

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

**INTERIM FINANCIAL STATEMENTS**  
**31 DECEMBER 2013**



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

Your directors present their report on the consolidated entity consisting of Gladiator Resources Limited and its controlled entities for the financial six-months period ended 31 December 2013. This report is made in accordance with a resolution of directors.

**DIRECTORS**

The following persons were directors of Gladiator Resources Limited at any time since the start of the financial period to the date of this report:

Daniel Bruno	Non-Executive
Oscar León	Non-Executive - (Appointed on 22 March 2013)
Malcolm Draffin	Non-Executive - (Appointed on 22 March 2013)
Juan Jorge	Non-Executive - (Appointed on 7 May 2013)
Andrew Draffin	Non-Executive - (Appointed on 21 May 2013)

**PRINCIPAL ACTIVITIES**

The principal activity of the Company during the period was mineral exploration.

**DIVIDENDS PAID OR RECOMMENDED**

No dividends were paid or recommended for the six-months period ended 31 December 2013.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the six-months period ended 31 December 2013, there were no changes related to shares, options and performance rights.

**OPERATING RESULTS AND FINANCIAL POSITION**

The net amount of the consolidated loss for the six-months period ended 31 December 2013 after providing for income tax was \$167,371 (2012: \$546,093).

The net assets of the consolidated entity at 31 December 2013 were \$16,108,750 (30 June 2013: \$16,061,527). At that date, there was cash at bank of \$841,959 (30 June 2013: \$528,888).

**REVIEW OF OPERATIONS**

The Company and its controlled entities continued their exploration activities.



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

The Company and its controlled entities intend to continue their exploration activities.

**ENVIRONMENTAL REGULATION**

The Company and its controlled entities has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the period.

**EVENTS SUBSEQUENT TO REPORTING PERIOD**

There has not arisen in the interval between the end of the six months period ended 31 December 2013 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company and its controlled entities, the results of those operations, or the state of affairs of the Company, in future financial years.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

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OSCAR LEON  
Director

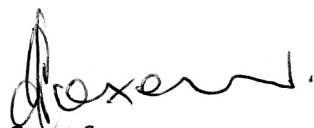
14 March 2014  
Sydney

## DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF GLADIATOR RESOURCES LIMITED

As lead auditor for the review of Gladiator Resources Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gladiator Resources Limited and the entities it controlled during the period.



Grant Saxon  
Partner

**BDO East Coast Partnership**

Sydney, 14 March 2014



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

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**General information**

The financial report covers Gladiator Resources Limited as a consolidated entity consisting of Gladiator Resources Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Gladiator Resources Limited functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Gladiator Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

*Registered office*

Suite 4, Level 9  
341 George Street  
Sydney NSW 2000  
Telephone: +61 2 9299 9690  
Facsimile: +61 2 9299 9629

*Principal office*

Suite 4, Level 9  
341 George Street  
Sydney NSW 2000  
Telephone: +61 2 9299 9690  
Facsimile: +61 2 9299 9629

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 14 March 2014.



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED  
31 DECEMBER 2013**

	<b>31 December 2013 \$</b>	<b>31 December 2012 \$</b>
Other revenues	968,837	347,761
Net foreign exchanges (losses)/gains	81,747	(56,140)
Unrealised (losses)/gains on investments	-	(57,500)
Depreciation	(13,967)	(15,005)
Administration expenses	(706,411)	(66,432)
Audit and tax fees	(131,339)	(19,700)
Company secretarial fees	-	(90,350)
Consulting fees	(49,657)	(121,565)
Directors' benefits expense	(72,431)	(252,743)
Fees and permits	(1,969)	(230)
Insurance	-	(13,067)
Legal costs	(170,193)	(17,950)
Public and investor relations	-	(50,020)
Rent and outgoings	(30,000)	(23,268)
Share registry maintenance fees	(3,909)	(30,454)
Travel and accommodation	(16,464)	(6,884)
Other expenses	(19,615)	(72,776)
<b>Loss before income tax</b>	(167,371)	(546,093)
Income tax	-	-
<b>Loss for the year</b>	(167,371)	(546,093)
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	(16,336)	(23,176)
<b>Total comprehensive loss for the year</b>	(183,707)	(569,269)
<b>Loss attributable to:</b>		
Members of the parent entity	(183,707)	(569,269)
Basic and diluted loss per share (cents per share)	(0,07)	(0,24)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS  
AT 31 DECEMBER 2013**

	<b>31 December 2013 \$</b>	<b>30 June 2013 \$</b>
<b>Current Assets</b>		
Cash and cash equivalents	1.060.885	792.203
Trade and other receivables	570.778	884.024
<b>Total Current Assets</b>	<u>1.631.663</u>	<u>1.676.227</u>
<b>Non Current Assets</b>		
Other financial assets	21.618	120.659
Plant and equipment	60.869	74.380
Mineral exploration and evaluation expenditure	14.394.599	14.190.261
<b>Total Non Current Assets</b>	<u>14.477.086</u>	<u>14.385.300</u>
<b>Total Assets</b>	<u>16.108.749</u>	<u>16.061.527</u>
<b>Current Liabilities</b>		
Trade and other payables	980.897	749.968
<b>Total Liabilities</b>	<u>980.897</u>	<u>749.968</u>
<b>Net Assets</b>	<u>15.127.852</u>	<u>15.311.559</u>
<b>Equity</b>		
Issued capital	18.005.194	18.005.194
Reserves	3.010.375	3.026.711
Accumulated losses	(5.887.717)	(5.720.346)
<b>Total Equity</b>	<u>15.127.852</u>	<u>15.311.559</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Issued Capital \$	Share Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 01/07/2012</b>	18,007,112	2,698,731	107,627	(5,578,560)	15,234,910
Loss for the period	-	-	-	(546,093)	(546,093)
Other comprehensive loss	-	-	(23,176)	-	(23,176)
Total comprehensive loss for the period	-	-	(23,176)	(546,093)	(569,269)
<b>Transactions with owners recorded directly into equity</b>					
Shares issued during the period	-	-	-	-	-
Fair value of options issued during the period	-	-	-	-	-
Fair value of performance rights issued during the period	-	252,743	-	-	252,743
Transaction costs	(1,918)	-	-	-	(1,918)
<b>Balance at 31/12/2012</b>	18,005,194	2,951,474	84,451	(6,124,653)	14,916,466
<b>Balance at 01/07/2013</b>	18,005,194	2,981,611	45,100	(5,720,346)	15,311,559
Loss for the period	-	-	-	(167,371)	(167,371)
Other comprehensive loss	-	-	(16,336)	-	(16,336)
Total comprehensive loss for the period	-	-	(16,336)	(167,371)	(183,707)
<b>Transactions with owners recorded directly into equity</b>					
Transaction costs	-	-	-	-	-
Fair value of performance rights issued during the period	-	-	-	-	-
<b>Balance at 31/12/2013</b>	18,005,194	2,981,611	28,764	(5,887,717)	15,127,852

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes





**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR  
THE HALF-YEAR ENDED 31 DECEMBER 2013**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Loss for the period	(167.371)	(546.093)
Depreciation	13.967	-
Diminution of investments	529	-
Foreign exchange gain/(loss)	(17.321)	56.140
Movements in assets and liabilities:		
Receivables	108.908	344.069
Payables	230.929	(236.785)
<b>Net Cash Flows Provided/(Used) in Operating Activities</b>	<b>169.641</b>	<b>(382.669)</b>
<b>Cash Flows from Investing Activities</b>		
Payments for exploration expenditure	-	(1.301.222)
Payments for plant and equipment	8	(1.901)
Disposals of plant and equipment	-	400
Sale of other assets	99.041	-
Other	-	(5.641)
<b>Net Cash Flows Provided/(Used) in Investing Activities</b>	<b>99.041</b>	<b>(1.308.364)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares and options	-	-
Costs associated with share and option issues	-	(1.918)
<b>Net Cash Flows Provided by Financing Activities</b>	<b>-</b>	<b>(1.918)</b>
Net (decrease)/increase in cash and cash equivalents held	268.682	(1.692.951)
Cash and cash equivalents at the beginning of the financial period	792.203	3.545.811
Effect of exchange rate change on cash holdings	-	(86.099)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1.060.885</b>	<b>1.766.761</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2013**

**NOTE 1: BASIS OF PREPARATION**

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

It is recommended that this consolidated financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Gladiator Resources Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year consolidated financial report does not include full disclosures of the type normally included in annual financial reports.

Except for cash flow information, the half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs.

The accounting policies have been consistently applied by the consolidated entity and are consistent with those in the 30 June 2013 annual financial report, except in relation to the matters disclosed below:

**New and Revised Accounting Standards and Interpretations**

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

The consolidated entity has elected not to early adopt any new standards or interpretations.

**Going Concern**

The consolidated entity recorded a net loss after tax from operations of \$167.371 for the half year ended 31 December 2013 (31 December 2012: \$546.093), had net cash inflows from operations of \$169.641 (31 December 2012: outflow of \$382.669). These conditions give rise to a material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

The ongoing viability of the consolidated entity and the recoverability of its non-current assets are dependent on the successful development of its exploration and evaluation expenditure, and/or sale of assets and future capital raisings.

The half year financial report has been prepared on the going concern basis, as the Directors believe that adequate funding will be raised to enable the consolidated entity to pay its debts as and when they become due for a period of at least 12 months from approval of this report.



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2013**

It is the Directors' plan that this funding will be raised through placement of shares to existing shareholders and the public. In the event the consolidated entity is delayed in raising development funding the consolidated entity may need to reduce its rate of expenditure or raise additional working capital to ensure that it can continue to meet its obligations as they fall due.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when the fall due.

**NOTE 2: ISSUED CAPITAL**

<b>Consolidated</b>	
<b>31 December</b>	<b>30 June</b>
<b>2013</b>	<b>2013</b>
<b>\$</b>	<b>\$</b>

**(a) Issued Capital**

232,985,222 Ordinary shares fully paid (30/06/13: 232,985,222 )	18.005.194	18.005.194
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**(b) Movements in ordinary share capital of the Company during the year were as follows:**

<b>Date</b>	<b>Details</b>	<b>No. of Shares</b>	<b>\$</b>
01/07/2013	Opening balance	232.985.222	18.005.194
31/12/2013	Closing balance	232.985.222	18.005.194

**NOTE 3: RESERVES**

<b>Consolidated</b>	
<b>31 December</b>	<b>30 June</b>
<b>2013</b>	<b>2013</b>
<b>\$</b>	<b>\$</b>

**(a) Composition**

Share based payments reserve	2.981.611	2.981.611
Foreign currency translation reserve	28.764	45.100
	3.010.375	3.026.711



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR  
THE HALF-YEAR ENDED 31 DECEMBER 2013**

(b) Movements in options and performance rights of the Company during the year was as follows:

Date	Details	Number of Performance Rights	Number of options	
			Listed	Unlisted
01/07/2013	Opening balance	-	137,996,956	14,625,000
31/12/2013	Closing Balance		137,996,956	14,625,000



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2013**

**NOTE 4: SEGMENT INFORMATION**

**Business Segments**

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded during the period, Gladiator Resources Limited operated in the mineral exploration industry within the geographical segments of Australia and Uruguay.

	<b>Australia</b>		<b>Uruguay</b>		<b>Consolidated</b>	
	<b>31 December</b>		<b>31 December</b>		<b>31 December</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Geographical Segments</b>						
<b>Revenue</b>						
Other revenues	960.773	347.448	8.064	313	968.837	347.761
Total segment revenue	960.773	347.448	8.064	313	968.837	347.761

	<b>Australia</b>		<b>Uruguay</b>		<b>Consolidated</b>	
	<b>31 Dec 2013</b>	<b>30 Jun 2013</b>	<b>31 Dec 2013</b>	<b>30 Jun 2013</b>	<b>31 Dec 2013</b>	<b>30 Jun 2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>						
Segment assets	1.766.921	1.778.937	14.341.829	14.282.590	16.108.750	16.061.527



**GLADIATOR RESOURCES LIMITED**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2013**

**NOTE 5: DIVIDENDS**

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

**NOTE 6: CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2013.

**NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE**

There are no significant issues subsequent to the end of the half-year ended 31 December 2013 to be reported.



**GLADIATOR RESOURCES LIMITED**  
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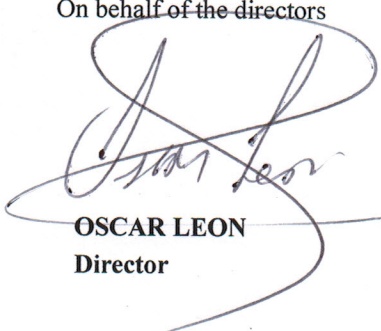
**DIRECTORS' DECLARATION**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**OSCAR LEON**  
Director

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gladiator Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Gladiator Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gladiator Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which



has been given to the directors of Gladiator Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gladiator Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

#### **Emphasis of matter**

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

#### **BDO East Coast Partnership**



**Grant Saxon**  
**Partner**

Sydney, 14 March 2013