



## GLADIATOR RESOURCES LTD

ABN 58 101 026 859

### QUARTERLY REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2011

#### REVIEW OF OPERATIONS

#### HIGHLIGHTS

##### ISLA CRISTALINA JOINT VENTURE (ZAPUCAY PROJECT) – URUGUAY

- Gladiator increases its interest to 51% in the Isla Cristalina Joint Venture Project in Uruguay by completing expenditure in excess of \$5 million on work programmes.
- Resource drilling continuing on the Cerro Iman, Cerro Papagayo and Buena Orden magnetite deposits with **236 holes aggregating 20,768 metres completed** to date, including 155 RC holes for 14,574 metres and 81 diamond holes for 6,194 metres. Drilling continues into the December quarter.
- DTR assay results for 25 holes from Papagayo Ridge received and show several thick intersections of magnetite mineralisation with high recovery of excellent quality magnetite.

##### Best Intersections from Papagayo Ridge included:

- CPDD 001 – 77m grading 29.6% magnetite containing 65.9% Fe
- CPDD 087 – 41.6m grading 41.8% magnetite containing 61.4% Fe
- CPDD 053 – 40.5m grading 41.4% magnetite containing 68.1% Fe
- CPDD 085 – 48.2m grading 29.2% magnetite containing 64.1% Fe
- CPDD 065 – 39.9m grading 34.0% magnetite containing 66.2% Fe
- CPRC 045 – 31m grading 35.6% magnetite containing 67.6% Fe
- DTR Assays continue to confirm that a high quality magnetite concentrate containing very low levels of contaminants can be produced from Papagayo Ridge.
- Head assays received for 45 holes from Papagayo Ridge and show thick intersections of magnetite mineralisation south of Cerro Papagayo.

##### Best intersections recorded from the Papagayo Ridge included:

- CPDD 122 – 96.8m @ 25.75% Fe
- CPRC 177 – 106m @ 23.06% Fe
- CPDD 001 – 79.2m @ 24.27% Fe
- CPRC 124 – 67m @ 27.43% Fe
- CPDD 087 – 75.5m @ 23.62% Fe
- CPDD 112 – 59.35m @ 28.61% Fe
- CPRC 176 - 49m @ 26.05% Fe

- CPRC 175 – 38m @ 30.53% Fe
  - CPRC 179 – 44m @ 25.56% Fe
  - CPRC 088 – 39m @ 27.3% Fe
- Pre-feasibility study progressing.
  - Work continuing on preparation of Environmental Impact Assessment for the project.
- HOGAN'S PROJECT - AUSTRALIA**
- Octagonal drills 14 aircore drill holes aggregating 606 metres at the Burns Prospect and Salt Creek – Lucky Bay Gravity Trend.
  - Data from 168 station gravity survey completed during the previous quarter was processed and interpreted.
  - Heritage survey completed to gain access to salt lakes and lake margins.



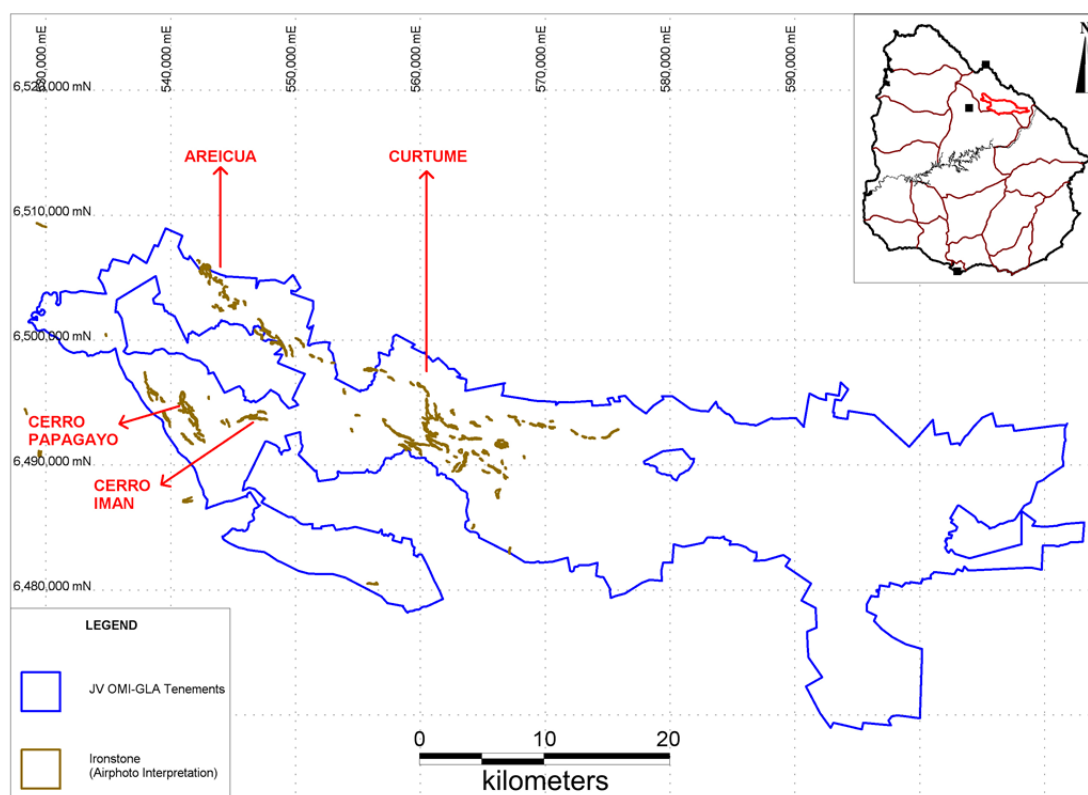
*Figure 1: Location of the Isla Cristalina Joint Venture in Uruguay*

## IRON ORE, MANGANESE, BASE METALS

### ISLA CRISTALINA JOINT VENTURE, URUGUAY

Interest: Gladiator Resources Limited earning up to 80%

Operator: Gladiator Resources Limited



*Figure 2: Location of Joint Venture Tenements, Ironstone and Main Prospects*

### ACTIVITIES UNDERTAKEN DURING THE QUARTER

#### *Joint Venture Agreement*

Towards the end of August 2011 Gladiator earned an additional 31% interest in the Isla Cristalina Joint Venture project (Figure 2) by confirming total expenditure in excess of \$5 million on work programmes. The expenditure represents significant work on the elements of a Pre-Feasibility Study for the Zapucay Pig Iron Project; these activities include resource drilling, resource estimation, metallurgical test work, process evaluation and design, environmental studies, and infrastructure studies.

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

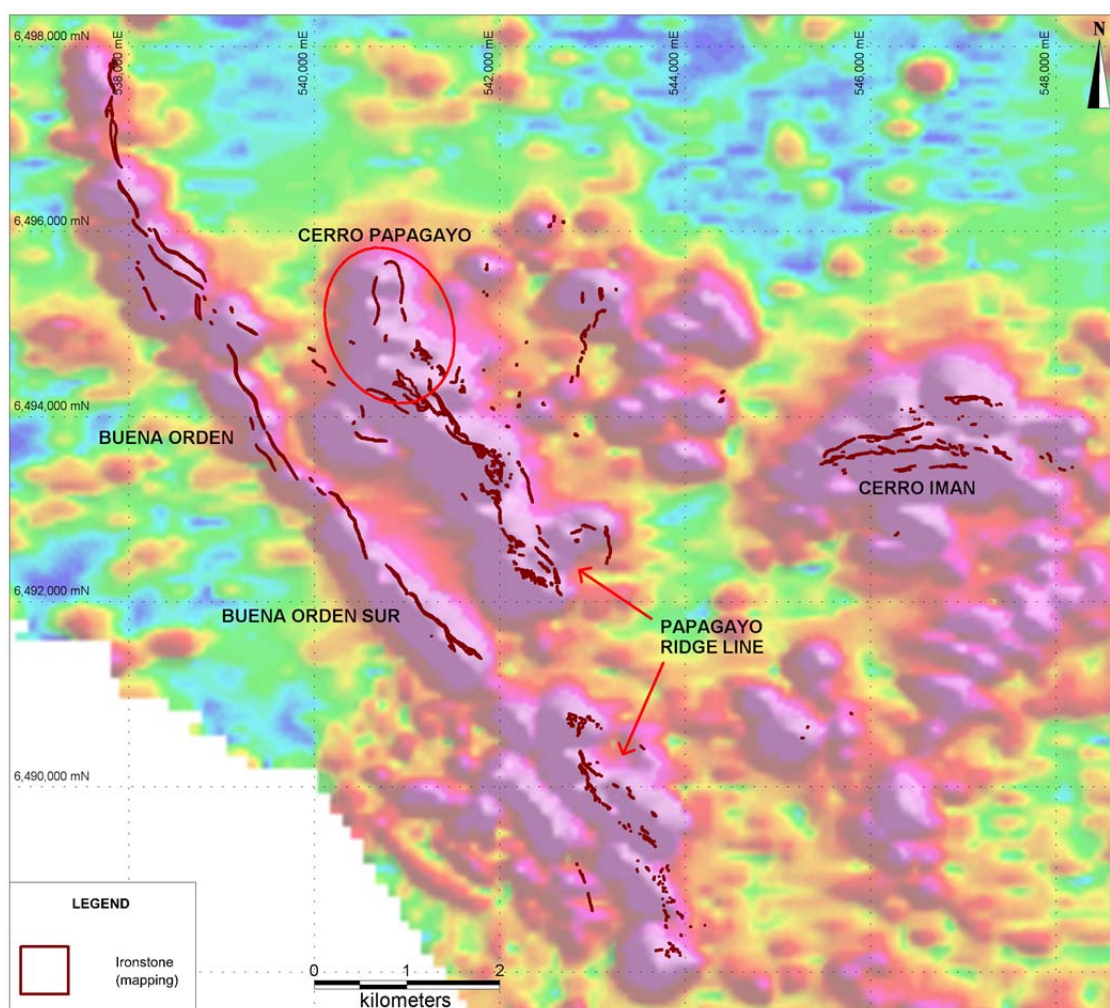
### ZAPUCAY PROJECT

#### *Drilling*

Drilling, utilising one RC and one diamond rig, continued during the September quarter at the Papagayo and Buena Orden magnetite deposits within the Zapucay Project (Figure 3). A total of 38 RC drill holes aggregating 4,301 metres and 29 diamond drill holes aggregating 2,817 metres were completed during the quarter (Table 1). This is the best quarterly drilling progress achieved for the project to date.

The drilling was focused on four kilometres of strike along the Papagayo Ridge line and the parallel Buena Orden ridge system, which has a strike length of eight kilometres (Figure 3). The main objective of this drilling programme is to provide additional information on the quality and continuity of magnetite mineralisation down dip and along strike. During the next quarter sterilisation drilling is planned for an area identified as a potential plant site.

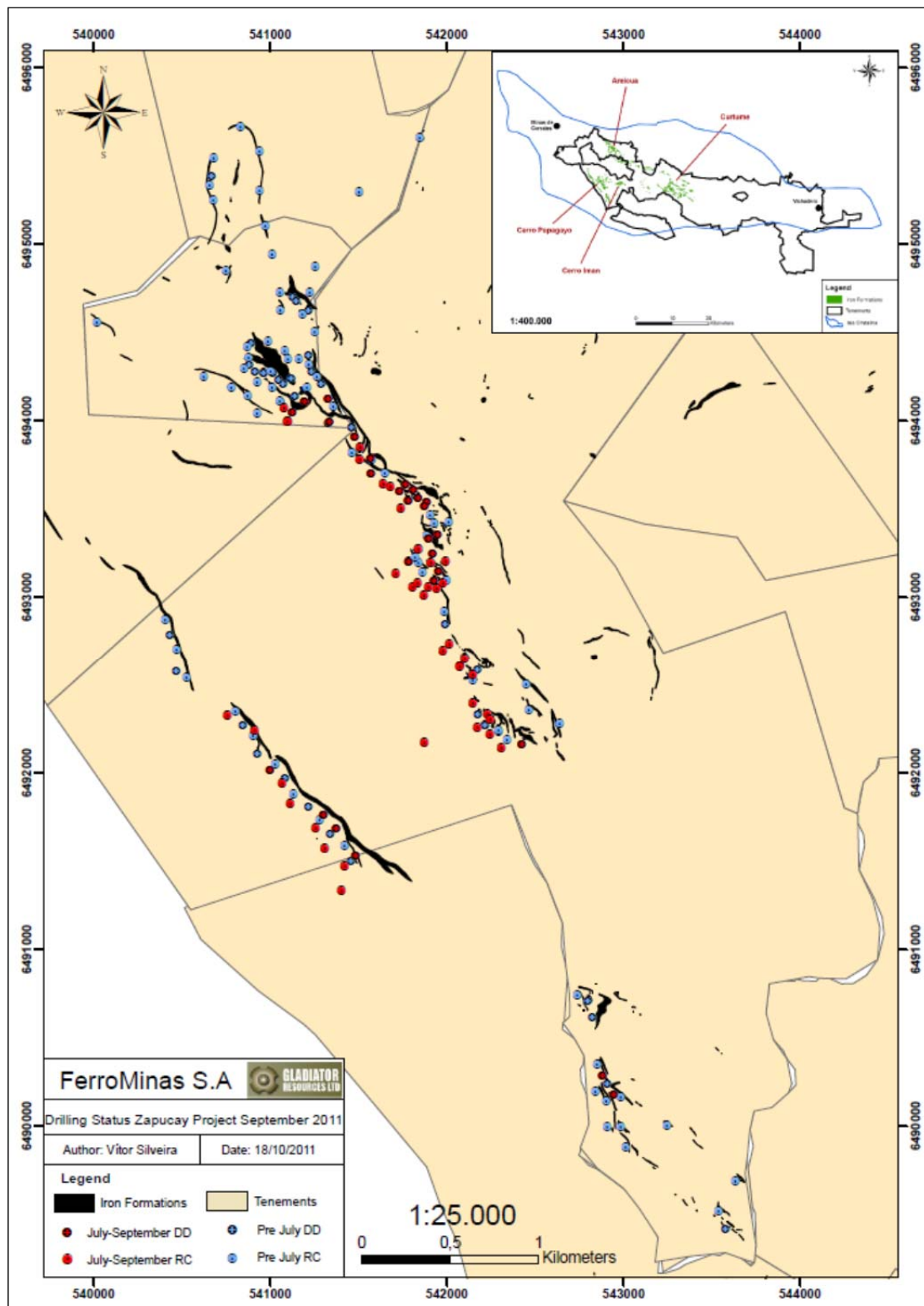
Location	RC Drilling		Diamond Drilling	
	Holes	Metres	Holes	Metres
Cerro Papagayo	3	311	4	339
Papagayo Ridge	27	2,936	21	2,136
Buena Orden	8	1,054	4	342
<b>TOTAL</b>	<b>38</b>	<b>4,301</b>	<b>29</b>	<b>2,817</b>



*Figure 3: Zapucay Project – Location of Mineral Deposits*

The locations of drill holes completed to date along the Papagayo Ridge and Buena Orden ridge lines are shown in Figure 4. Drill holes completed during the September quarter are shown in red.





**Figure 4: Drill Hole Location - Papagayo & Buena Orden Magnetite Deposits**

155 RC drill holes aggregating 14,574 metres and 81 diamond drill holes aggregating 6,194 metres have been completed to date at the Zapucay Project since commencement of drilling in August 2010. This is summarised in Table 2.

<b>TABLE 2</b> <b>ZAPUCAY PROJECT</b> <b>DRILL HOLES COMPLETED AUGUST 2010 – SEPTEMBER 2011</b>				
Location	RC Drilling		Diamond Drilling	
	Holes	Metres	Holes	Metres
Cerro Iman	37	2,935	18	699
Cerro Papagayo	26	2,412	20	1,501
Papagayo North	14	944	0	0
Papagayo Ridge	59	6,251	31	2,929
Buena Orden	19	2,032	12	1,065
Total	155	14,574	81	6,194
TOTAL	236 holes for 20,768 metres			

### *Analytical Results*

During the quarter a further 1,049 samples were sent to Perth for analysis. As at the end of September 2011 a total of 4,977 samples had been sent to Perth for analysis. A summary of samples submitted for assay is provided in Table 3

<b>TABLE 3</b> <b>ZAPUCAY PROJECT</b> <b>SAMPLES SUBMITTED FOR ASSAY AS AT 30 SEPTEMBER 2011</b>									
Location	Previous			September Quarter 2011			Total		
	RC	DD	RK	RC	DD	RK	RC	DD	RK
Cerro Iman	1,111	319	0	0	0	0	1,111	319	0
Cerro Papagayo	629	578	0	0	0	0	629	578	0
Papagayo North	242	0	0	0	0	0	242	0	0
Papagayo Ridge	481	74	0	954	43	0	1,435	117	0
Buena Orden	52	15	0	0	0	0	52	15	0
Buena Orden South	243	115	0	46	0	0	289	115	0
Project Area	0	0	69	0	0	6	0	0	75
TOTAL	2,758	1,101	69	1,000	43	6	3,758	1,144	7,575
GRAND TOTAL	3,928			1,049			4,977		

Head assay results for 45 drill holes from Papagayo Ridge line (Table 4, diamond drill holes & Table 5, RC drill holes) were received during the quarter. Numerous thick intersections of magnetite mineralisation were recorded which is highly encouraging as the Papagayo Ridge line has a strike length of approximately four kilometres.

Best intersections of magnetite mineralisation recorded from the Papagayo Ridge included:

- CPDD 122 – 96.8m @ 25.75% Fe
- CPRC 177 – 106m @ 23.06% Fe
- CPDD 001 – 79.2m @ 24.27% Fe
- CPRC 124 – 67m @ 27.43% Fe
- CPDD 087 – 75.5m @ 23.62% Fe
- CPDD 112 – 59.35m @ 28.61% Fe
- CPRC 176 - 49m @ 26.05% Fe
- CPRC 175 – 38m @ 30.53% Fe
- CPRC 179 – 44m @ 25.56% Fe
- CPRC 088 – 39m @ 27.3% Fe

<b>TABLE 4</b> <b>PAPAGAYO RIDGE DIAMOND DRILL HOLES</b> <b>HEAD ASSAY RESULTS</b>											
Drill Hole	From (m)	To (m)	Interct (m)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	V <sub>2</sub> O <sub>5</sub> (%)	TiO <sub>2</sub> (%)	MnO (%)	S (%)	P (%)
CPDD 001	35.2	114.4	79.2	24.27	42.64	3.89	0.01	0.43	7.10	0.03	0.11
CPDD 083	18.4	25	6.6	10.88	52.29	11.99	0.02	0.97	1.70	0.05	0.15
	31.7	48.95	17.25	18.00	46.19	6.84	0.02	0.58	4.47	0.09	0.12
CPDD 087	13.6	39	25.4	23.19	45.89	5.39	0.01	0.40	5.40	0.22	0.09
	48.9	124.4	75.5	23.62	36.76	4.22	0.01	0.32	11.43	0.05	0.09
	133.75	144.35	10.6	17.46	46.35	8.48	0.02	0.63	5.70	0.23	0.12
CPDD 098	0	3	3	14.01	53.17	12.72	0.02	0.68	2.47	0.00	0.06
	30.7	45.35	14.65	17.35	48.47	7.77	0.01	0.52	4.99	0.05	0.11
CPDD 100	10.1	28.7	18.6	15.65	48.56	8.34	0.02	0.55	3.33	0.02	0.11
CPDD 103	0	14	14	22.96	43.11	9.02	0.02	0.91	3.72	0.00	0.07
	14.55	22.5	7.95	14.73	49.31	11.63	0.02	0.95	1.60	0.00	0.13
	32.4	52.6	20.2	20.96	41.25	6.33	0.01	0.38	5.35	0.07	0.10
CPDD 105	5.5	42.9	37.4	17.83	47.67	8.16	0.02	0.70	3.47	0.09	0.14
CPDD 107	15	45.6	30.6	15.57	51.23	8.57	0.01	0.62	3.28	0.06	0.13
CPDD 112	0	59.35	59.35	28.61	37.63	2.69	0.01	0.21	9.37	0.11	0.07
CPDD 115	14.8	27.9	13.1	22.54	43.15	7.32	0.01	0.42	5.09	0.02	0.12
	61	77.75	16.75	23.41	40.86	5.06	0.01	0.46	8.14	0.04	0.11
CPDD 119	0	8.4	8.4	34.35	24.41	9.23	0.02	0.72	7.58	0.01	0.07
	13.05	37.85	24.8	31.69	35.81	4.57	0.01	0.64	7.21	0.01	0.08
CPDD 120	44.05	45.7	1.65	15.01	47.42	10.22	0.03	0.54	1.51	0.63	0.11
CPDD 122	3.5	16.6	13.1	20.96	40.51	8.60	0.02	1.06	4.38	0.01	0.13
	26.4	35.6	9.2	11.74	45.91	11.00	0.03	1.47	1.39	0.02	0.23
	45.3	55.2	9.9	15.43	40.86	7.92	0.01	0.42	5.33	0.00	0.06
	62.6	159.4	96.8	25.75	38.14	4.05	0.01	0.34	8.49	0.11	0.08
CPDD 138	0	7.7	7.7	27.22	45.11	6.87	0.02	0.64	1.76	0.00	0.10
	12.9	18.8	5.9	25.80	42.75	6.17	0.01	0.60	4.54	0.01	0.15
	25.9	52.6	26.7	19.30	42.33	5.38	0.01	0.47	5.90	0.10	0.09
	61.75	91.5	29.75	20.82	43.80	5.29	0.01	0.35	4.75	0.23	0.08
CPDD 210	0	26.95	26.95	24.86	41.73	5.84	0.01	0.34	7.39	0.00	0.09

<b>TABLE 5</b> <b>PAPAGAYO RIDGE REVERSE CIRCULATION DIAMOND DRILL HOLES</b> <b>HEAD ASSAY RESULTS</b>											
Drill Hole	From (m)	To (m)	Intercept (m)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	V <sub>2</sub> O <sub>5</sub> (%)	TiO <sub>2</sub> (%)	MnO (%)	S (%)	P (%)
CPRC 042	36	39	3	21.12	48.82	7.30	0.01	0.72	1.95	0.07	0.11
CPRC 074	0	25	25	23.82	43.03	5.04	0.01	0.37	6.09	0.05	0.10
CPRC 075	12	36	24	20.52	46.15	6.24	0.02	0.44	3.46	0.16	0.10
	39	59	20	15.05	45.95	7.64	0.02	0.47	4.18	0.11	0.08
CPRC 076	8	43	35	16.65	46.98	8.98	0.02	0.57	4.41	0.07	0.10
	53	79	26	19.48	47.06	5.82	0.01	0.32	5.12	0.25	0.07
CPRC 081	0	13	13	28.48	36.75	3.55	0.00	0.21	11.01	0.00	0.05
	19	31	12	32.50	35.58	2.04	0.01	0.30	8.43	0.01	0.09
CPRC 084	38	75	37	21.37	44.59	5.05	0.01	0.37	4.33	0.10	0.10
	77	78	1	7.07	51.19	15.05	0.03	0.80	0.26	0.08	0.07
	79	97	18	20.22	40.88	6.33	0.02	0.51	7.88	0.05	0.10

TABLE 5 (continued) PAPAGAYO RIDGE REVERSE CIRCULATION DIAMOND DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Intercept (m)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	V <sub>2</sub> O <sub>5</sub> (%)	TiO <sub>2</sub> (%)	MnO (%)	S (%)	P (%)
CPRC 086	13	28	15	15.28	54.29	8.74	0.02	0.63	2.20	0.00	0.11
	34	39	5	20.34	46.91	7.52	0.02	0.90	0.52	0.41	0.18
	49	89	40	18.90	43.68	6.89	0.02	0.63	5.88	0.05	0.10
CPRC 088	13	52	39	27.30	39.08	4.37	0.01	0.66	5.98	0.00	0.08
	54	80	26	21.84	43.28	6.05	0.02	1.21	6.28	0.04	0.09
	86	92	6	13.68	52.35	11.44	0.03	1.47	1.80	0.09	0.13
	96	104	8	13.35	48.52	9.78	0.02	1.30	2.41	0.09	0.12
CPRC 090	4	9	5	30.57	35.24	6.97	0.02	0.70	5.68	0.00	0.07
	27	59	32	19.91	50.80	6.23	0.01	1.13	4.20	0.02	0.10
CPRC 097	22	30	8	14.69	51.32	8.63	0.01	0.51	4.85	0.05	0.09
CPRC 099	10	11	1	14.79	41.59	10.85	0.04	2.01	0.85	0.11	0.18
CPRC 101	3	15	12	14.06	53.96	8.03	0.02	0.58	2.11	0.00	0.09
CPRC 102	16	50	34	22.95	40.29	6.02	0.01	0.42	6.44	0.11	0.11
CPRC 104	1	11	10	16.17	51.82	8.95	0.02	0.64	3.14	0.00	0.10
	20	45	25	22.06	41.96	6.41	0.02	0.55	5.88	0.05	0.12
CPRC 106	9	34	25	22.15	46.59	5.63	0.02	0.40	4.30	0.09	0.09
	36	56	20	18.43	43.43	5.54	0.02	0.39	4.96	0.21	0.08
CPRC 110	12	44	32	19.20	49.30	7.18	0.01	0.46	4.55	0.06	0.10
CPRC 111	10	24	14	17.42	44.16	8.58	0.02	0.35	5.65	0.17	0.06
CPRC 113	2	40	38	25.86	40.22	3.82	0.01	0.36	5.69	0.12	0.08
	45	65	20	9.97	50.34	13.87	0.02	0.59	0.96	0.09	0.05
	79	82	3	13.14	53.83	10.80	0.02	1.01	0.20	0.61	0.13
CPRC 114	3	13	10	33.46	34.47	2.33	0.01	0.28	9.62	0.00	0.06
	17	29	12	19.75	44.72	4.66	0.01	0.29	7.47	0.00	0.08
	36	48	12	23.58	35.56	3.13	0.01	0.26	9.60	0.01	0.11
	53	57	4	8.72	43.20	8.37	0.01	0.52	6.29	0.02	0.14
	64	100	36	24.96	47.40	5.78	0.01	0.49	0.61	0.06	0.12
	114	118	4	14.93	53.48	8.13	0.01	0.59	6.16	0.14	0.03
CPRC 116	5	23	18	25.11	40.48	4.26	0.01	0.28	10.14	0.01	0.08
CPRC 118	34	42	8	24.66	41.48	3.92	0.01	0.30	3.95	0.03	0.07
	61	65	4	22.89	42.58	5.47	0.01	0.16	8.82	0.01	0.08
CPRC 121	27	32	5	19.43	42.29	7.32	0.01	0.37	4.56	0.17	0.06
CPRC 123	5	26	21	24.43	41.53	4.21	0.01	0.34	5.78	0.01	0.10
	33	36	3	18.26	41.89	3.09	0.01	0.27	6.08	0.01	0.11
	38	41	3	28.99	35.86	2.06	0.00	0.15	6.95	0.00	0.06
	87	92	5	22.57	43.42	5.31	0.01	0.30	5.66	0.11	0.08
	98	109	11	21.24	42.30	4.93	0.01	0.41	5.24	0.31	0.07
	121	125	4	24.42	41.13	3.20	0.01	0.23	6.57	0.25	0.08
	127	131	4	22.21	49.16	5.95	0.01	0.36	0.68	0.23	0.10
	137	140	3	7.88	60.10	11.16	0.01	0.30	0.39	0.11	0.06
CPRC 124	107	174	67	27.43	36.23	3.51	0.01	0.26	10.38	0.02	0.06
CPRC 174	53	54	1	32.04	34.38	0.89	0.01	0.10	11.17	0.06	0.07
	55	56	1	8.86	50.26	13.88	0.03	1.44	0.55	0.12	0.19
	62	69	7	30.81	29.46	0.97	0.01	0.09	16.80	0.02	0.05
CPRC 175	12	50	38	30.53	34.64	3.16	0.01	0.32	9.00	0.01	0.07
	67	85	18	28.55	40.28	3.07	0.01	0.52	6.65	0.30	0.08



TABLE 5 (continued) PAPAGAYO RIDGE REVERSE CIRCULATION DIAMOND DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Intercept (m)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	V <sub>2</sub> O <sub>5</sub> (%)	TiO <sub>2</sub> (%)	MnO (%)	S (%)	P (%)
CPRC 176	39	88	49	26.05	40.10	3.70	0.01	0.30	6.48	0.04	0.08
	102	112	10	27.47	41.48	3.96	0.01	0.38	0.70	0.43	0.11
	118	125	7	16.62	56.36	6.19	0.01	0.44	2.35	0.32	0.10
	147	151	4	18.67	45.05	6.40	0.01	0.48	3.84	0.27	0.10
CPRC 177	62	70	8	23.94	46.25	5.94	0.01	0.41	2.05	0.05	0.06
	79	89	10	21.76	41.55	4.01	0.01	0.20	9.20	0.13	0.05
	92	198	106	23.06	40.67	4.29	0.01	0.31	6.56	0.18	0.07
CPRC 179	12	21	9	30.76	41.62	3.92	0.01	0.24	4.35	0.00	0.10
	24	27	3	23.20	46.74	6.93	0.02	0.81	1.57	0.03	0.17
	63	82	19	23.23	42.26	6.13	0.01	0.50	6.57	0.02	0.09
	89	133	44	25.56	42.22	4.28	0.01	0.33	6.71	0.11	0.06
CPRC 180	2	21	19	30.67	38.71	3.78	0.01	0.39	7.44	0.01	0.06
	24	37	13	25.08	38.59	3.93	0.01	0.35	5.39	0.16	0.08
	68	73	5	20.33	43.23	6.95	0.02	0.42	5.28	0.11	0.07
	93	96	3	20.03	51.45	7.86	0.02	0.75	0.33	0.35	0.12

#### *Davis Tube Recovery (DTR)*

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

During the quarter DTR results were received for 25 holes at Papagayo Ridge (Table 6, diamond drill holes & Table 7 RC drill holes). It should be noted that the DTR data are incomplete with additional DTR results pending for several holes drilled at the Papagayo and Buena Orden ridge lines.

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

#### Papagayo Ridge

- CPDD 001 – 77m grading 29.6% magnetite containing 65.9% Fe
- CPDD 087 – 41.6m grading 41.8% magnetite containing 61.4% Fe
- CPDD 053 – 40.5m grading 41.4% magnetite containing 68.1% Fe
- CPDD 085 – 48.2m grading 29.2% magnetite containing 64.1% Fe
- CPDD 065 – 39.9m grading 34.0% magnetite containing 66.2% Fe
- CPRC 045 – 31m grading 35.6% magnetite containing 67.6% Fe

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

<p align="center"><b>TABLE 6</b>  <b>PAPAGAYO RIDGE DIAMOND DRILL HOLES</b>  <b>DTR RESULTS FOR MAGNETITE MINERALISATION</b></p>										
Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	S %	P %	LOI %
CPDD 001	37.4	114.4	77.0	29.58	65.85	4.17	0.32	0.000	0.010	-3.03
CPDD 053	0.0	40.5	40.5	41.42	68.07	2.48	0.19	0.000	0.000	-2.70
CPDD 064	0.0	2.10	2.10	25.00	63.43	0.78	0.54	0.000	0.010	-1.50
	34.0	63.0	29.0	17.60	62.03	6.05	0.55	0.000	0.010	-1.85
CPDD 065	29.45	49.9	20.45	22.98	65.38	3.975	0.51	0.000	0.010	-0.00
	52.9	58.9	6.0	33.33	64.74	6.59	0.74	0.000	0.010	-2.04
	61.90	101.8	39.9	33.98	66.23	3.65	0.67	0.000	0.010	-2.28
CPDD 071	13.0	29.8	16.8	20.63	66.55	3.71	0.51	0.000	0.010	-1.51
	34.0	50.0	16.0	23.91	68.76	2.13	0.40	0.000	0.000	-2.51
	63.0	68.6	5.6	43.2	68.53	2.03	0.63	0.000	0.010	-2.46
CPDD 083	18.4	21.4	3.0	14.29	56.55	13.04	1.67	0.030	0.020	-1.15
	31.7	48.95	17.25	18.73	64.55	6.27	0.70	0.020	0.010	-0.00
CPDD 085	40.10	88.30	48.2	29.2	64.07	6.06	0.74	0.000	0.010	-0.00
CPDD 087	15.0	39.0	24.0	28.41	62.86	6.08	0.52	0.000	0.010	-0.00
	48.9	66.5	17.6	30.74	61.66	8.45	0.87	0.030	0.020	-1.78
	80.4	122.0	41.6	41.76	61.44	6.12	0.31	0.000	0.010	-1.93
	133.75	141.7	7.95	24.26	62.19	6.61	0.78	0.060	0.010	-2.75

<p align="center"><b>TABLE 7</b>  <b>PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES</b>  <b>DTR RESULTS FOR MAGNETITE MINERALISATION</b></p>										
Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	S %	P %	LOI %
CPRC 045	96.0	121.0	25.0	32.07	67.81	2.98	0.26	0.000	0.000	-3.00
CPRC 046	12.0	43.0	31.0	35.56	67.58	2.34	0.10	0.000	0.000	-2.70
	44.0	46.0	2.0	25.25	66.81	3.61	0.40	0.000	0.010	-2.97
	118.0	138.0	20.0	40.71	67.05	3.85	0.20	0.000	0.010	-3.25
CPRC 056	1.0	6.0	5.0	39.30	60.28	2.20	1.44	0.000	0.000	-1.50
	16.0	24.0	8.0	29.28	64.70	4.85	0.42	0.000	0.010	-2.07
CPRC 060	6.0	15.0	9.0	4.34	34.31	24.21	6.48	0.080	0.220	-0.00
	18.0	24.0	6.0	4.19	45.15	12.72	3.70	0.100	0.090	-0.00
CPRC 062	17.0	23.0	6.0	9.61	61.50	7.37	1.15	0.000	0.010	0.00
CPRC 063	0.0	8.0	8.0	9.69	55.72	11.05	1.03	0.010	0.012	-0.48
CPRC 066	12.0	15.0	3.0	19.74	61.74	6.72	0.54	0.020	0.020	-2.47
	17.0	20.0	3.0	36.34	64.91	3.89	0.34	0.010	0.000	-2.79
	52.0	59.0	7.0	37.45	68.08	3.73	0.56	0.030	0.010	-3.11
	62.0	65.0	3.0	32.68	56.21	10.72	0.40	0.070	0.010	-1.84
	72.0	75.0	3.0	48.65	68.41	2.95	0.77	0.010	0.010	-2.76
CPRC 067	19.0	32.0	13.0	33.06	68.04	4.48	0.40	0.010	0.010	-2.72
	37.0	66.0	29.0	19.71	65.57	4.95	0.47	0.030	0.010	-0.00
CPRC 068	7.0	12.0	5.0	33.57	69.64	1.37	0.34	0.000	0.010	-0.00
	14.0	22.0	8.0	17.21	65.70	5.10	0.45	0.05	0.01	-2.72
	28.0	35.0	7.0	33.17	65.97	2.09	0.30	0.000	0.000	-0.00
CPRC 069	23.0	33.0	10.0	21.34	66.46	4.17	0.47	0.030	0.010	-2.98
CPRC 075	12.0	36.0	24.0	20.82	66.57	4.75	0.57	0.000	0.010	-2.71
	39.0	56.0	17.0	17.78	65.75	4.77	0.49	0.000	0.010	-2.67

<p align="center"><b>TABLE 7 (Continued)</b>  <b>PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES</b>  <b>DTR RESULTS FOR MAGNETITE MINERALISATION</b></p>										
Drill Hole	From (m)	To (m)	Intercept (m)	Mass %	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	S %	P %	LOI %
CPRC 076	8.0	15.0	7.0	24.43	65.62	4.93	0.49	0.000	0.010	-2.42
	20.0	22.0	2.0	28.71	64.32	5.30	0.69	0.000	0.010	-2.35
	24.0	29.0	5.0	29.41	65.83	5.28	0.55	0.010	0.010	-2.74
	30.0	43.0	13.0	13.16	63.36	7.04	1.46	0.020	0.020	-2.52
	53.0	74.0	21.0	26.40	66.80	4.20	0.37	0.000	0.000	-3.19
	78.0	79.0	1.0	42.73	67.92	3.18	0.31	0.010	0.000	-3.21
CPRC 078	7.0	25.0	18.0	34.47	67.03	2.66	0.29	0.000	0.010	-1.63
	26.0	31.0	5.0	11.72	67.31	2.89	0.45	0.000	0.010	-0.00
	37.0	40.0	3.0	20.02	66.64	3.11	0.40	0.000	0.010	-0.00
CPRC 082	19.0	47.0	28.0	20.71	63.23	6.17	0.81	0.010	0.010	-1.97
CPRC 086	65.0	89.0	24.0	34.21	64.56	4.56	0.32	0.000	0.010	-2.04
CPRC 106	9.0	23.0	14.0	28.14	67.29	3.89	0.46	0.000	0.010	-2.75
	24.0	34.0	10.0	25.62	67.48	3.34	0.47	0.000	0.010	-0.00
	38.0	41.0	3.0	22.37	64.66	5.54	0.65	0.010	0.010	-0.00
	42.0	48.0	6.0	20.83	63.99	6.45	0.92	0.020	0.020	-0.00
CPRC 110	13.0	32.0	19.0	21.07	67.57	3.79	0.51	0.000	0.010	-3.14
	33.0	42.0	9.0	30.52	68.12	3.13	0.33	0.000	0.010	-3.27

#### ***Metallurgical Test Work***

The company is evaluating the merits of replacing the proposed sinter plant with a pellet plant and has received a proposal for first pass test work to produce a pellet feed from the magnetite concentrate. Samples for the proposed work are being selected from material currently stored in Perth. Following the completion of this testwork a final flow sheet will be developed.

#### ***Pre-Feasibility Study***

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

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

#### ***Mine Planning***

Coffee International has been engaged to assist Gladiator with mine planning and mine design. During the quarter a draft report was received from Coffey based on the initial inferred mineral resource estimate of 58Mt grading 28% Fe at Cerro Papagayo and Cerro Iman announced during the previous quarter.

A total mineable resource of 45.9Mt at a waste to ore ratio of approximately 4:1 was estimated by Coffey comprising:

- Cerro Papagayo – 28.6Mt yielding 10.1Mt concentrate containing 66.26% Fe
- Cerro Iman – 17.3Mt yielding 5.7Mt concentrate containing 65.81% Fe

Two alternative production rates were studied:

- 0.75Mtpa concentrate production (sufficient for 500,000 tpa of pig iron). This production rate gave a mine life of 22 years and required upfront capital of US\$5.5M with operating costs of US\$1.83 per tonne of rock mined.

- 2.0Mtpa concentrate production. This production rate gave a mine life of 9 years and required upfront capital of US\$10.4M with operating costs of US\$1.46 per tonne of rock mined.

The Company is encouraged by these initial figures because they are based on a very constrained mineral resource estimated from drilling and assay results available as at 28 February 2011, comprising 4,930 metres of drilling from 76 drill holes and 1640 samples. Since this mineral resource estimate was carried out a considerable amount of additional drilling and sampling has been undertaken at Cerro Papagayo, Cerro Iman, Papagayo Ridge and Buena Orden Ridge and most holes have intersected significant intersections of magnetite mineralisation. As at the end of September 236 holes have been drilled for 20,768 metres and 4,977 samples submitted for analysis. Consequently taking into consideration the more recent drilling results the Company considers the current resource estimate to be conservative.

#### Concentrator

Design of the concentrator is continuing however finalisation of the flow sheet is dependant on the completion of metallurgical testwork.

#### Charcoal Production

The Company's timber consultants have commenced work on the sourcing of both short term and long term supplies of timber suitable for the production of high quality charcoal.

DPC has issued a draft of the final report on the charcoal testwork undertaken by them. The report has been reviewed and is to be issued in its final form. The report confirms the quality of the test samples and identifies the most suitable timber species for the production of high quality charcoal.

#### Sinter Plant & Blast Furnace

MiniTec has substantially completed a first draft of the blast furnace and sinter plant study.

#### Environment

Work on the Environmental Impact Assessment Study is continuing and is expected to be completed by the end of 2011.

### **BIOMASS PYROLYSIS TECHNOLOGY**

#### **LICENSING RIGHTS TO DPC PROCESS**

#### **ACTIVITIES UNDERTAKEN DURING THE QUARTER**

##### ***DPC Process and Zapucay Project***

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

#### ***PROJECT OVERVIEW AND BACKGROUND***

##### ***Licensing Agreement***

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

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

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

### ***DPC Process***

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

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

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

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

### **GOLD and NICKEL**

#### **EAST KALGOORLIE**

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

Interest: 100%

Operator: Gladiator Resources Ltd

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

#### **Joint Venture with Octagonal**

The joint venture with Octagonal deals with the rights to gold on the project area. Under the terms of the Joint Venture, Octagonal has an option to earn a 70% interest in the rights for gold in the project tenements by expending \$800,000 on exploration by 24 March 2012 after which Octagonal may elect to earn an additional 10% interest by expending a further \$300,000. Expenditure by Octagonal during the September quarter amounted to \$55,732 bringing the total expenditure credited to Octagonal for the project to \$725,741.

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

#### **Summary of Work Completed by Octagonal**

Work completed by Octagonal during the September quarter included:

- Completion of 14 aircore drill holes aggregating 606 metres at the Burns Prospect and Salt Creek – Lucky Bay Gravity Trend. No significant results were recorded.

- Data from 168 station gravity survey completed during the previous quarter was processed and interpreted.
- Heritage survey completed to gain access to salt lakes and lake margins.

### **Aircore Drilling**

During July and August 2011 Octagonal drilled 14 aircore holes aggregating 606 metres on a 160 metre by 640 metre spaced grid to test for gold anomalism in the regolith that may lead to the discovery of a major gold deposit. The areas tested were located within the Burns Prospect and the Salt Creek – Lucky Bay Gravity Trend.

### ***Burns Prospect***

The Burn's Prospect is characterised by a discrete granite intrusive with associated low magnetic and gravity signatures that intrudes a thrust package of mafic, ultramafic and meta-sedimentary rocks. The granite has caused doming of the greenstone sequence resulting in the creation of dilational jogs associated with northwest trending structures and localised lithological and structural complexity that form ideal sites for the deposition of gold. Evidence of intense fluid flow is supported by a high-magnetic alteration halo that surrounds the granite.

Two aircore holes totaling 144 metres, were drilled at the Burns Prospect during the quarter. This drilling intersected mafic rocks under transported Recent and Tertiary sediments, but failed to return any significant gold in regolith results.

### ***Salt Creek – Luck Bay Gravity Trend***

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

Twelve aircore holes totaling 462 metres, were drilled at the Salt Creek – Lucky Bay Gravity Trend during the quarter. This drilling intersected a combination of mafic, ultramafic, and metasedimentary rocks under transported Recent and Tertiary sediments, but failed to return any significant gold in regolith results.

The 1,300 metre long northwest striking gold in regolith anomaly identified by aircore drilling during the previous Quarter was constrained by drilling to the north and west.

### **Heritage Survey**

During July a heritage survey was undertaken at the Hogan's Project with representatives from the Ngadju and Central East Native Title claimant groups. The aim of this survey was to allow for exploration activity within 200 metres of and on salt lakes.

The results of this survey were successful. Programme specific clearance was granted to allow for the completion of the Company's planned 160 metre by 640 metre spaced regional aircore drilling programme.

### **Gravity Survey**

During April 2009 Newmont completed a 648 station regional ground gravity survey over the project area using a combination of 800 metre by 400 metre and 1,600 metre by 400 metre spaced grids.

The main reason for this survey was to map a major fault associated with the Salt Creek Mine and Lucky Bay Prospect that extends south into the Hogan's Project area. Following the survey this

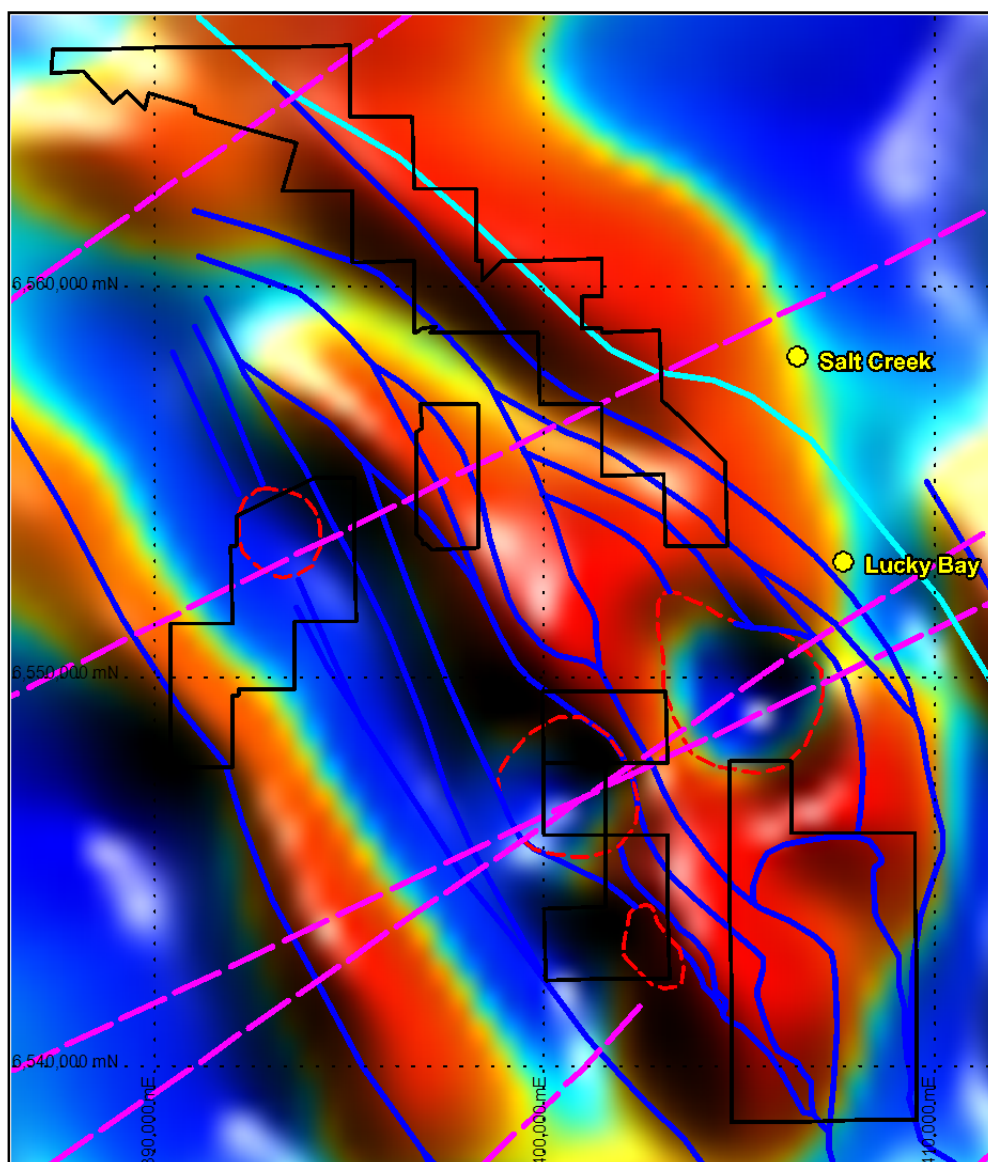


fault was demonstrated to extend over 20 kilometres on the Hogan's Project area and represents the priority Salt Creek – Lucky Bay Gravity Trend target.

During June a 168 station ground gravity survey was undertaken in order to complete regional gravity coverage over the entire project area using a 400 metre by 800 metre spaced grid with the aim of better defining gravity gradients and deep penetrating structures to generate and refine regional exploration targets.

The data was merged with the 2009 survey data and regional historic gravity data from the 1:250,000 Widgiemooltha map sheet to produce images for interpretation (Figure 5).

Interpretation of this gravity survey data reveals a good correlation between magnetically defined stratigraphic boundaries and gravity interpreted stratigraphy. The domain bounding Mt Monger Fault and Randall Fault are clearly defined, as are the discrete low gravity granite intrusives. The area is also cut by a number of regionally pervasive northeast trending gravity lineaments that cut high-gravity trends and may form preferential mantle tapping fluid conduits where they intersect major north-south and northwest trending structures.



*Figure 5: Hogan's Project – Interpreted Gravity Image*

**Legend:**

- Blue lines:** stratigraphic boundaries
- Light Blue lines:** domain bounding structures
- Purple dashed lines:** northeast trending lineaments
- Red dashed lines:** low gravity discrete granite intrusions

### Proposed Future Activities

Octagonal are planning to undertake further regional air core drilling during the next quarter.

Signed on behalf of the Board of Gladiator Resources Limited

#### For further information:

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Director/Secretary

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*The information in this report that relates to exploration results is based on information compiled by Alex Nutter who is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Alex Nutter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources is based upon information compiled by Bernardo Viana, a geologist with 10 years relevant experience, who is a Member the Australian Institute of Geoscientists. Mr Viana is a full time employee of Coffey Mining Pty Ltd and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Viana consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.*

### Forward-Looking Statement

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

## Appendix 5B

### Mining exploration entity quarterly report

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

Name of entity

GLADIATOR RESOURCES LIMITED

ABN

58 101 026 859

Quarter ended ("current quarter")

30 SEPTEMBER 2011

#### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	--	--
1.2	Payments for (a) exploration & evaluation	(1,910)	(1,910)
	(b) development	--	--
	(c) production	--	--
	(d) administration	(202)	(202)
1.3	Dividends received	--	--
1.4	Interest and other items of a similar nature received	8	8
1.5	Interest and other costs of finance paid	--	--
1.6	Income taxes paid	--	--
1.7	Other (GST)	91	91
<b>Net Operating Cash Flows</b>		<b>(2,013)</b>	<b>(2,013)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	--	--
	(b) equity investments	--	--
	(c) other fixed assets	(16)	(16)
1.9	Proceeds from sale of: (a) prospects	--	--
	(b) equity investments	--	--
	(c) other fixed assets	--	--
1.10	Loans to other entities	--	--
1.11	Loans repaid by other entities	--	--
1.12	Other (provide details if material)	(171)	(171)
<b>Net investing cash flows</b>		<b>(187)</b>	<b>(187)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(2,200)</b>	<b>(2,200)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,200)	(2,200)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	130	130
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	--	--
1.18	Dividends paid	--	--
1.19	Other (capital raising costs)	--	--
	<b>Net financing cash flows</b>	130	130
	<b>Net increase (decrease) in cash held</b>	(2,070)	(2,070)
1.20	Cash at beginning of quarter/year to date	4,522	4,522
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,452	2,452

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	164
1.24	Aggregate amount of loans to the parties included in item 1.10	--

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	--
4.3 Production	--
4.4 Administration	300
<b>Total</b>	<b>600</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	122	322
5.2 Deposits at call	2,200	4,200
5.3 Bank overdraft	--	--
5.4 Other (share application account)	130	--
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,452</b>	<b>4,522</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		(refer attached notes)		
6.2 Interests in mining tenements acquired or increased		(refer attached notes)		

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*


		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference + securities</b> <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+ Ordinary securities</b>	116,179,949	116,179,949		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,000,000	2,000,000		
7.5	<b>+ Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	7,236,923	--	<i>Exercise price</i> \$0.065	<i>Expiry date</i> 31/12/2011
		1,500,000	--	\$0.35	06/07/2012
		6,500,000	--	\$0.50	06/07/2013
		6,000,000	--	\$0.70	06/07/2013
		13,267,389	--	\$0.40	31/12/2012
		1,000,000	--	\$0.30	31/12/2013
		1,000,000	--	\$0.40	31/12/2013
7.8	Issued during quarter				
7.9	Exercised during quarter	2,000,000	--	\$0.065	31/12/2011
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
(Director)

Date: 27 October 2011

Print name: JOHN PALERMO

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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