

# **GLADIATOR RESOURCES LIMITED**

ABN 58 101 026 859

## **CIRCULAR TO SHAREHOLDERS**

**including**

### **NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT PROXY FORM**

**General Meeting of Gladiator Resources Limited to be held  
in the Doig Room, Gate 12 Level 3 Patersons Stadium, Roberts Road, Subiaco  
on Thursday, 31 May 2012 commencing at 10.00am (WST).**

This document should be read in its entirety. If after reading this Circular to Shareholders, you have any questions or doubts as to how you should vote, you should contact your stockbroker, solicitor, accountant or professional adviser.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9443 1600





**GLADIATOR RESOURCES LIMITED**  
ABN 58 101 026 859

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## **Corporate Directory**

<b>Directors</b>	Len Dean John Palermo Tim Adams Stuart Hall Daniel Bruno
<b>Secretary</b>	John Palermo
<b>Registered Office</b>	Ground Floor 284 Oxford Street LEEDERVILLE WESTERN AUSTRALIA 6007
Telephone:	+61 8 9443 1600
Facsimile:	+61 8 9443 9960
<b>Auditor</b>	RSM Bird Cameron Partners 8 St Georges Terrace PERTH WESTERN AUSTRALIA 6000
<b>Solicitors</b>	Allion Legal Level 2 50 Kings Park Road WEST PERTH WESTERN AUSTRALIA 6005
<b>Share Registry</b>	Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WESTERN AUSTRALIA 6153
<b>ASX Code</b>	GLA



## GLADIATOR RESOURCES LIMITED

ABN 58 101 026 859

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### Notice of General Meeting

NOTICE IS GIVEN THAT a General Meeting of the shareholders of Gladiator Resources Limited (“**Company**”) will be held in the Doig Room at Patersons Stadium, Gate 12, Level 3 Roberts Road, Subiaco, on Thursday, 31 May 2012 at 10.00am (WST).

### AGENDA

#### SPECIAL BUSINESS

##### **Resolution 1: Approval of Issue of Options to Patersons Securities Limited**

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 61,528,606 Options to Patersons Securities Limited (or its nominees), for the purposes and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

##### **Voting Exclusion**

*The Company will disregard any votes cast on Resolution 1 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

##### **Resolution 2: Approval of Issue of Options to CPS Securities**

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 28,000,000 Options to CPS Securities (or its nominees), for the purposes and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

##### **Voting Exclusion**

*The Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

##### **Resolution 3: Approval of Issue of Options to Mr John Palermo under Sub-underwriting Arrangement**

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary

resolution:

*“That for the purposes of Listing Rule 10.11 of the ASX Listing Rules, and for all other purposes, Shareholders approve the allotment and issue of up to 3,000,000 Options to Mr John Palermo (or his nominee), for the purposes, and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion**

*The Company will disregard any votes cast on Resolution 3 by Mr John Palermo and his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

**Resolution 4: Approval of Issue of Performance Rights to Mr John Palermo**

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 of the ASX Listing Rules and for all other purposes, Shareholders approve the issue of 3,000,000 Performance Rights under the Gladiator Resources Limited Performance Share Plan to Mr John Palermo (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Resolution 5: Approval of Issue of Performance Rights to Mr Robert (Tim) Adams**

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 of the ASX Listing Rules and for all other purposes, Shareholders approve the issue of 3,000,000 Performance Rights under the Gladiator Resources Limited Performance Share Plan to Mr Robert (Tim) Adams (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Resolution 6: Approval of Issue of Performance Rights to Mr Daniel Bruno**

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 of the ASX Listing Rules and for all other purposes, Shareholders approve the issue of 500,000 Performance Rights under the Gladiator Resources Limited Performance Share Plan to Mr Daniel Bruno (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Resolution 7: Approval of Issue of Performance Rights to Mr Stuart Hall**

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 of the ASX Listing Rules and for all other purposes, Shareholders approve the issue of 500,000 Performance Rights under the Gladiator Resources Limited Performance Share Plan to Mr Stuart Hall (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Resolution 8: Approval of Issue of Performance Rights to Mr Len Dean**

To consider, and if thought fit to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 of the ASX Listing Rules and for all other purposes, Shareholders approve the issue of 500,000 Performance Rights under the Gladiator Resources Limited Performance Share Plan to Mr Len Dean (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusions for Resolutions 4 to 8**

*The Company will disregard any votes cast on this resolution by a Director, on the basis they are eligible to participate in the PSP, and any of their associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).*

*A vote must not be cast on this Resolution by a key management personnel (as defined in section 9 of the Corporations Act) (KMP), or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, the Company will not disregard any proxy votes cast on that Resolution by a KMP if the KMP is the chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the key management personnel for the Company.*

*If you are a KMP (other than the chair of the meeting acting as proxy\_ or a closely related party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.*

**“SNAP-SHOT” TIME**

The Corporations Act permits the Company to specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting.

The Company’s Directors have determined that all shares of the Company that are quoted on ASX at 5.00pm WST, Tuesday, 29 May 2012 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

**PROXIES**

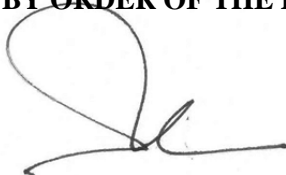
Please note that:

- a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- b) a proxy need not be a member of the Company; and
- c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

**DATED** 2 May 2012

**BY ORDER OF THE BOARD**



**John Palermo**

Company Secretary

Gladiator Resources Limited



## GLADIATOR RESOURCES LIMITED

ABN 58 101 026 859

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### EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

#### **1. Resolution 1: Approval of Issue of Options to Patersons Securities Limited**

##### **1.1 Background**

On 10 April 2012, the Company closed its pro-rata renounceable rights issue (**Rights Issue**), which was underwritten by Patersons Securities. Pursuant to the Underwriting Agreement, the Company agrees to issue 61,528,606 Options on the terms set out below and in **Annexure 1**, subject to Shareholder approval to Patersons Securities in consideration for their services as joint lead manager and sole underwriter to the Rights Issue.

Under the Underwriting Agreement, Patersons Securities is entitled to be issued with 28,000,000 Options as part of the management fee and 33,528,606 Options as part of the underwriting fee, which Patersons Securities shall allocate to sub-underwriters to the Rights Issue.

In the event that the issue of the Options under Resolution 1 is not approved by Shareholders, then the Company shall pay Patersons Securities \$50,000 in lieu of the management fee and 33,000,000 Options together with \$61,000 in cash in lieu of the Options for the underwriter fee.

Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining Shareholder approval. Resolution 1 seeks this approval.

##### **1.2 Information required by Listing Rule 7.3**

The maximum number of Options that will be issued is 61,528,606. The Options will be allotted and issued as soon as possible but in any case, not later than 3 months after the date of the Meeting.

The Options will be issued for nil consideration as part of Patersons' fees for its services under the Rights Issue. The Options will have an exercise price of \$0.10 and expire on 30 June 2015.

The Options will be allotted and issued to Patersons Securities (or its nominees) who are not related parties of the Company.

The Options will be issued on terms and conditions summarised in Annexure 1. The Company will apply to ASX for official quotation of the Options.

No funds will be raised from the issue of the Options and any funds raised from the exercise of the Options will be used for general working capital purposes.

It is anticipated that the Options will be allotted upon approval.

### **1.3 Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 1 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

## **2. Resolution 2: Approval of Issue of Options to CPS Securities**

### **2.1 Background**

CPS Securities agreed to be appointed as joint lead manager of the Rights Issue. The Company agrees to issue 28,000,000 Options on the terms set out below and in the Annexure, subject to shareholder approval to CPS Securities as its joint lead manager fee.

In the event that the issue of the Options under Resolution 2 is not approved by Shareholders, then the Company shall pay CPS Securities \$50,000 in cash in lieu of the management fee.

Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval. Resolution 2 seeks this approval.

### **2.2 Information required by Listing Rule 7.3**

The maximum number of Options that will be issued is 28,000,000. The Options will be allotted and issued as soon as possible but, in any case, not later than 3 months after the date of the Meeting.

The Options will be issued for nil consideration as part of CPS Securities' fees for its services as joint lead manager. The Options will have an exercise price of \$0.10 and expire on 30 June 2015.

The Options will be allotted and issued to CPS Securities (or its nominees) who are not related parties of the Company.

The Options will be issued on terms and conditions summarised in Annexure 1. The Company will apply to ASX for official quotation of the Options.

No funds will be raised from the issue of the Options and any funds raised from the exercise of the Options will be used for general working capital purposes.

It is anticipated that the Options will be allotted progressively, however, the exact dates of allotment are unknown at this stage.

### **2.3 Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 2 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

## **3. Resolution 3: Approval of Issue of Options to Mr John Palermo under Sub-underwriting Arrangement**

### **3.1 Background**

Mr John Palermo agreed to sub-underwrite up to 8,333,333 Shares being offered under the Rights Issue. Under the sub-underwriting arrangement, the Company agrees to issue 3,000,000 Options, subject to Shareholder approval to Mr Palermo (or his nominee) as part of the sub-underwriting fee.

Resolution 3 seeks Shareholder approval to grant and issue the Options to Mr John Palermo (or his nominee) on the terms and conditions set out in **Annexure 1** to the Explanatory Statement. The Options will have an exercise price of \$0.10 with an expiry date of 30 June 2015. Approval is sought under Listing Rule 10.11 on the basis that Mr Palermo is a related party of the Company.

### **3.2 Listing Rule 10.11 Regulatory Requirements**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the Company. If Resolution 3 is passed, securities will be issued to Mr Palermo who, being a director is a related party of the Company as a result shareholder approval under the Listing Rule 10.11 is required.



Approval pursuant to Listing Rule 7.1 is not required in this instance. Shareholders should note that the issue of Options to Directors is not included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### **3.3 Listing Rule 10.13 Disclosure Requirements**

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. The following information is included for the purpose of Listing Rule 10.11:

- (a) the maximum number of Options to be issued to Mr John Palermo (or his nominee) is 3,000,000;
- (b) the Options will be issued for nil consideration as part of Mr Palermo's sub-underwriting fees;
- (c) the Options will be allotted and issued not later than one month after the date of the Meeting (or such alternative date as permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) no funds will be raised from the issue of the Options and any funds raised from the exercise of the Options will be used for general working capital purposes; and
- (e) the Options will be issued on terms and conditions set out in **Annexure 1**. The Company will apply to ASX for official quotation of the Options.

### **3.4 Chapter 2E of the Corporations Act**

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have approved the giving of that financial benefit to the related party in a general meeting. Section 228 of the Corporations Act includes directors of the public company as related parties. Section 229 of the Corporations Act includes the issuing of securities or the granting of options as an example of a "financial benefit." The issue of Options under Resolution 3 constitutes the provision of a financial benefit to a related party.

The Company has considered the exceptions under sections 201 to 216 of the Corporations Act and determined that Chapter 2E approval is not required. This is because the sub-underwriting fee and the Options were agreed to by the Underwriter to the Rights Issue and the Underwriter is responsible for paying the sub-underwriting fee (including the Options) to the sub-underwriters.

### **3.5 Board Recommendation**

The Board (except Mr Palermo who declines to make a recommendation because he has an interest in the outcome of Resolution 3) recommends Shareholders vote in favour of Resolution 3, as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

## **4. Resolutions 4 to 8: Approval of Performance Rights to Directors**

### **4.1 Background**

Resolutions 4 to 8 (inclusive) seek Shareholder approval for the issue of a total of 7,500,000 Performance Rights to Messrs Palermo, Adams, Bruno, Hall and Dean (or their nominees), each of whom is a director of the Company, pursuant to the PSP and otherwise on the terms and conditions set out below.

A Performance Right is a right to acquire one Share which can be exercised once the Performance Right has become exercisable and provided it has not lapsed. A Performance Right does not give the holder a legal or beneficial right to Shares and does not enable the holder to receive dividends or any other shareholder benefit by virtue of the issue of these rights unless and until that Performance Right has been exercised and the Share issued. The Performance Rights may be exercised by the Directors or their nominees upon the satisfaction of the performance condition, which is set out

below (“**Performance Condition**”).

The Performance Rights shall expire where the Performance Condition is not satisfied within a three year period from the grant date or where Messrs Palermo, Adams, Bruno, Hall and Dean act fraudulently or dishonestly in relation to the Company or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

#### 4.2 Performance Condition and vesting date

If Resolutions 4 to 8 (inclusive) are passed by Shareholders, the maximum number of Performance Rights set out in the table below will be allotted and issued to Messrs Palermo, Adams, Bruno Hall and Dean personally (or their nominees):

<b>Director</b>	<b>Number of Performance Rights</b>
Mr John Palermo	3,000,000
Mr Robert (Tim) Adams	3,000,000
Mr Daniel Bruno	500,000
Mr Stuart Hall	500,000
Mr Leonard Dean	500,000
	<b>7,500,000</b>

The Performance Rights vests into Shares when the Company completes the pre-feasibility study on the Isla Cristalina Joint Venture Project in Uruguay from Orosur Mining Inc.

The issue of the Performance Rights is designed to further align the interests of the Directors and the Shareholders by having appropriate incentives for the Directors to increase shareholder value and to improve the Company’s future performance. The Performance Rights to be issued are in addition to the fee and remuneration package payable by the Company to the Directors. To date only Messrs Hall and Dean have previously received Performance Rights under the PSP.

Details of the PSP are contained in **Annexure 2** and the main terms of the Performance Rights that may be granted under the PSP are summarised in **Annexure 3**.

The Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied. These are summarised below.

#### 4.3 Listing Rules

ASX Listing Rule 10.14 prohibits Directors and their associates from acquiring securities under an employee incentive scheme without Shareholder approval. As set out above in Resolutions 4 to 8 (inclusive) (if they are approved), the Directors are permitted to participate in the Company’s PSP. Accordingly, approval is sought from Shareholders for the purposes of Listing Rule 10.14.

#### 4.4 Information Requirements for Listing Rule 10.14

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights to the Directors:

- (a) if Resolutions 4 to 8 (inclusive) are passed by Shareholders, the maximum number of Performance Rights to be allotted and issued to the related parties (or their nominees) is set out below:

<b>Director</b>	<b>Number of Performance Rights</b>
Mr John Palermo	3,000,000
Mr Robert (Tim) Adams	3,000,000
Mr Daniel Bruno	500,000
Mr Len Dean	500,000
Mr Stuart Hall	500,000
<b>Total</b>	<b>7,500,000</b>

- (b) The Performance Rights will be issued for no consideration and may be exercised for nil consideration upon the occurrence of the Performance Condition.
- (c) Messrs Dean and Hall were granted 700,000 Performance Rights each under the

Company's PSP since it was last approved.

- (d) No loans will be made by the Company in connection with the acquisition of Performance Rights by Messrs Palermo, Adams, Bruno, Dean and Hall.
- (e) The names of all those parties who are presently entitled to participate in the PSP are the Directors, senior executives, employees or consultants to the Company or any subsidiary.
- (f) The Performance Rights will be issued no later than twelve months after the date of the Meeting and it is anticipated that the Performance Rights will be issued on one date.

#### **4.5 Chapter 2E of the Corporations Act**

Section 208 of the Corporations Act prohibits a company from giving a financial benefit to a related party without prior shareholder approval. For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Section 210 to 216 of the Corporations Act. One of these exceptions includes the provision of a financial benefit that constitutes reasonable remuneration to a related party as an officer or employee.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control or a person who may be seen as acting in concert with the company on the understanding that a financial benefit will be received. Further, a director of an entity that controls a public company is a related party of the company.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and the effect of the transaction (rather than just the legal form) and any consideration which has been given is to be disregarded, even if it is full or adequate.

The Directors have considered the corporate governance issues relevant to executive compensation arrangements, including the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations". The Board has formed the view that the grant of the Performance Rights to the Directors on the terms and conditions set out in this Explanatory Statement is appropriate and that the value and quantum of the Performance Rights are neither excessive nor unusual for a company of the Company's size.

The Board also considers that the proposed grant of Performance Rights constitutes reasonable remuneration within the meaning of section 211 of the Corporations Act and therefore Shareholder approval is not required for the giving of the financial benefit to the Directors constituted by the grant of the Performance Rights.

#### **4.6 Board Recommendation**

In respect of Resolution 4, all Directors recommend that Shareholders vote in favour of Resolution 4, save for Mr John Palermo who has an interest in the outcome of Resolution 4 and declines to make a recommendation.

In respect of Resolution 5, all Directors recommend that Shareholders vote in favour of Resolution 5, save for Mr Robert (Tim) Adams who has an interest in the outcome of Resolution 5 and declines to make a recommendation.

In respect of Resolution 6, all Directors recommend that Shareholders vote in favour of Resolution 6,

save for Mr Daniel Bruno who has an interest in the outcome of Resolution 6 and declines to make a recommendation.

In respect of Resolution 7, all Directors recommend that Shareholders vote in favour of Resolution 7, save for Mr Stuart Hall who has an interest in the outcome of Resolution 7 and declines to make a recommendation.

In respect of Resolution 8, all Directors recommend that Shareholders vote in favour of Resolution 8, save for Mr Len Dean who has an interest in the outcome of Resolution 8 and declines to make a recommendation.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

<b>Annexure</b>	an Annexure to the Notice of General Meeting and Explanatory Statement.
<b>ASX</b>	ASX Limited.
<b>ASX Listing Rules or Listing Rules</b>	the Listing Rules of ASX.
<b>Board</b>	means the Board of Directors of the Company.
<b>Company</b>	Gladiator Resources Limited (ACN 101 026 859).
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>CPS Securities</b>	Cunningham Peterson Sharbanee Securities Pty Ltd trading as CPS Securities (ACN 088 055 636).
<b>Director</b>	Director of the Company.
<b>Meeting or General Meeting</b>	the general meeting of the Company convened by the Notice of General Meeting.
<b>Notice</b>	the Notice of General Meeting
<b>Option</b>	means an option to acquire a Share.
<b>Patersons Securities</b>	Patersons Securities Limited (ACN 008 896 311)
<b>Performance Right</b>	means an entitlement to a Performance Share on the terms set out in Annexure 3.
<b>Performance Share</b>	means a Share issued upon satisfaction of a Performance Condition.
<b>PSP</b>	means the Gladiator Resources Limited Performance Share Plan and summarised under Annexure 2.
<b>Resolution</b>	each of the resolutions contained in the Notice of General Meeting.
<b>Rights Issue</b>	the renounceable pro rata offer to eligible shareholders of 101,468,350 new shares at an issue price of \$0.06 per share on the basis of nine new shares for every eleven existing shares held and 101,486,350 free attaching new options on the basis of one free attaching new option for every one new share subscribed for.
<b>Share</b>	fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	shareholder of the Company.
<b>Underwriting Agreement</b>	means the underwriting agreement dated 9 March 2012 between Patersons Securities and the Company.
<b>WST</b>	Western Standard Time.

## ANNEXURE 1

### Terms and Conditions of Options under Resolutions 1 to 3 (inclusive)

The Options will be issued on the following terms and conditions:

- (a) Each Option will entitle the holder to subscribe for one Share at an exercise price of \$0.10.
- (b) The Options are exercisable at any time on or before 30 June 2015 wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.
- (c) All Shares allotted on exercise of the Options will rank equally in all respects with the Company's then existing shares.
- (d) The Options are freely transferrable.
- (e) Application will be made to the ASX for official quotation of the Options. Application will be made to the ASX for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 business days after the date of allotment.
- (f) Holders of Options may only participate in new issues of securities as holders of Shares if a new option has been exercised and Shares have been allotted in respect of the new option before the record date for determining entitlements to the issue. The Company must give at least 6 business days' notice to holders of any Options before the record date for determining entitlements to the issue in accordance with the Listing Rules of the ASX.
- (g) There will be no change to the exercise price of a new option or the number of Shares over which a new option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue).
- (h) If there is a bonus issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the new option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class at the date of issue of the Bonus Shares.
- (i) If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, the Options shall be reorganised in the manner set out in the Listing Rules.

## ANNEXURE 2 Summary of PSP

The following is a summary of the Gladiator Resources Limited Performance Share Plan (“PSP”). In the event of any inconsistency between the terms of the PSP and the summary set out below, the terms of the PSP will prevail.

(a) **Participants in the PSP**

The Board may issue rights to shares in the Company (“**Performance Rights**”) to persons (“**PSP Participants**”) (or their nominees) who are directors, senior executives, employees or consultants of/to the Company or any subsidiary based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.

(b) **Number of Performance Rights**

The maximum number of Performance Rights issued under the PSP over a 5 year period is 5% of the total number of fully paid ordinary shares on issue in the Company (“**Shares**”).

(c) **Nature of Performance Rights**

A PSP Participant’s rights under the PSP are purely contractual and personal.

(d) **Terms of Performance Rights**

Each Performance Right entitles the holder, on exercise, to one Share (“**Performance Share**”). There is no issue price for the Performance Rights. The exercise price for the Performance Rights (if any) will be such price as determined by the Board (in its discretion) on or before the date of issue.

Performance Shares issued on exercise of Performance Rights will rank equally with other Shares.

Performance Rights may only be transferred with the consent of the Board or by force of law upon the death of a PSP Participant. Performance Shares may only be transferred upon the expiration of a period (if any) advised to the PSP Participant at the time the Performance Rights relating to those Performance Shares were issued.

Quotation of Performance Rights on ASX will not be sought. However, the Company will apply to ASX for official quotation of Performance Shares issued on the exercise of Performance Rights.

A Performance Right may only be exercised after that Performance Right has vested. A Performance Right vests upon satisfaction of specific conditions (“**Performance Conditions**”) as determined by the Board. The Board may determine the vesting period and any condition on exercise.

An unvested Performance Right will lapse upon the first to occur of the Performance Conditions not being satisfied by the expiry date, the PSP Participant acting fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

A Performance Right which has vested but has not been exercised will lapse upon the first to occur of the close of business on the last day of any exercise period, the transfer or purported transfer without the consent of the Board, the PSP Participant acting fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

Where a PSP Participant ceases to be employed by reason of death, disability, bona fide redundancy or other reason approved by the Board, then:

- (i) if any Performance Rights have vested but have not been unexercised, they will remain exercisable by the PSP Participant’s estate until the rights lapse as if they still belonged to the PSP Participant; or
- (ii) if any Performance Rights have not vested, the Board will determine how many Performance Rights (if any) will be deemed to have vested and the exercise period applicable to those rights.

The Board may declare an unvested Performance Right immediately vest if, in the opinion of the Board, any of the following has occurred or is likely to occur:

- (i) the Company entering into a scheme of arrangement;
- (ii) the commencement of a takeover bid for the Company's Shares; or
- (iii) a party acquiring a sufficient interest in the Company to enable them to replace the Board; and
- (iv) the PSP Participant's pro-rata performance is in line with the Performance Conditions applicable to those Performance Rights.

The exercise of any vested Performance Right will be effected in the form and manner determined by the Board and where an amount is payable on the vesting of the Performance Right, will be accompanied by payment.

(e) **Future Issues of Shares**

There are no participating rights or entitlements inherent in the Performance Rights and PSP Participants will not be entitled to participate in new issues of capital offered to Shareholders unless a Performance Right has vested and been exercised and a Performance Share has been issued in respect of that Performance Right. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 7 Business Days after the issue is announced. PSP Participants shall be afforded the opportunity to exercise all Performance Rights which have vested pursuant to the PSP prior to the date for determining entitlements to participate in any such issue.

(f) **Reconstruction of Capital**

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the vesting of any Performance Rights, the number of Performance Shares to which each PSP Participant is entitled upon exercise of the Performance Rights or any amount payable on exercise the Performance Rights or both will be adjusted in a manner determined by the Board which complies with the provisions of the Listing Rules to ensure that no advantage or disadvantage accrues to the PSP Participant as a result of such corporate actions.

(g) **Taxation**

Under current taxation laws any taxation liability in relation to the Performance Rights, or the Shares issued on exercise of the Performance Rights, will fall on the PSP Participants.

(h) **Participation by Directors**

Although Directors are eligible to be offered Performance Rights under the PSP, this first requires specific Shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.



### ANNEXURE 3

#### Terms and Conditions of Performance Rights under the PSP

The following is a summary of the terms of Performance Rights issued under the Gladiator Resources Limited Performance Share Plan (“PSP”). In the event of any inconsistency between the terms of the PSP and the summary set out below, the terms of the PSP will prevail.

1. Upon issue of the Performance Rights, a certificate will be issued to the PSP Participant;
2. Each Performance Right shall carry the right in favour of the PSP Participant to be issued one Performance Share on satisfaction of the Performance Conditions.
3. A Performance Right may only be exercised after that Performance Right has vested. A Performance Right vests upon satisfaction of the Performance Conditions as determined by the Board. The Board may determine the vesting period and any condition on exercise.
4. An unvested Performance Right will lapse upon the first to occur of the Performance Conditions not being satisfied by the expiry date as determined by the Board, the PSP Participant’s employment or engagement with the Company is terminated on the basis that the PSP Participant acted fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
5. A Performance Right which has vested but has not been exercised will lapse upon the first to occur of the close of business on the last day of any exercise period, the transfer or purported transfer without the consent of the Board, the PSP Participant acting fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
6. Performance Shares allotted to PSP Participants on exercise of Performance Rights shall be issued at an exercise price determined by the Board in its discretion on or before the date of issue.
7. The exercise of any vested Performance Right will be effected in the form and manner determined by the Board and where an amount is payable on the vesting of the Performance Right, will be accompanied by payment.
8. The Company shall allot the resultant Performance Shares and deliver the share certificate or uncertified holding statement within 5 business days of the exercise of the Performance Rights.
9. Performance Rights shall not be listed for Official Quotation on ASX.
10. The Company shall, in accordance with the Listing Rules, make application to have the Performance Shares allotted pursuant to an exercise of Performance Rights listed for Official Quotation on ASX.
11. Performance Rights may only be transferred with the consent of the Board or by force of law upon the death of a PSP Participant. Performance Shares may only be transferred upon the expiration of a period (if any) advised to the PSP Participant at the time the Performance Rights relating to those Performance Shares were issued.
12. Performance Shares allotted pursuant to an exercise of the Performance Rights shall rank from the date of allotment, equally with existing Shares in all respects.
13. In the event of a reconstruction (including consolidation, subdivision, reduction or return of the issued capital of the Company), all rights of the PSP Participant shall be reconstructed in accordance with the Listing Rules.
14. The Board may declare an unvested Performance Right immediately vest if, in the opinion of the Board, any of the following has occurred or is likely to occur:
  - the Company entering into a scheme of arrangement;
  - the commencement of a takeover bid for the Company’s Shares; or
  - a party acquiring a sufficient interest in the Company to enable them to replace the Board;and
  - the PSP Participant’s pro-rata performance is in line with the Performance Conditions applicable to those Performance Rights.
15. There are no participating rights or entitlements inherent in the Performance Rights and PSP Participants will not be entitled to participate in new issues of capital offered to Shareholders unless a Performance Right has vested and been exercised and a Performance Share has been issued in respect of that Performance Right. However, the Company will ensure that the record date for determining entitlements to any such

issue will be at least 7 Business Days after the issue is announced. PSP Participants shall be afforded the opportunity to exercise all Performance Rights which have vested pursuant to the PSP prior to the date for determining entitlements to participate in any such issue.

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the vesting of any Performance Rights, the number of Performance Shares to which each PSP Participant is entitled upon exercise of the Performance Rights or any amount payable on exercise the Performance Rights or both will be adjusted in a manner determined by the Board which complies with the provisions of the Listing Rules to ensure that no advantage or disadvantage accrues to the PSP Participant as a result of such corporate actions.



**GLADIATOR RESOURCES LIMITED**  
**ABN 58 101 026 859**

**Proxy Form**

**Shareholder Details**

Name: .....

Address: .....

Contact Telephone No: .....

Contact Name (if different from above): .....

**Appointment of Proxy**

I/We being a shareholder/s of Gladiator Resources Limited and entitled to attend and vote hereby appoint

The Chairman  
of the meeting

**OR**

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

(mark with an 'X')

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Gladiator Resources Limited to be held in the Doig Room at Patersons Stadium, Gate 12 Level 3 Roberts Road, Subiaco on Thursday, 31 May 2012 at 10.00am WST and at any adjournment of that meeting.

**Voting directions to your proxy – please mark  to indicate your directions**

**Special Business**

Resolution 1- Approval of Issue of Options to Patersons Securities Limited

**For                      Against                      Abstain\***

Resolution 2 - Approval of Issue of Options to CPS Securities

Resolution 3 - Approval of Issue of Options to Mr John Palermo under Sub-underwriting Arrangement

Resolution 4 - Approval of Issue of Performance Rights to Mr John Palermo

Resolution 5 - Approval of Issue of Performance Rights to Mr Robert (Tim) Adams

Resolution 6 - Approval of Issue of Performance Rights to Mr Daniel Bruno

Resolution 7 - Approval of Issue of Performance Rights to Mr Stuart Hall

Resolution 8 - Approval of Issue of Performance Rights to Mr Len Dean

\*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**Appointment of a second proxy** (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

**PLEASE SIGN HERE**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

**Individual or Shareholder 1**

**Shareholder 2**

**Shareholder 3**

**Sole Director and  
Sole Company Secretary**

**Director**

**Director/Company Secretary**

## How to complete this Proxy Form

### Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

### Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company Secretary on (08) 9443 1600 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### Signing Instructions

You must sign this form as follows in the spaces provided:

- |                    |  |
|--------------------|--|
| Individual:        | where the holding is in one name, the holder must sign.  |
| Joint Holding:     | where the holding is in more than one name, all of the shareholders should sign.   |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.   |
| Companies:         | where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place. |

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting i.e. no later than 10.00am WST on Tuesday, 29 May 2012. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Ground Floor, 284 Oxford Street, Leederville, WA, 6007 or sent by facsimile to the registered office on (08) 9443 9960.**