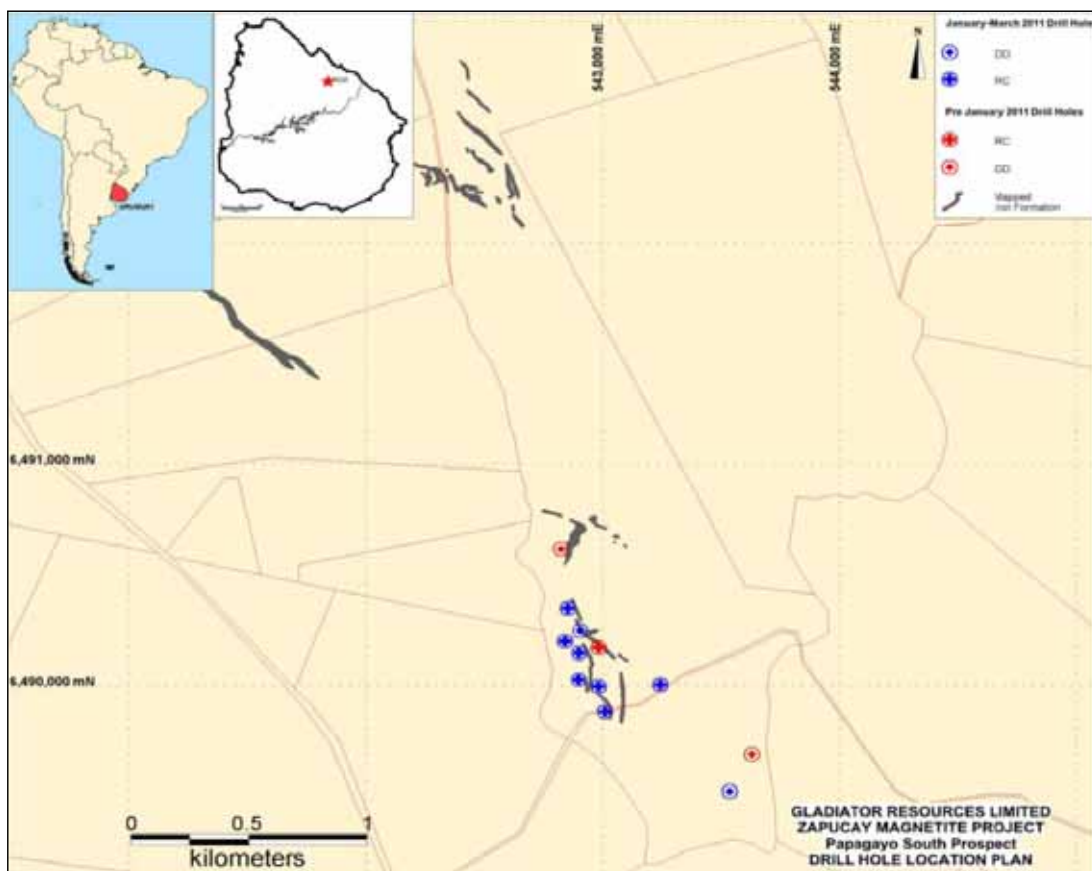


Figure 7: Drill Hole Location Plan – Papagayo South

Geological Mapping

Detailed geological mapping of the areas immediately surrounding the principal iron formation outcrops at Cerro Iman and Cerro Papagayo was completed during the quarter. Mapping of iron formation outcrops is continuing in Papagayo South and Areicua, which is located approximately 10 kilometres north-northwest of Cerro Papagayo. At Areicua the mineralisation appears to have a strike length of approximately 10 kilometres.

Mapping is also planned in the Curtume area where multiple mineralised ridges up to 20km in length have been identified over a large area.

Resource Estimate

Coffey International has been engaged by Gladiator to provide advice and consulting services to the project on resource evaluation and mine planning. Coffey personnel have completed a site visit and are providing advice on field procedures and data collection to ensure compliance with JORC requirements. Coffey is currently preparing an initial resource estimate, which is expected to be received during the second quarter of 2011.

Analytical Results

The Orosur Mining Inc ("OMI") laboratory in Uruguay is being used for sample preparation with analytical work being undertaken by Nagrom in Perth. During the quarter a further 824 samples were sent to Nagrom for analysis. As at the end of March 2011 2,354 samples had been sent to Nagrom for analysis. A summary of samples submitted for assay is provided in Table 3.

Location	2010			March 2011			Total		
	RC	DD	RK	RC	DD	RK	RC	DD	RK
Cerro Iman	377	195	0	489	124	1	866	319	1
Cerro Papagayo	440	432	0	30	110	2	470	542	2
Papagayo North	0	0	0	42	7	0	42	7	0
Papagayo South	0	0	0	0	0	0	0	0	0
Buena Orden	48	0	0	4	0	0	52	0	0
Areicua	0	0	0	0	0	15	0	0	15
Project Area	0	0	38	0	0	0	0	0	38
TOTAL	865	627	38	565	241	18	1430	868	56
GRAND TOTAL	1530			824			2354		

Head assay results for 18 drill holes from Cerro Iman (Tables 4 & 5) and 3 drill holes from Cerro Papagayo (Tables 6 & 7) were received during the quarter.

Drill Hole	From (m)	To (m)	Intercept (m)	Fe %	SiO₂ %	Al₂O₃ %	V₂O₅ %	TiO₂ %	MnO %	S %	P %
CIDD 017	0.0	20.0	20.0	37.0	29.4	0.5	0.01	0.0	11.1	0.00	0.05
CIDD 019	11.0	63.0	52.0	35.0	34.4	0.4	0.00	0.1	8.4	0.05	0.07
CIDD 020	0.0	38.0	38.0	34.0	34.9	2.5	0.01	0.1	7.9	0.00	0.05
CIDD 047	0.0	17.0	17.0	35.8	28.7	2.5	0.01	0.1	10.7	0.00	0.06

TABLE 5 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 004	7.0	9.0	2.0*	32.9	37.3	3.1	0.01	0.5	5.1	0.01	0.11
	19.0	23.0	4.0*	30.4	42.8	2.8	0.02	0.4	1.7	0.05	0.13
	26.0	28.0	2.0	25.2	39.8	6.4	0.02	0.9	5.1	0.03	0.18
CIRC 012	22.0	32.0	10.0*	33.7	33.5	2.1	0.01	0.2	10.4	0.06	0.09
	33.0	35.0	2.0	16.7	52.2	9.8	0.03	1.7	0.4	0.08	0.23
CIRC 018	46.0	85.0	39.0	32.6	33.3	1.3	0.01	0.1	11.3	0.01	0.07
	88.0	101.0	13.0	28.0	33.1	4.1	0.02	0.8	10.0	0.02	0.16
CIRC 021	5.0	23.0	18.0	42.1	21.4	0.8	0.01	0.0	11.7	0.00	0.07
	30.0	36.0	6.0	32.9	36.9	2.3	0.01	0.2	5.9	0.00	0.07
CIRC 027	18.0	28.0	10.0	24.1	37.8	4.9	0.02	0.7	8.0	0.00	0.09
	46.0	55.0	9.0	25.7	45.0	5.8	0.02	0.6	2.3	0.25	0.13
	61.0	69.0	8.0	32.4	42.3	3.2	0.01	0.4	2.1	0.07	0.12
CIRC 036	0.0	8.0	8.0	24.8	39.2	11.8	0.02	1.3	3.0	0.00	0.10
	14.0	17.0	3.0	35.3	34.9	5.7	0.02	0.8	1.8	0.08	0.09
	23.0	39.0	16.0	21.9	40.4	6.1	0.01	0.6	7.3	0.09	0.10
	57.0	67.0	10.0	20.1	47.5	9.8	0.02	1.1	1.9	0.08	0.15
CIRC 038	9.0	17.0	8.0	36.8	35.9	2.5	0.01	0.5	2.5	0.00	0.13
	27.0	29.0	2.0	33.8	34.6	2.0	0.01	0.3	7.4	0.74	0.06
CIRC 039	5.0	9.0	4.0	27.1	32.2	6.8	0.01	0.6	11.4	0.00	0.07
	20.0	28.0	8.0	25.5	38.5	4.5	0.02	0.5	10.2	0.10	0.08
CIRC 040	5.0	8.0	3.0	32.8	30.1	5.6	0.01	0.4	6.1	0.00	0.06
	14.0	30.0	16.0	33.1	40.3	2.9	0.01	0.4	2.6	0.04	0.14
CIRC 041	5.0	19.0	14.0	20.9	32.5	6.1	0.01	0.3	3.3	0.03	0.05
	92.0	96.0	4.0	21.1	44.6	4.4	0.01	0.3	6.7	0.12	0.10
	97.0	102.0	5.0	30.0	43.8	4.6	0.02	0.9	0.5	0.61	0.13
CIRC 042	19.0	26.0	7.0	27.5	40.5	4.7	0.01	0.3	0.8	0.00	0.23
	71.0	110.0	39.0	33.7	34.8	1.4	0.01	0.1	8.1	0.11	0.06
CIRC 043	58.0	101.0	43.0	31.2	34.9	1.8	0.01	0.2	9.5	0.01	0.07
	103.0	129.0	26.0	29.4	33.5	1.1	0.01	0.2	15.0	0.01	0.05
CIRC 046	3.0	76.0	73.0	33.9	31.1	1.2	0.01	0.1	11.5	0.01	0.05
CIRC 048	8.0	27.0	19.0	32.7	38.8	3.4	0.01	0.4	4.1	0.01	0.12

TABLE 6 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 %
CPDD 002	6.0	8.0	2.0*	30.6	27.9	10.9	0.01	0.4	4.7	0.00	0.14
	13.0	26.0	13.0*	26.2	38.5	4.7	0.01	0.5	9.7	0.01	0.10
	44.0	51.0	7.0*	31.1	37.6	1.9	0.01	0.2	8.1	0.02	0.07
	51.0	65.0	14.0	20.2	43.2	4.6	0.01	0.2	5.6	0.11	0.08
CPDD 029	53.0	67.0	14.0	29.9	36.4	2.2	0.01	0.3	7.9	0.00	0.14

TABLE 7 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 030	25.0	45.0	20.0	25.0	44.3	4.2	0.02	0.9	7.4	0.00	0.08
	53.0	55.0	2.0	18.1	38.4	3.2	0.01	0.9	19.8	0.01	0.04

Thick intersections of magnetite mineralisation many with high manganese content were recorded from both Cerro Iman and Cerro Papagayo. RC holes CIRC 043 and CIRC 046 were drilled at the eastern and western ends of Cerro Iman respectively and intersected 71 metres and 73 metres of iron formation respectively.

Best intersections of magnetite mineralisation recorded from Cerro Iman included:

- CIRC 046 – 73m @ 33.9% Fe
- CIDD 019 – 52m @ 35.0% Fe
- CIRC 043 – 43m @ 31.2% Fe
CIRC 043 – 26m @ 29.4% Fe
- CIRC 018 – 39m @ 32.6% Fe
- CIDD 020 – 38m @ 34.0% Fe

Best intersections of magnetite mineralisation recorded from Cerro Iman included:

- CIRC 046 – 73m @ 11.5% MnO
- CIRC 018 – 39m @ 11.3% MnO
- CIRC 043 – 43m @ 9.5% MnO
- CIRC 043 – 26m @ 15.0% MnO

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.

A total of 336 composite samples were consigned to Perth for DTR analysis during the quarter. DTR results from several holes are pending and will be received during the current quarter.

Metallurgical Test Work

Samples

Eight samples of magnetite mineralisation from diamond drill core from Cerro Iman and Cerro Papagayo were received at the Nagrom laboratories in Perth during January.

Four of the samples (each approximately 100kg) were representative of each of the four distinct ore types identified, namely:

1. Siliceous magnetite with high manganese content
2. Siliceous magnetite with moderate manganese content
3. Siliceous magnetite with low manganese content
4. Pyroxenitic magnetite with low manganese content

Each of these samples was split into two 50kg portions. One portion was used for physical characterisation testwork including crusher and grinding bond work indices and abrasion indices. The second portion was used for optimum grind work determination together with magnetic and gravity separation to verify recoveries.

The four samples (each approximately 5kg) of colluvial material two containing a high manganese content and two with low manganese content were subjected to crushing, grinding and magnetic separation followed by gravity separation of the non-magnetics. This work was to test whether a high manganese ore can produce a high manganese gravity product.

During the quarter a bulk sample comprising 850kg of half diamond drill core from Cerro Papagayo and 550kg of half diamond drill core from Cerro Iman was prepared and dispatched to Perth for testwork and preparation of a bulk sample of magnetite concentrate for sintering testwork.

Testwork Undertaken

The initial testwork has been completed on the samples. This comprised:

- Physical Tests);
- Dry LIMS separation of the coarse ore (-3 mm);
- Size by Assay Analysis;
- Optimum Grind Tests;
- Wet LIMS separation on various grind sizes;
- Wet Table separation/beneficiation on Wet LIMS non-magnetic products;
- Assays, size analysis, Davis Tube Recovery and Davis Tube Wash analysis of the head and product streams from the Dry LIMS, Wet LIMS and Wet Table tests.

An overall report on the testwork is being prepared by Engineering and Project Management Services ("EPMS") and should be received during the current quarter. The key preliminary conclusions are:

- Dry magnetic separation at 3 mm appears to give a very high recovery of magnetite to the magnetics. However the manganese does not preferentially report to either the magnetics or non-magnetics at this size;
- There appears to be a strong correlation between grind size (liberation) and grade (beneficiation of magnetic minerals). The magnetic fraction of the ore is very easily recoverable at coarse grind sizes, with an average magnetic concentrate Fe grade of 57.6% at a 250 um grind with a weight recovery of approximately 50%;
- The non-magnetic products processed on a wet table gave a range of beneficiation results. Most were low grade with poor recovery indicating a lack of selectivity in the gravity process. Investigations into alternative beneficiation of the non-magnetic materials are currently being investigated by EPMS;
- The physical testwork indicated that the ore is of medium hardness and medium abrasion.

The results of this test work are encouraging and have shown that:

- Dry magnetic separation at a coarse crush gives a high recovery of magnetite;
- The magnetite iron product contains low levels of sulphur and phosphorous;
- The manganese preferentially reports to the non-magnetics;
- Each of the three predominant ore-types has similar characteristics indicating that the ore is very uniform in its metallurgical responses. The fourth ore-type is minor in terms of tonnage and concentrate production;
- The total recovery of magnetite was very high and appears to be better than indicated in the due diligence test work.

Further testwork is planned on the following:

- Gravity and dry magnetics separation at -3mm with the objective of assessing the potential to remove a tailings stream prior to grinding;
- Assessment of multi-stage grinding of the ore with the aim of improving iron grade at coarse grinds;

- Dense media testwork to investigate the recovery of an iron or iron/manganese product from the non-magnetics;
-

Pre-Feasibility Study

The Company has commenced 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 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.

Concentrator

Design of the concentrator commenced and is continuing subject to finalisation of the process flowsheet.

Charcoal Production

An important part of the pre-feasibility study is the design of a suitable charcoal production plant and the identification of suitable supplies of timber for the process.

During the quarter DPC completed the charcoal testwork and provided a draft report to Gladiator. The final report awaits the final analytical results on the charcoal samples. The results are encouraging and broadly in line with expectations. The final report is expected in the next quarter.

The eucalyptus species tested gave results in line with DPC's experience and consistent with the results found for the eucalypt species generally grown in Brazil for charcoal production. The results also confirm the higher yield and charcoal quality produced by the DPC technology when compared to that achieved using traditional charcoal making methods.

Encouraging results were found for the Pinus species tested however the likely performance of the Pinus charcoal in the blast furnace awaits final analytical results.

A study was commenced to identify potential locations for satellite charcoal plants, taking into account access to roads, labour, power supply and timber supply in the immediate area. This is due for completion during the current quarter.

Sinter Plant and Blast Furnaces

MiniTec has been engaged to undertake a study on the integrated charcoal plant, sinter plant and blast furnaces. It is the intention that this study will allow the preparation of enquiry documents seeking prices from construction companies for the turnkey construction of the sinter and blast furnaces. Further engineering may be necessary for the charcoal production units.

The study will also produce information necessary for the preparation of the Environmental Impact Assessment

The scope of the study covers:

- Detailed calculation of charcoal requirements;
- Charcoal production; Analysis of pig iron production based on the project's raw materials;
- The blast furnace and sinter plants Potential for cogeneration of electricity;
- Site layout;

- Use of injection of charcoal fines;

Logistics

Work is continuing on reviewing the various transportation alternatives available to the project for transportation of the pig iron to port and export from the port.

Environment

The report on the baseline environmental studies was received in January. There do not appear to be any issues of substance that may prevent or hinder the development of the project.

The next steps in the environmental studies and approvals processes are:

- Definition of the project, including location of the major elements, scales of production and volumes of inputs and outputs;
- Based on this, prepare an Environmental Impact Assessment to be submitted to obtain the pre-construction project approval from the Uruguayan Government;
- Definition of the emissions from the charcoal plants. A feature of the DPC technology is the low level of emissions;
- Make a preliminary estimate of water requirements and tailing volumes and characteristics for the design of the water supply and tailings dams

A local consultant has been engaged to manage the preparation of the Environmental Impact Assessment. Target completion date is second half 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 (Figures 1 and 2).

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.

Under the terms of the agreement in August 2010 the Company issued to OMI 450,000 fully paid shares in the Company (with a market value of \$100,000 calculated using the average trading price of the Company's shares over the 5 day trading period).

The Agreement provides for OMI to retain the mineral rights to gold, silver and diamonds within the project area. The Agreement addresses the usual matters contained in agreements of this nature including, but not limited to, representations and warranties by OMI and Gladiator, termination provisions, the conduct of the parties under the proposed joint venture, the manner in which the Company exercises its options to earn its interest in the project, provisions for transfer of exploration tenements between the parties, force majeure and the definition of an area of mutual interest which substantially covers all of the prospective iron areas of the ICB.

The Agreement also addresses work programmes during the earn-in phase as well as the conduct of the parties once mining commences on any portion of the project area. The guidelines and

parameters of the bankable feasibility study are defined and considered to be on commonly accepted terms for studies of this nature.

The Agreement anticipates the formation of a joint venture via an incorporated entity in Uruguay with the joint venture parties holding their respective interests in the incorporated entity. The Option Agreement covers the key terms to be included in the incorporated joint venture and the parties expect this agreement to be completed during calendar year 2011.

Geology

The project area comprises 750 km² in the ICB district of Uruguay 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 project area has been explored by OMI for gold and base metals and OMI has provided Gladiator with relevant airborne and ground geophysical data, geological maps, drilling and other data relevant to iron ore exploration in the projects area.

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 stratigraphic units that generally 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.

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

As reported above in the section entitled "Charcoal Production" during the March quarter DPC completed charcoal testwork and provided a draft report to Gladiator.

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 agreement provides for an initial payment of US\$100,000 and for a further payment upon the grant of a patent under an international Patent Co-operation Treaty ("PCT") or in the USA. The Company has also agreed to pay a commissioning fee to be calculated as a one-off fee at the rate of \$12 per tonne of total annual capacity upon the successful commissioning of a plant.

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.

- **Phase 1** – the timber is dried and pre-heated.
- **Phase 2** – controlled pyrolysis of the feedstock occurs.
- **Phase 3** – the charcoal is cooled. When it is sufficiently cool to avoid spontaneous combustion the charcoal is removed and the kiln re-loaded with feedstock ready to recommence the three steps.

The Company has been advised that when 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 a 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 March quarter amounted to \$47,594 bringing the total expenditure credited to Octagonal for the project to \$494,788.

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

Work Completed by Octagonal

Work completed by Octagonal during the quarter included:

- Planning of exploration;
- Programme of Work submitted to and approved by the Department of Mines and Petroleum to allow for the drilling of 265 aircore holes within the project area;
- Completion of 44 aircore drill holes aggregating 1,827 metres in the Sideshow Prospect. Best gold in regolith result was 1m @ 0.92g/t Au from 13m in OSS071;
- Engagement of a consultant anthropologist to facilitate exploration access to salt lakes and lake margins.

Octagonal has identified four priority regional targets that partially overlie the Hogan's Gold Joint Venture tenements for drill testing. These targets are referred to as the Sideshow Prospect, Burn's Prospect, Carlson Prospect and Salt Creek – Lucky Bay Gravity Trend (Figure 8).

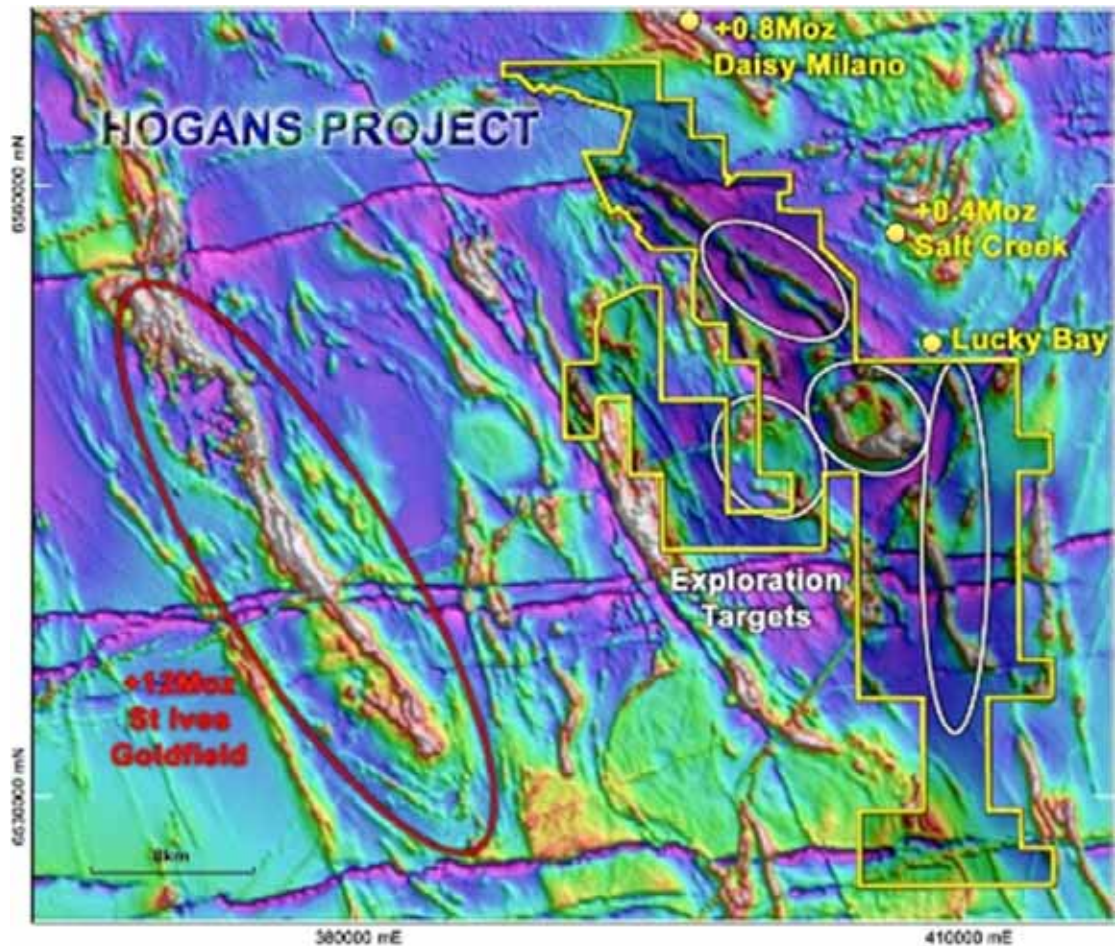


Figure 8: Hogan's Project Regional Exploration Target Areas

A 44 hole aircore drilling programme, aggregating 1,827 metres was completed at the Sideshow Prospect during the quarter in areas located more than 200 metres from salt lakes. Significant results returned from this drilling programme are listed in Table 8 and include a best intersection of 1m @ 0.92 g/t Au from 13m in OSS071. This result, in combination with previous drilling results in the area, has defined two semi-continuous mineralised trends that are associated with second and third order structures related to the Mt Monger Fault. One trend strikes east west and extends over 2.6 kilometres, whereas the other strikes northwest and extends over 1.5 kilometres.

Hole Number	Sample Type	From (m)	To (m)	Intercept (m)	Au (ppm)	Comments
OSS071	1m sample	13	14	1	0.92	Weathered Archaean greywacke
OSS077	4m composite	4	8	4	0.1	Transported Recent clay & gravel
	4m composite	12	16	4	0.09	Transported Tertiary clay
	4m composite	20	24	4	0.13	Transported Tertiary clay
OSS089	4m composite	12	16	4	0.66	Transported Tertiary clay
OSS090	4m composite	12	16	4	0.23	Transported Tertiary clay

Octagonal considers these results to be significant and that additional infill aircore drilling is warranted. This drilling is expected to be undertaken during the second half of 2011.

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

- Aircore drilling at the Burn's Prospect, Carlson Prospect and the salt Creek – Lucky Bay Gravity Trend;
- Seeking heritage clearance to drill on salt lakes and lake margins;
- Completion of 400 metre by 800 metre spaced gravity survey coverage over the entire Joint Venture area; and
- Planning infill drilling at the Sideshow prospect.

Signed on behalf of the Board of Gladiator Resources Limited

For further information:

Mr John Palermo
Director/Secretary

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 Facsimile: +61 8 9242 5903
 Email: jpalamo@gladiatorresources.com.au

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.

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")

31 MARCH 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for (a) exploration & evaluation	(573)	(2,419)
(b) development	--	--
(c) production	--	--
(d) administration	(214)	(545)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	13	160
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (GST)	(76)	(58)
Net Operating Cash Flows	(850)	(2,862)
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)	(272)	(147)
Net investing cash flows	(272)	(269)
1.13 Total operating and investing cash flows (carried forward)	(1,122)	(3,131)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,122)	(3,131)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	368	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)	(435)	(436)
	Net financing cash flows	(67)	6,257
	Net increase (decrease) in cash held	(1,189)	3,126
1.20	Cash at beginning of quarter/year to date	7,470	3,155
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	6,281	6,281

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	149
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	2,000
4.2 Development	--
4.3 Production	--
4.4 Administration	400
Total	2,400

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	331	235
5.2 Deposits at call	5,950	6,910
5.3 Bank overdraft	--	--
5.4 Other (share application account)	--	325
Total: cash at end of quarter (item 1.22)	6,281	7,470

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	500,000 250,000 232,611	500,000 250,000 232,611		
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 1,500,000 6,500,000 6,000,000 13,267,389 1,000,000 1,000,000	-- -- -- -- -- -- --	<i>Exercise price</i> \$0.065 \$0.35 \$0.50 \$0.70 \$0.40 \$0.30 \$0.40	<i>Expiry date</i> 31/12/2011 06/07/2012 06/07/2013 06/07/2013 31/12/2012 31/12/2013 31/12/2013
7.8 Issued during quarter				
7.9 Exercised during quarter	500,000 250,000 232,611	-- -- --	\$0.35 \$0.40 \$0.40	06/07/2012 31/12/2012 31/12/2012
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: 28 April 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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