



## GLADIATOR RESOURCES LTD

9 March 2012

### RENOUNCEABLE RIGHTS ISSUE

#### Corporate Summary

**ASX Code:** GLA  
**Issued Capital:** 124 Million

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Gladiator Resources Limited (ASX: GLA) (**Gladiator** or the **Company**) is pleased to announce a renounceable rights issue (**Rights Issue**) of nine (9) fully paid ordinary shares (**New Shares**) for every eleven (11) fully paid ordinary shares held as at 5:00pm (WST) on 21 March 2012 (**Record Date**) to shareholders with a registered address in Australia, New Zealand, Malaysia or the British Virgin Islands (**Eligible Shareholders**). Full details of the Rights Issue are set out in a prospectus, which was lodged with ASIC today.

Pursuant to the Rights Issue, the Company will issue up to 101,468,350 New Shares (assuming all rights are taken up) at an issue price of \$0.06 each to raise approximately \$6.1 million (before costs of the issue). New Shares under the Rights Issue will rank equally with the Company's existing Shares and the Company will apply for quotation of the Shares.

In addition, subscribers in the Rights Issue will receive one free attaching option (**New Option**) (which will be quoted, subject to ASX approval) for every New Share subscribed for, with an exercise price of \$0.10 and expiring on 30 June 2015. The terms and conditions of the New Options will be described in the Prospectus annexed to this announcement.

Patersons Securities Limited (**Patersons**) has been appointed as Joint Lead Manager, together with Cunningham Peterson Sharbanee Securities Pty Ltd (trading as CPS Securities), and Underwriter to the Rights Issue.

The Company intends to apply the proceeds from the Rights Issue towards funding ongoing exploration, engineering and metallurgical testing, advancing the bankable feasibility study on the Isla Cristalina joint venture project in Uruguay (**Project**) which upon completion of the bankable feasibility study will allow the Company to acquire an additional 29% in the Project from Orosur Mining Inc and increase the Company's interest in the Project to 80%, and funding working capital.

The Rights Issue is fully underwritten.

To participate in the Rights Issue, Optionholders have to convert their options in time to be registered as Shareholders on the Record Date, in accordance with the terms and conditions of the options. A separate letter will be mailed to Optionholders.

A prospectus together with an entitlement and application form will be mailed to all Eligible Shareholders on or about 23 March 2012.

## Key Dates

The anticipated timetable for the Rights Issue is as follows:

Lodgement Date	9 March 2012
“Ex” date and Rights Trading Commences	15 March 2012
Record date to determine Entitlement	21 March 2012
Opening Date and Prospectus with Application Form dispatched to Eligible Shareholders	23 March 2012
Rights trading ends	30 March 2012
Closing date for acceptances (at 5.00pm (WST))	10 April 2012
Notify ASX of under subscriptions	13 Friday 2012
Dispatch new holding statements	18 April 2012
Trading of New Securities expected to commence	19 April 2012

Note: this timetable is indicative only and subject to change, but only in accordance with the ASX Listing Rules.

The Directors reserve the right to proceed with the whole or part of the Rights Issue any time prior to allotment and issue of the New Shares. In that event, any payments received for applications will be returned in full without interest.

A copy of the Prospectus and an Appendix 3B in respect of the Rights Issue accompanies this announcement.

- Ends -

# GLADIATOR RESOURCES LTD

ABN 58 101 026 859

## PROSPECTUS

For a 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 (9) New Shares for every eleven (11) Existing Shares held and 101,468,350 free attaching New Options on the basis of one (1) free attaching New Option for every one (1) New Share subscribed for to raise up to approximately \$6.1 million before issue costs

### **Underwriter and Joint Lead Manager**

Patersons Securities Limited

ACN 008 896 311

AFSL No. 239 052

### **Joint Lead Manager**

CPS Securities<sup>1</sup>

ACN 088 055 636

AFSL 294848

### **Important Notice**

This Prospectus should be read in its entirety (including the 'Risk Factors' in **section 6**) before deciding whether to apply for the Securities. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus, then you should consult your professional adviser.

The Securities offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

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<sup>1</sup> Cunningham Peterson Sharbanee Securities Pty Ltd AFSL 294848 trading as CPS Securities

## IMPORTANT NOTICE

This Prospectus is dated 9 March 2012 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus. No New Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX for the New Securities to be granted quotation on ASX.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer. Refer to **section 2.11** for treatment of overseas shareholders. Applications for the New Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus including each of the documents attached to it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

In particular, it is important that you consider the risk factors (see **section 6** of this Prospectus) that could affect the performance of the Company before making an investment decision.

An investment in the Company is not risk free and investors should consider the risk factors described below in section 6, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

Investors should note that past Share price performance of the Company provides no guidance to its future Share price performance.

Neither the Company nor any other person warrants or guarantees the future performance of the New Securities or any return on any investment made pursuant to this Prospectus.

The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements.

The forward looking statements in this Prospectus are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus.

Investors should specifically refer to the 'Risk Factors' in **section 6** of this Prospectus. That section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

Cooling-off rights do not apply to a subscription for New Securities under the Offer. This means that you cannot withdraw your Application once it has been submitted except as required by law. Once the New Securities are issued and quotation is granted by ASX you may sell your New Securities on market.

Some words and expressions used in this Prospectus have defined meanings which are explained in **section 9**.

## ELECTRONIC PROSPECTUS

A copy of the Prospectus can be downloaded from the website of the Company at <http://www.gladiatorresources.com.au> or the ASX website. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company.

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## SUMMARY OF IMPORTANT DATES

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Notify ASX of under subscriptions	13 April 2012
Dispatch new holding statements	18 April 2012
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This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the ASX Listing Rules and Corporations Act.

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**1 CHAIRMAN'S LETTER**

9 March 2012

Dear Shareholder

On 27 February 2012 the Company advised that it was proceeding with a 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 (9) New Shares for every eleven (11) Existing Shares held and 101,468,350 free attaching New Options on the basis of one (1) free attaching New Option for every one (1) New Share subscribed for to raise up to approximately \$6.1 million before issue costs.

The Rights Issue provides the opportunity for those investors who held Existing Shares as at the Record Date to participate in the Rights Issue.

The funds raised by the Rights Issue are to be used to assist the Company in funding ongoing exploration, engineering and metallurgical testing, advancing the bankable feasibility study on the Isla Cristalina joint venture project in Uruguay (**Project**), which upon completion of the bankable feasibility study will allow the Company to acquire an additional 29% in the Project from Orosur Mining Inc and increase the Company's interest in the Project to 80%, and funding working capital.

Please read this Prospectus carefully before deciding whether or not to invest. An investment in Gladiator Resources Limited contains specific risks which you should consider before making that decision. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

I look forward to your continuing support.

Yours sincerely

Len Dean  
Chairman

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## **2 DETAILS OF THE OFFER**

### **2.1 The Offer**

A renounceable pro rata offer to Eligible Shareholders of approximately 101,468,350 New Shares at an issue price of \$0.06 per New Share on the basis of nine (9) New Shares for every eleven (11) Existing Shares held and 101,468,350 free attaching New Options on the basis of one (1) free attaching New Option for every one (1) New Share subscribed for to raise up to approximately \$6.1 million before issue costs.

### **2.2 No Minimum Subscription**

There is no minimum subscription for the Offer.

### **2.3 Underwriting**

The Offer is underwritten by Patersons Securities Limited. A summary of the Underwriting Agreement is set out in **section 7.2** of the Prospectus.

### **2.4 Entitlement to Rights Issue**

Eligible Shareholders who are on the Company's Share Register at 5pm (WST) on the Record Date are eligible to participate in the Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and New Options. For this purpose, holdings in the same name are aggregated for calculation of Entitlements. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

An Application Form setting out your Entitlement to New Securities accompanies this Prospectus.

### **2.5 Rights Trading**

The Rights to New Securities are renounceable, which enables Eligible Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement. Trading of Rights on the ASX is expected to commence on 15 March 2012 and end on 10 April 2012.

### **2.6 Acceptances**

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in **section 4** and on the Application Form which accompanies this Prospectus.

### **2.7 Applying for Additional New Securities**

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Securities regardless of the size of their present holding.

Any Entitlements not taken up may become available as Additional New Securities. It is possible, particularly if it is an active Rights trading market, that there will be few or no Additional New Securities available for issue.

It is an express term of the Offer that applicants for Additional New Securities will be bound to accept a lesser number of Additional New Securities allocated to them than applied for. If a lesser number is allocated to them, excess application money will be refunded without interest. The Company reserves the right to scale back any applications for Additional New in its absolute discretion.

## **2.8 Effect of the Offer on Control of the Company**

As at the date of this Prospectus, the Underwriter does not beneficially hold any Shares in the Company. The Underwriter is not a related party as defined in section 228 of the Corporations Act.

The Underwriter has entered into various sub-underwriting agreements with sub-underwriters (“**Sub-underwriters**”) and the Offer is fully sub-underwritten. In the event that Shareholders do not take up some or all of their Entitlements under the Offer, then a shortfall will result and the Sub-underwriters will be entitled to subscribe for the Shortfall Securities.

As the Offer is fully sub-underwritten, the Underwriter will not acquire voting power in the Company as the result of a shortfall. In the event that there is a 100% shortfall (i.e. no Shareholder applies for its Entitlement), then no Sub-underwriter will acquire voting power in the Company of more than 20%. It is a general rule under section 606 of the Corporations Act that a person cannot acquire a relevant interest in issued voting shares in a company if because of the transaction in relation to securities, a person’s voting power in the company increases from 20% or below to more than 20% (or from a starting point that is above 20% and below 90%). The latter does not apply as there is no shareholder with a current relevant interest above 20%.

There are exceptions to that prohibition, including an acquisition pursuant to a rights issue (if the conditions of item 10 of section 611 of the Corporations Act are satisfied). That exception extends to any underwriter to the issue or sub-underwriter. If the exception in item 10 of section 611 is to be relied upon then section 615 regarding appointment of nominee must be complied with, which includes a requirement for ASIC to approve the nominee.

As the Offer will not impact on the control of the Company and the exception under item 10 of section 611 will not be relied upon, section 615 does not apply and the Company is not intending to make an application under section 615 of the Corporations Act.

## **2.9 Allotment and Application Money**

New Securities will be issued only after all Application Money has been received and ASX has granted permission for the New Securities to be quoted. It is expected that New Securities will be issued on 18 April 2012 and trading of the New Securities on ASX is expected to commence on 19 April 2012.

All Application Money received before New Securities are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Securities are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company.

Application will be made within seven days of the date of issue of this Prospectus for the New Securities to be granted Official Quotation by ASX. If such an application is not made within these seven days, or Official Quotation of the New Securities is not granted by ASX within three months of the date of this Prospectus, then the Company will not allot or issue any New Securities and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

If the New Securities are not quoted by ASX within three months after the date of this Prospectus, the Company will refund all Application Money in full.

The fact that ASX may agree to grant Official Quotation of the New Securities is not to be taken in any way as an indication of the merits of the Company or the New Securities. ASX takes no responsibility for the contents of this Prospectus.

## **2.10 Offer Outside Australia, New Zealand, British Virgin Islands or Malaysia**

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has



been taken to register or qualify the Securities or the Offer or otherwise to permit an offering of the Shares in any jurisdiction outside Australia, New Zealand, British Virgin Islands and Malaysia.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The Securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

### **2.11 Treatment of Overseas Shareholders**

The Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia, New Zealand, British Virgin Islands or Malaysia because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia, New Zealand, British Virgin Islands or Malaysia. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). If you are an Eligible Shareholder and have a registered address in New Zealand but are no longer a Shareholder on the Opening Date, you will have no entitlement and may not accept the Offer being made under this Prospectus. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any Securities.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Shareholders).

### **2.12 British Virgin Islands Offer Restriction**

The New Securities may not be offered in the British Virgin Islands unless the Company or the person offering the New Securities on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The New Securities may be offered to British Virgin Islands business companies (from outside the British Virgin Islands) without restriction. A British Virgin Islands business company is a company formed under or otherwise governed by the BVI Business Companies Act, 2004 (British Virgin Islands).

### **2.13 Malaysia Offer Restriction**

This document may not be distributed or made available in Malaysia. No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Securities. The New Securities may not be offered or made available for purchase in Malaysia except in an exemption from the prospectus and approval requirements of Securities Commission of Malaysia.

### **2.14 Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

### **2.15 Market Prices of Existing Shares on ASX**

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months

immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 months high	3 month low	Last market sale price
Existing Shares	\$0.14 on 27 January 2012	\$0.055 on 7 March 2012	\$0.06 on 8 March 2012

## 2.16 Opening and Closing Dates

The Offer will open for receipt of acceptances on 23 March 2012 and will close at 5 pm WST (2 pm WST for BPAY®) on the Closing Date, subject to the right of the Company to vary these dates.

## 2.17 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd (**ASX Settlement**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Securities.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Securities issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

## 2.18 Rights and Liabilities attaching to the New Securities

The New Shares will rank equally in respect of dividends and in all other respects (e.g. voting, bonus issues) as Existing Shares.

A summary of the rights and liabilities attaching to the New Shares and New Options is set out in **section 5**.

## 2.19 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Rights Issue or Shareholders applying for New Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

## 2.20 Enquiries

Any queries regarding the Offer should be directed to John Palermo, Company Secretary on +61 8 9443 1600.

Any queries regarding the Application Form should be directed to the Share Registry on +61 8 9315 2333

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

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### 3 PURPOSE AND EFFECT OF THE OFFER

#### 3.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$6.1 million before the costs of the Offer.

The proceeds from the Offer are planned to be used for the following purposes in accordance with the table set out below:

- on-going exploration;
- engineering and metallurgical testing;
- advancing the bankable feasibility study on the Isla Cristalina joint venture project (Project) in Uruguay which upon the completion of the bankable feasibility study will allow the Company to acquire an additional 29% in the Project from Orosur Mining Inc and increase the Company's interest in the Project to 80%;
- working capital; and
- to fund Offer expenses.

The table assumes that Entitlements are taken up in full and that no Options are exercised

<b>Proceeds of the Offer</b>	<b>\$</b>
Ongoing exploration	\$1 million
Engineering and metallurgical testing	\$1 million
Advancing the bankable feasibility study on the Project	\$3 million
Working capital	\$0.67 million
Expenses of the Offer	\$0.43 million
<b>ESTIMATED TOTAL</b>	<b>\$6.1 million</b>

In the event that circumstances change or other opportunities arise the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders.

#### 3.2 Effect of the Offer and Pro Forma Statement of Financial Position

The effect of the Offer will be (assuming no Options are exercised and Entitlements are taken up in full) that:

- (a) cash reserves will initially increase by approximately \$6.1 million; and
- (b) the number of Shares on issue will increase from 124,016,872 to 225,485,222.

### 3.3 Statement of Financial Position

Set out below is the Statement of Financial Position of the Company as at 31 December 2011 (unaudited), and the Pro-Forma Statement of Financial Position as at 31 December 2011 assuming full subscription on the basis of the assumptions detailed further. The accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are contained in the auditor reviewed financial report for twelve months ended 30 June 2011.

	Notes	Unaudited Consolidated 31 December 2011 \$	Unaudited Consolidated 31 December 2011 Proforma \$
<b>Current Assets</b>			
Cash and cash equivalents	1	1,298,770	7,398,770
Trade and other receivables		841,816	841,816
<b>Total Current Assets</b>		<b>2,140,586</b>	<b>8,240,586</b>
<b>Non Current Assets</b>			
Other financial assets		48,573	48,573
Plant and equipment		88,032	88,032
Mineral exploration and evaluation expenditure		9,376,124	9,376,124
<b>Total Non Current Assets</b>		<b>9,512,726</b>	<b>9,512,726</b>
<b>Total Assets</b>		<b>11,653,315</b>	<b>17,753,315</b>
<b>Current Liabilities</b>			
Trade and other payables		1,504,952	1,504,952
<b>Total Liabilities</b>		<b>1,504,952</b>	<b>1,504,952</b>
<b>Net Assets</b>		<b>10,148,363</b>	<b>16,248,363</b>
<b>Equity</b>			
Issued capital	1	13,022,887	19,122,887
Reserves		2,143,929	2,143,929
Accumulated losses		(5,018,453)	(5,018,453)
<b>Total Equity</b>		<b>10,148,363</b>	<b>16,248,363</b>

#### Notes to the Proforma Balance Sheet:

1. Completion of raising approximately \$6.1 million (before issue costs) of equity capital by the issue of 101,468,350 new shares at an issue price of \$0.06 per share on the basis of 9 new shares for every 11 existing shares held plus 101,468,350 free attaching new options on the basis of 1 free attaching new option for every 1 new share subscribed for.

### 3.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

### Capital Structure after Completion of Offer

Shares	
124,016,872	Shares quoted on ASX as at the date of this Prospectus
101,468,350	Shares issued pursuant to this Prospectus
<b>225,485,222</b>	<b>Total issued Shares</b>

Options	
1,500,000	Unlisted Options exercisable at \$0.35 on or before 6 July 2012
6,500,000	Unlisted Options exercisable at \$0.50 on or before 6 July 2013
6,000,000	Unlisted Options exercisable at \$0.70 on or before 6 July 2013
14,017,389	Unlisted Options exercisable at \$0.40 on or before 31 December 2012
750,000	Unlisted Options exercisable at \$0.30 on or before 31 December 2012
1,000,000	Unlisted Options exercisable at \$0.30 on or before 31 December 2013
125,000	Unlisted Options exercisable at \$0.40 on or before 30 June 2013
1,000,000	Unlisted Options exercisable at \$0.40 on or before 31 December 2013
800,000	Performance Rights
101,468,350	Listed New Options issued pursuant to this Prospectus exercisable at \$0.10 on or before 30 June 2015
56,000,000*	Listed Options exercisable at \$0.10 on or before 30 June 2015 (Corporate Options).
36,528,606**	Listed Options exercisable at \$0.10 on or before 30 June 2015 (Underwriter Options).

\* Conditional upon shareholder approval at a general meeting.

\*\* Conditional in part (33,000,000 Underwriter Options do not require shareholder approval) upon shareholder approval at a general meeting

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## 4 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

### 4.1 What you may do

As an Eligible Shareholder, you may:

- subscribe for all of your Entitlement (refer **section 4.2**);
- apply for Additional New Securities (refer **section 4.3**);
- sell all of your Entitlement on ASX (refer **section 4.4**);
- take up part of your Entitlement and sell the balance on ASX (refer **section 4.5**);
- deal with part or all of your Entitlement other than on ASX (refer **section 4.6**); or
- allow all or part of your Entitlement to lapse (refer **section 4.7**);

### 4.2 To subscribe for all of your Entitlement

If you wish to subscribe for all of your Entitlement, complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of New Securities you are entitled to subscribe for. The completed Application Form must be accompanied by a cheque or bank draft made payable to “**Gladiator Resources Ltd – Share Application A/C**” and crossed “**Not Negotiable**” for the appropriate Application Money in Australian dollars calculated at \$0.06 per New Share accepted, and received by the Company at the following address by no later than 5.00pm (WST) on the Closing Date. The Company will present the cheque or bank draft on or around the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Securities you have applied for in your Application Form, you may be taken to have applied for such lower number of New Securities as your cleared Application Money will pay for (and to have specified that number of New Securities in your Application Form) or your Application may be rejected.

Address:
Ground Floor 284 Oxford Street LEEDERVILLE Western Australia 6007

Alternatively, if you are paying by BPAY® payment, you do not need to mail the Application Form. Please refer to your personalised instructions on your Application Form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than 5.00 pm (Eastern Daylight Savings Time) (2.00 pm (WST)) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration

### 4.3 To apply for Additional New Securities

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Securities regardless of the size of their present holding. Refer to **section 2.7** if you wish to apply for Additional New Securities.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Securities you wish to apply for as marked where indicated on the Application Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Application Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than 5.00 pm Eastern Daylight Savings Time (2.00 pm (WST)) on the Closing Date.

#### **4.4 If you wish to sell all of your Entitlement**

Complete the section marked “**Instructions to Stockbroker**” on the back of the Application Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on ASX on 15 March 2012. Sale of your Rights must be completed by 30 March 2012 when Rights trading is expected to cease.

#### **4.5 If you wish to take up part of your Entitlement and sell the balance**

Please complete the Application Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Application Form) and complete the section marked “**Instructions to Stockbroker**” on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Application Form reaches the Company’s share registry, by 5.00 pm (WST) on 10 April 2012.

Cash will not be accepted and no receipts will be issued.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Application Form.

Entitlements trading will commence on ASX on 15 March 2012. Sale of your Entitlements must be completed by 30 March 2012 when Entitlements trading is expected to cease.

#### **4.6 If you wish to transfer your Entitlement other than on ASX**

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed Renunciation Form (obtainable through your stockbroker or the Company’s share registrar) together with your Application Form completed by the transferee together with a cheque for the appropriate Application Monies to reach the Company’s share registry (at the address shown above), by 5.00 pm WST on 10 April 2012.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

#### **4.7 Entitlements not taken up**

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit and New Securities and your Entitlement will become available to Eligible Shareholders as Shortfall Shares to be applied for.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

Your Entitlement may have value and accordingly you should consider renouncing (selling) your Rights, rather than allowing them to lapse.



The Company and the Underwriter will deal with any New Shares not accepted in accordance with the Underwriting Agreement.

#### **4.8 Application Form is binding**

A completed and lodged Application Form constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Securities. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Offer;
- declare that all details and statements in the Application Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;
- declare that you are the current registered holder of Shares and are an Australian, New Zealand, British Virgin Islands or Malaysia resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs; and
- acknowledge that the New Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, New Zealand, British Virgin Islands or Malaysia and accordingly, the New Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If you have any queries concerning your entitlement or allocation, please contact:

**John Palermo, the Company Secretary**  
**Tel: +61 8 9443 1600 Fax: +61 8 9443 9960**

or contact your stockbroker or professional adviser.

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## 5 RIGHTS AND LIABILITIES ATTACHING TO NEW SECURITIES

The following is a summary of the more significant rights and liabilities attaching to New Securities to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The rights attaching to the New Securities arise from a combination of the Constitution, the Corporations Act, the ASX Listing Rules and general law. A copy of the Constitution is available for inspection free of charge during business hours at the Company's registered office.

### 5.1 Rights attaching to New Shares

The New Shares to be issued pursuant to this Prospectus are ordinary shares and will, as from their allotment, rank equally in all respects with all Existing Shares.

A summary of the rights attaching to the New Shares and all Shares issued pursuant to the exercise of the New Options issued pursuant to this Prospectus is set out below.

(a) Share Capital

All issued Shares rank equally and carry the same rights as the Existing Shares.

(b) Voting Rights

Subject to the Constitution and any rights or restrictions at the time being attached to a class of Shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative, has one vote on a show of hands, and upon a poll, one vote for each Share held and a fraction of a vote for each partly paid Share to the proportion which the amount paid (not credited) is of the total amounts paid and payable (not credited) on the Share held by the Shareholder. In the case of an equality of votes, the Chairman does not have a casting vote in addition to the Chairman's deliberative vote (if any).

(c) Dividends

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the Company may from time to time pay dividends as the Directors resolve out of profits of the Company. All dividends must be declared and paid to Shareholders according to the amounts paid (not credited) on the Shares as a proportion of the total amount paid and not payable (not credited) on the Shares.

(d) Winding up

Subject to the rights of holders of shares with special rights, on a winding-up of the Company any surplus may be divided among Shareholders.

(e) Transfer of Shares

Generally, shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASX Settlement Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares or apply a holding lock to prevent a transfer but only where permitted to do so by the ASX Listing Rules, the ASX Settlement Operating Rules, or under the Company's Constitution.

(f) Calls on Shares

Where shares are issued as partly paid, the Directors may make calls upon the holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and the ASX Listing Rules, the shares in respect of the call may be forfeited and

interest and expenses may be payable in accordance with the Company's Constitution, the Corporations Act and the ASX Listing Rules or proceedings taken to recover the unpaid amount.

(g) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any rights attached to a class of Shares, the Directors of the Company may allot and issue Shares and grant Options, on any terms, at any time and for any consideration, as the Directors resolve without prejudice to any special rights of the holders of existing securities or class of securities.

(h) Variation of Rights

Subject to the Corporations Act, where shares of different classes are on issue, the rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least 75% of the issued shares in that class

(i) Meetings and Notices

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

## 5.2 Rights attaching to New Options

The New Options issued pursuant to this Prospectus will be issued on the following terms and conditions:

- (a) Each New Option will entitle the holder to subscribe for one Share at an exercise price of \$0.10.
- (b) The New Options are exercisable at any time on or before 5.00pm (WST) on 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 New Options will rank equally in all respects with the Company's then existing Shares.
- (d) The New Options are freely transferable.
- (e) Application will be made to the ASX for official quotation of the New Options not later than 7 business days after the date of this Prospectus. Application will be made to ASX for official quotation by ASX of all Shares allotted pursuant to the exercise of New Options not later than 10 business days after the date of allotment.
- (f) Holders of New 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 New Options before the record date for determining entitlements to the issue in accordance with the Listing Rules of 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 New Options, there is a reorganization of the issued capital of the Company, the New Options shall be reorganized in the manner set out in the Listing Rules.

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## **6 RISK FACTORS**

### **6.1 Overview**

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **6.2 Future capital requirements**

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

### **6.3 Title risks**

All prospecting, exploration and mining licences and titles in Uruguay are granted by the Government of Uruguay for finite periods of time. The Government is bound by strict rules of priority of application, and security of title once granted. However, Uruguay is a sovereign state, and there can be no guarantee that the Government of Uruguay will grant, continue to grant or respect mining titles and that the titles of the properties will not be challenged or negated for political or legal reasons. Individual titles expire from time to time and the Company manages the process of retaining its rights by re-application or conversion to other forms of title relevant to each stage of development. The process of re-application involves some risk however, as released titles must fall open before they can be re-applied for.

### **6.4 Overseas Risks**

The Company's primary project is its joint venture with Orosur Mining Inc in Uruguay for iron ore, manganese ore and base metals. Investing and operating in foreign jurisdictions carry political, economic and other uncertainties, including but not limited to changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual risk, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increase and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted. Any of these factors could result in conditions that delay or in fact prevent the Company from exploring or ultimately developing any of its potential foreign projects.

### **6.5 Licences and permits**

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, tenements, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that

the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

#### **6.6 Exploration and evaluation risks**

The success of the Company depends on the delineation of economically minable reserves and resources in the Isla Cristalina Belt in Uruguay, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

#### **6.7 Ability to exploit successful discoveries**

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as the Company's.

#### **6.8 Mining and development risk**

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

#### **6.9 Resource estimations**

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

#### **6.10 Environmental risks**

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at

present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures, or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in development of new mining properties.

#### **6.11 Joint venture parties, agents and contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

#### **6.12 Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

#### **6.13 Reliance on Key Personnel**

The Company is reliant on key personnel employed or engaged by the Company. Loss of such personnel may have a material adverse impact on the performance of the Company. In addition, the recruiting of qualified personnel is critical to the Company's success. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. While the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

#### **6.14 Insurance and uninsured risks**

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

#### **6.15 Government regulation**

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

#### **6.16 Mining is inherently dangerous and subject to conditions or events beyond the control of the Company, and any operating hazards could have a material adverse effect on its business**

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.

#### **6.17 Commodity price and exchange rate risks**

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are commonly denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

In addition to adversely affecting the reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.



### **6.18 Economic risks**

General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws and changes to dividend imputation in Australia may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

### **6.19 Market conditions**

The market price of New Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **6.20 Stock exchange prices**

The market price of a publicly traded stock is affected by many variables not all of which are directly related to the success of the Company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance or underlying asset values of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

### **6.21 Liquidity risk**

There may be relatively few buyers or sellers of securities on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer.

### **6.22 Other risks**

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel and other matters that may interfere with the Company's business or trade.

**Continuous Disclosure Obligations**

The Company is a "disclosing entity" (as defined in section 111 AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus and the Shares issued upon the exercise of the New Options are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Securities on the Company and the rights attaching to the New Securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company for the financial year ended 30 June 2011, being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
  - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgment of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2011 Annual Report on 30 September 2011:

<b>Date</b>	<b>Description of Announcement</b>
10 October 2011	ORS: Hogan's Project (WA) Ground Gravity Survey Results
18 October 2011	Appendix 3B
27 October 2011	Activities / Appendix 5B Sept Quarter
27 October 2011	Notice of Annual General Meeting
30 November 2011	Results of Annual General Meeting
9 December 2011	Appendix 3B
9 December 2011	Change of Director's Interest Notice x3
29 December 2011	Appendix 3B
29 December 2011	Change of Director's Interest Notice x3
30 December 2011	3B Amended
4 January 2012	Notice of Change of Interests of Substantial Holder
12 January 2012	Non-Renounceable Rights Issue
31 January 2012	Activities and Appendix 5B Quarter ended 31 December 2011
20 February 2012	Change of Director's Interest Notice x 2
20 February 2012	Appendix 3B
23 February 2012	Trading Halt
23 February 2012	Trading Halt Request
23 February 2012	Amended Market Release – Trading Halt
27 February 2012	Renounceable Rights Issue
8 March 2012	Half Year Report Dec 2011

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

## **7.2 Material Contracts**

The following is a summary of the significant terms of the material agreements which relate to the business of the Company.

### **Underwriting Agreement and Joint Lead Manager Appointment**

Under the Underwriting Agreement, Patersons agreed to be appointed as Joint Lead Manager, together with CPS Securities and as sole underwriter of the Offer. Patersons agrees to underwrite such amount for which it can secure sub-underwriting agreements and to the extent that the Rights Issue is not fully underwritten, Patersons has the right to place the Shortfall on a “best endeavours” basis.

Pursuant to the Underwriting Agreement, the Company agreed to:

- (a) **(Management Fee):** issue 56,000,000 Corporate Options to the Joint Lead Managers equally (28,000,000 Corporate Options to each Joint Lead Manager), subject to the approval of Shareholders obtained at a general meeting of the Company. If the Corporate Options are not approved by Shareholders, the Company shall pay the Joint Lead Managers a fee of \$100,000 to be divided equally between the Joint Lead Managers;
- (b) **(Underwriter Options):** issue 36,528,606 Underwriter Options, subject to the approval of Shareholders obtained at a general meeting of the Company, to the Underwriter to allocate to the sub-underwriters of the Offer. In the event that Shareholders do not approve the issue of the Underwriter Options, the Company shall issue 33,000,000 Underwriter Options pursuant to the Company’s 15% capacity under Listing Rule 7.1 and pay a fee of approximately \$61,000 for the balance of the Underwriter Options to the Underwriter;
- (c) pay an underwriting fee of 6% (exclusive of GST) of the amount underwritten.

In addition, the Underwriter will receive payment of costs and expenses incurred by it in connection with the Offer. In the event that the Underwriting Agreement is terminated prior to successful completion of the Offer, Patersons shall only be entitled to the reimbursement of any its expenses and costs incurred up to the date of termination.

The Underwriting Agreement prohibits the Company from issuing any shares, options or other securities or granting a right to subscribe for or to receive shares, options or other securities to any third party for a period of three months from the date of the Underwriting Agreement without the prior consent of the Underwriter.

The Company agrees to use its best endeavours to ensure that no director of the Company sells, disposes or otherwise transfers of any securities in the Company held by them as at the date of this prospectus for a period of three months from the date of the Underwriting Agreement.

The Underwriter has discretion to terminate the Underwriting Agreement for reasons that are customary in agreements of this nature.

### **7.3 Directors' Interests**

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of Securities pursuant to this Prospectus; or
- (c) the Offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer of Securities pursuant to this Prospectus.

Directors' direct and indirect interests in securities of the Company at the date of this Prospectus are:

Name	Security
Len Dean	400,000 Performance Rights 300,000 Shares
John Palermo	6,235,000 Shares 500,000 unlisted Options exercisable at \$0.35 before 6 July 2012 2,000,000 unlisted Options exercisable at \$0.50 before 6 July 2013 2,000,000 unlisted Options exercisable at \$0.70 before 6 July 2013
Tim Adams	3,338,889 Shares 500,000 unlisted Options exercisable at \$0.35 before 6 July 2012 2,000,000 unlisted Options exercisable at \$0.50 before 6 July 2012 2,000,000 unlisted Options exercisable at \$0.70 before 6 July 2012
Stuart Hall	400,000 Performance Rights 300,000 Shares
Daniel Bruno	215,000 Shares 107,500 Options exercisable at \$0.40 before 31 December 2012 750,000 Options exercisable at \$0.30 before 31 December 2012 750,000 Options exercisable at \$0.40 before 31 December 2012

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-executive Directors and in default of agreement then in equal shares.

In the two years preceding lodgement of this Prospectus, \$1,611,872 (excluding GST where applicable) has been paid by the Company by way of remuneration for services provided by all Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

#### **Sub-underwriting arrangement**

The Underwriter has entered into a sub-underwriting arrangement with Mr John Palermo, Director and Company Secretary of the Company.

Mr John Palermo through a related entity has agreed to sub-underwrite the Offer for 8,333,333 New Shares being approximately \$500,000 (sub-underwritten amount). Mr Palermo via a related entity will be entitled to be paid a sub-underwriting fee of 4% (plus GST) of the amount that he has indirectly agreed sub-underwrite. The sub-underwriting fee is payable by the Underwriter out of the underwriting fee it receives from the Company pursuant to the Underwriting Agreement.

In addition to the sub-underwriting fee, Mr Palermo through a related entity will be issued with 3,000,000 Underwriter Options conditional upon and subject to the approval of Shareholders obtained at a general meeting of the Company. The Company agrees to apply for quotation of the Underwriter Options on ASX following the issue of the options.

## 7.4 Interests and Consents of Experts and Advisers

The following parties have given (and not before the date of this document withdrawn) their consent to be named in this document in the form and context in which they are named:

- Patersons Securities Limited, in the capacity of Underwriter and Joint Lead Manager;
- CPS Securities, in the capacity of Joint Lead Manager; and
- Allion Legal, in its capacity as solicitors to the Company.

Patersons Securities Limited, CPS Securities and Allion Legal have not:

- authorised or caused the issue of this Prospectus;
- made, or purported to have made, any statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this section; or
- assumed the responsibility for any part of this Prospectus except as set out in this section and to the maximum extent permitted by law, expressly disclaims responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Securities pursuant to this Prospectus; or
- the offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of Securities pursuant to this Prospectus.

Patersons Securities Limited is acting as Underwriter and Joint Lead Manager and for this is being paid a fee as set out in **section 7.2**. In the two years prior to the date of this Prospectus, Patersons Securities Limited has not been paid any fees.

CPS Securities is acting as the Joint Lead Manager for the Offer and for this is being paid a fee as set out in **section 7.2**. In the two years prior to the date of this Prospectus, CPS Securities has not been paid any fees. The fees in **section 7.2** will be split equally between Patersons Securities Limited and CPS Securities.

Allion Legal is entitled to be paid \$45,000 for advice and assistance in relation to certain aspects of this Prospectus, assisting the Company in relation to its due diligence regime and enquiries and in relation to application for quotation of the New Securities on ASX. In addition, Allion Legal has been paid \$153,130 (exclusive of GST) for the provision of professional services to the Company in the two years since the date of this Prospectus.

References to RSM Bird Cameron Partners appear for information purposes only. RSM Bird Cameron Partners has not been involved in, authorised or caused the issue of this Prospectus.

References to Security Transfer Registrars Pty Ltd appear for information purposes only. Security Transfer Registrars Pty Ltd has not been involved in, authorised or caused the issue of this Prospectus.

## 7.5 Estimated Expenses of Offer

The estimated expenses of the Offer are approximately \$426,000 including legal fees, ASIC, ASX and printing costs (assuming shareholder approval of Corporate and Underwriter Options).

## **7.6 Litigation**

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

## **7.7 Privacy Act**

If you complete an application for New Securities, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your New Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

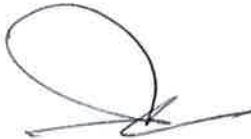
You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

## **7.8 Directors' Consent**

Each Director has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.

A handwritten signature in black ink, appearing to be 'John Palermo', written over a horizontal line.

**John Palermo**  
Executive Director

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## 8 CORPORATE DIRECTORY

### Directors

Len Dean (Non-Executive Chairman)  
John Palermo (Executive Director)  
Tim Adams (Executive Director)  
Stuart Hall (Non-Executive Director)  
Daniel Bruno (Non-Executive Director)

### Company Secretary

John Palermo

### Registered Office

Ground Floor  
284 Oxford Street  
Leederville  
Western Australia 6007  
Tel: +61 8 9443 1600  
Fax: + 61 8 9443 9960  
Email: [info@gladiatorresources.com.au](mailto:info@gladiatorresources.com.au)

**Website:** <http://www.gladiatorresources.com.au>

**ASX Code:** GLA

**ABN:** 58 101 026 859

### Share Registry

Security Transfer Registrars Pty Ltd \*  
Alexandrea House  
Suite 1  
770 Canning Highway  
Applecross WA 6153

### Underwriter and Joint Lead Manager

Patersons Securities Limited  
Level 23, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

### Joint Lead Manager

Cunningham Peterson Sharbanee Securities Pty Ltd  
Level 34, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

### Solicitors

Allion Legal  
Level 2, 50 Kings Park Road  
West Perth WA 6005

### Auditors

RSM Bird Cameron Partners\*  
8 St Georges Terrace  
Perth  
Western Australia 6000

\* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in the Prospectus. Its name is included for information purposes only



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## 9 GLOSSARY

"A\$", "\$" and **dollars** means Australian dollars, unless otherwise stated.

**Additional New Securities** means New Securities in addition to an Eligible Shareholder's Entitlement for which an applicant makes an Application.

**Application** means an application for New Securities pursuant to the Application Form.

**Application Form** means the Application form attached to or accompanying this Prospectus.

**Application Money** means the money received from Eligible Shareholders in respect of their Application.

**ASIC** means the Australian Securities and Investments Commission.

**ASX Settlement** means ASX Settlement Pty Ltd (ABN 49 008 504 532).

**ASX Settlement Operating Rules** means the settlement rules of ASX Settlement.

**ASX** means ASX Limited (ABN 98 008 624 691) or the market operated by that entity.

**Board** means the board of Directors.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**CHESS** means ASX Clearing House Electronic Sub-registry System.

**Closing Date** means 5.00pm (WST) on 10 April 2012, or such other date as may be determined by the Directors under this Prospectus.

**Company** means Gladiator Resources Ltd ABN 58 101 026 859.

**Constitution** means the Company's Constitution as at the date of this Prospectus.

**Corporate Options** means an Option exercisable at \$0.10 on or before 5pm (WST) on 30 June 2015 and on the same terms and conditions as the New Options. The Corporate Options will be issued equally to the Joint Lead Managers, subject to the approval of Shareholders obtained at a general meeting of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CPS Securities** means Cunningham Peterson Sharbanee Securities Pty Ltd (ACN 088 055 636) trading as CPS Securities.

**Director** means directors of the Company at the date of this Prospectus.

**Eligible Shareholders** means a Shareholder as at the Record Date other than a Non-qualifying Foreign Shareholder.

**Entitlement** or **Right** means a Shareholder's entitlement to subscribe for New Securities offered by this Prospectus.

**Existing Share** means a fully paid ordinary share in the capital of the Company on issue as at the Record Date.

**Full Subscription** means the amount of \$6.1 million (before issue costs) to be raised under the Offer.

**Joint Lead Manager** or **Lead Manager** means either CPS Securities or Patersons or CPS Securities and Patersons together, depending on the context.

**Listing Rules** or **ASX Listing Rules** means the Listing Rules of the ASX.

**New Option** means an Option exercisable at \$0.10 on or before 5pm (WST) on 30 June 2015, to be issued at the ratio of 1 free attaching New Option for every 1 New Share subscribed for, to be listed on ASX.

**New Securities** or **Securities** means the New Shares and New Options to be issued pursuant to this Prospectus.

**New Shares** means a fully paid ordinary share in the capital of the Company to be issued under this Prospectus.

**Non-qualifying Foreign Shareholders** means a Shareholder whose registered address is not situated in Australia, New Zealand, British Virgin Islands or Malaysia.

**Offer** means the offer of nine (9) New Shares for every eleven (11) Existing Shares held at the Record Date at an issue price of \$0.06 per New Share and one free attaching New Option for every New Share subscribed for.

**Official Quotation** means official quotation on ASX.

**Opening Date** means 23 March 2012.

**Option** means an option to subscribe for a Share.

**Prospectus** means the prospectus constituted by this document.

**Record Date** means 5pm WST on 21 March 2012.

**Rights Issue** or **Issue** means the issue of New Securities under this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share.

**Shortfall** will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under this Prospectus by the Closing Date.

**Shortfall Shares** means New Shares for which successful valid Applications have not been received by the Closing Date.

**Underwriter** or **Patersons** means Patersons Securities Limited (ACN 008 896 311).

**Underwriter Options** means an Option exercisable at \$0.10 on or before 5pm (WST) on 30 June 2015 and on the same terms and conditions as the New Options. The Underwriter Options will be issued in part, (33 million Underwriter Options do not require shareholder approval) subject to the approval of Shareholders obtained at a general meeting of the Company, to the Underwriter to allocate to sub-underwriters of the Offer.

**Underwriting Agreement** means the underwriting agreement dated 9 March 2012 between the Underwriter and the Company.

**US Securities Act** means the United States Securities Act of 1933, as amended.

**WST** means Western Standard Time.