



GLADIATOR RESOURCES LIMITED
(ABN 58 101 026 859)

**INTERIM FINANCIAL STATEMENT
31 DECEMBER 2011**



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

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GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors present their financial report on the consolidated entity consisting of Gladiator Resources Limited and its controlled entities for the half-year ended 31 December 2011.

DIRECTORS

The following persons were directors of Gladiator Resources Limited during the whole of the half-year and up to the date of this consolidated financial report. Directors were in office for this entire period unless otherwise stated.

Leonard Dean (Chairman)
Robert Timothy Adams
John Palermo
Stuart John Hall
Daniel Bruno

REVIEW OF OPERATIONS

OVERVIEW

During the reporting period, the Company concentrated its efforts on the Isla Cristalina Joint Venture in Uruguay and earned an additional 31% interest in the project by completing expenditure in excess of \$5 million on work programmes, bringing Gladiator's interest to 51%. The Company is continuing to earn additional interest in the project and is currently undertaking the work necessary to complete a pre-feasibility study on the Zapucay Iron Project.

Considerable work was undertaken in advancing the evaluation of the magnetite resources within the Zapucay Project including the drilling and sampling of a further 127 holes aggregating 12,562 metres. Head assay results were received for 89 drill holes from Cerro Papagayo, Papagayo Ridge Line and Cerro Iman, many of which recorded thick intersections of magnetite mineralisation. Davis Tube Recovery (DTR) results were received for a further 67 holes from Papagayo Ridge Line and Buena Orden. The DTR results continue to be encouraging and confirm that a high quality magnetite concentrate can be produced containing very low levels of contaminants such as sulphur and phosphorous.

Work continued on the preparation of a pre-feasibility study for the Zapucay Project including metallurgical test work, mine planning, plant design, charcoal production, logistics and environmental studies. DPC issued a final report on the charcoal testwork undertaken and has identified the most suitable timber species for the production of high quality charcoal. The Company's timber consultants commenced work on the sourcing of both short term and long term supplies of timber suitable for the production of high quality charcoal.

Based on economic and environmental considerations, the Company concluded that a pellet plant offers a more attractive alternative to a sinter plant, consequently work is being carried out on the evaluation and design of a pellet plant. Indicative pig iron chemistry has been prepared based on concentrate produced from the project and shows pig iron from the Zapucay project should be of similar quality to basic pig iron with the advantage of substantially lower contents of phosphorus and sulphur.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

Work was commenced on evaluating additional iron ore prospects within the joint venture ground including Areicua, Curtume and Caraguatá. Subject to drill evaluation, these have the potential to become standalone projects or allow expansions of the Zapucay Project. In addition, work has also commenced on exploration for base metals within the joint venture area.

Octagonal continued with exploration over the Hogan's joint venture ground and carried out further air core drilling and gravity surveys.

Shortly after the end of the reporting period, the Company announced its intention to undertake a rights issue to raise approximately \$6.1 million before costs. The monies raised will be used to fund ongoing exploration, engineering and metallurgical studies and progressing the pre-feasibility study on 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

PROJECT OVERVIEW AND BACKGROUND

Agreement

The Company entered into an Option and Joint Venture Agreement with Orosur Mining Inc ("OMI") whereby the Company can earn up to an 80% interest in the iron ore, manganese ore and base metals in OMI's project area at the Isla Cristalina Belt ("ICB") in Uruguay (Figures 1 and 2).



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*



Figure 1: Location of Isla Cristalina Belt in Uruguay

The Agreement with OMI provides for Gladiator to earn a 20% interest in the joint venture by expending USD \$1,000,000 on work programmes (completed). Gladiator may, at its discretion, earn a further 31% by expending a further USD \$4,000,000 taking its interest to 51% (completed). As allowed for under the agreement, Gladiator has elected to earn a further 29% taking its interest to 80% by producing a bankable feasibility study on or before 31 December 2015.

The Agreement anticipates the formation of a joint venture via an incorporated entity in Uruguay with the joint venture parties holding their respective interests in the incorporated entity.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

Geology

The Isla Cristalina Belt is a Palaeoproterozoic orogenic belt located in Northern Uruguay, with approximate dimensions of 100 kms by 40 kms, and which hosts several discrete iron formation occurrences, several of which are located within the Joint Venture Project area, in particular at Zapucay which forms the principal project. Additional areas within the joint venture ground include Areicua, Curtume and Caraguatá and subject to drill evaluation these have the potential to become standalone projects or allow expansions of the Zapucay Project (Figure 2).

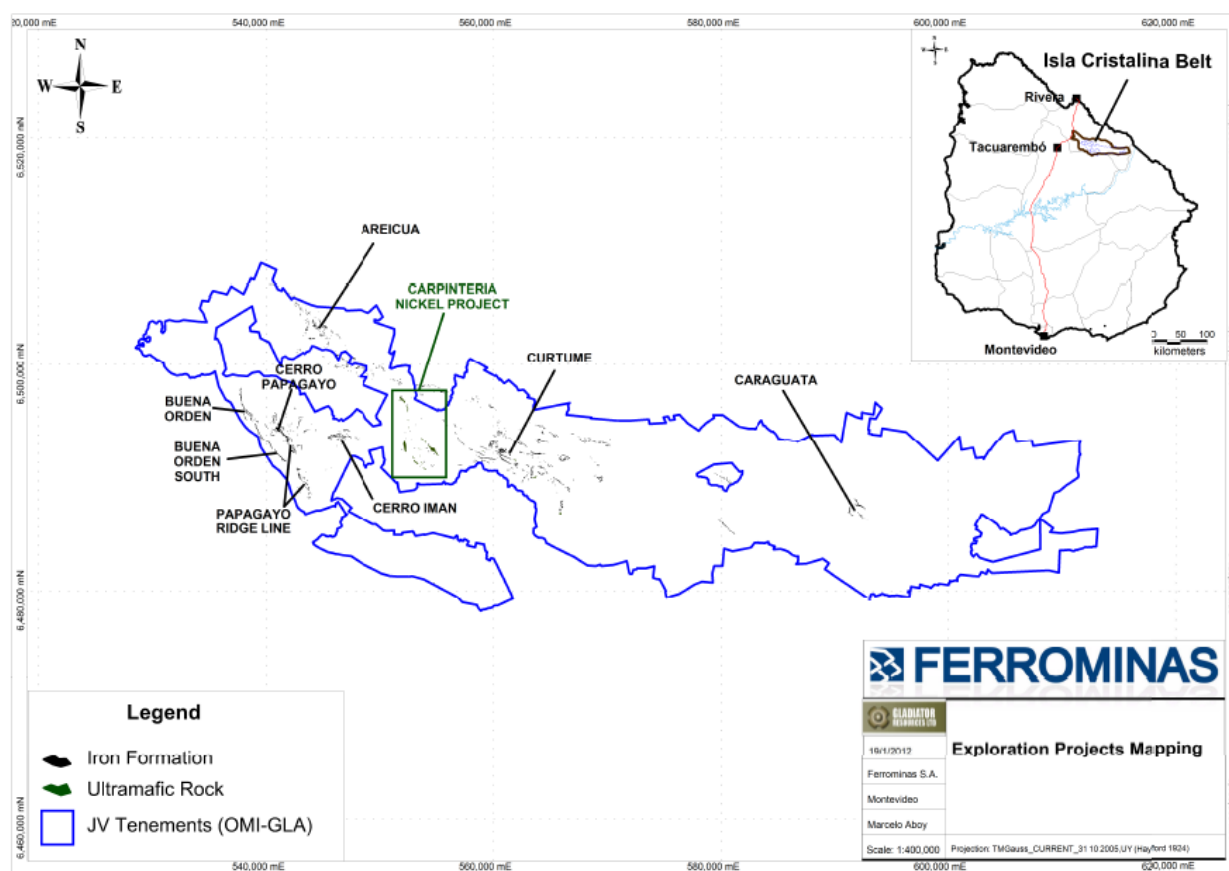


Figure 2: Location of Joint Venture Tenements, Ironstone and Main Projects

The project area comprises 750 km² in the ICB district of Uruguay and is located approximately 400 kms north of Montevideo, the capital of Uruguay and some 50 kms from the border with Brazil (Figure 1).

The rocks comprise a package of basement gneisses, quartzites, schists and metamorphic sedimentary and volcanic rocks. Historic reports viewed by the Company indicate that the project area is prospective for iron ore, manganese ore and base metals.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

Development Concept

The Company completed a conceptual study on the project as part of Gladiator's obligations under the Option Agreement. Based on the results of the study, Gladiator is of the opinion that the Zapucay Project has the potential for the development of a financially attractive project based on the production of pig iron using the iron ore resources located within the project tenements.

The concept envisages that the iron ore will be mined and processed to an iron concentrate, which will then be pelletised to make it suitable as a blast furnace feed. Charcoal, produced using the timber from nearby plantations, will be used as the reductant in the mini blast furnace. The pig iron will then be exported using the established rail and port infrastructure.

A sealed road passes within 10 kms of the project area, the electrical grid terminates less than 20 kms from the project and employees experienced in mining and forestry can be sourced from population centres in the vicinity of the project.

ACTIVITIES UNDERTAKEN DURING THE REPORTING PERIOD

The following activities were undertaken within the Joint Venture tenements during the six months ending 31 December 2011:

Joint Venture Agreement

Towards the end of August 2011, Gladiator earned an additional 31% interest in the Isla Cristalina Joint Venture project by confirming expenditure in excess of \$5 million on work programmes, which was required expenditure for earning a 51% interest. 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.

Zapucay Project – Iron

- 127 holes aggregating 12,562 metres of resource drilling at Cerro Papagayo, Papagayo Ridge Line and Buena Orden;
- 18 holes aggregating 1,074 metres of sterilisation drilling at the proposed plant site;
- Head assay data received for a further 89 holes from Cerro Papagayo, Papagayo Ridge and Cerro Iman many of which record thick intersections of magnetite mineralisation;
- Davis Tube Recovery (DTR) results received for a further 67 holes from Papagayo Ridge Line and Buena Orden;
- Indicative pig iron chemistry prepared based on concentrate produced from the project;
- Work continued on the preparation of the pre-feasibility study; and
- Work essentially completed on Environmental Impact Assessment.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Curtume Project – Iron

- Geological mapping of iron mineralisation completed at Curtume and DTR results from rock chip samples received.

Areicua Project – Iron

- DTR results from rock chip samples received.

Caraguatá Project – Iron

- Geological mapping and sampling of iron mineralisation commenced.

Base Metals Exploration

- Geological mapping and sampling undertaken over the Carpinteria nickel prospect and the Las Flores IOCG prospect.

ZAPUCAY PROJECT

Drilling

Drilling, utilising one RC rig and one diamond rig, was undertaken during the six months ending 31 December 2011 at the Cerro Papagayo, Papagayo Ridge and Buena Orden magnetite deposits within the Zapucay Project (Figure 3). A total of 98 RC drill holes aggregating 9,745 metres and 29 diamond holes aggregating 2,817 metres were completed during the six months (Table 1). The main objective of this drilling programme was to provide additional information on the quality and continuity of magnetite mineralisation down dip and along strike.

In addition, sterilisation drilling comprising 18 RC holes aggregating 1,074 metres was completed to test a potential plant site (Table 1). No mineralisation was intersected in these holes.

TABLE 1
ZAPUCAY PROJECT
DRILL HOLES COMPLETED JULY - DECEMBER 2011

Location	RC Drilling		Diamond Drilling	
	Holes	Metres	Holes	Metres
Cerro Papagayo	35	3,340	4	339
Papagayo Ridge	55	5,351	21	2,136
Buena Orden	8	1,054	4	342
Plant Site Sterilisation	18	1,074	0	0
TOTAL	116	10,819	29	2,817

Totals of 233 RC drill holes aggregating 21,092 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. A summary of this drilling is presented in Table 2.



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

TABLE 2 ZAPUCAY PROJECT DRILL HOLES COMPLETED AUGUST 2010 – DECEMBER 2011				
Location	RC Drilling		Diamond Drilling	
	Holes	Metres	Holes	Metres
Cerro Iman	37	2,935	18	699
Cerro Papagayo	53	5,081	20	1,501
Papagayo North	19	1,304	0	0
Papagayo Ridge	87	8,666	31	2,929
Buena Orden	19	2,032	12	1,065
Sterilisation	18	1,074	0	0
Total	233	21,092	81	6,194
TOTAL	314 holes for 27,286 metres			

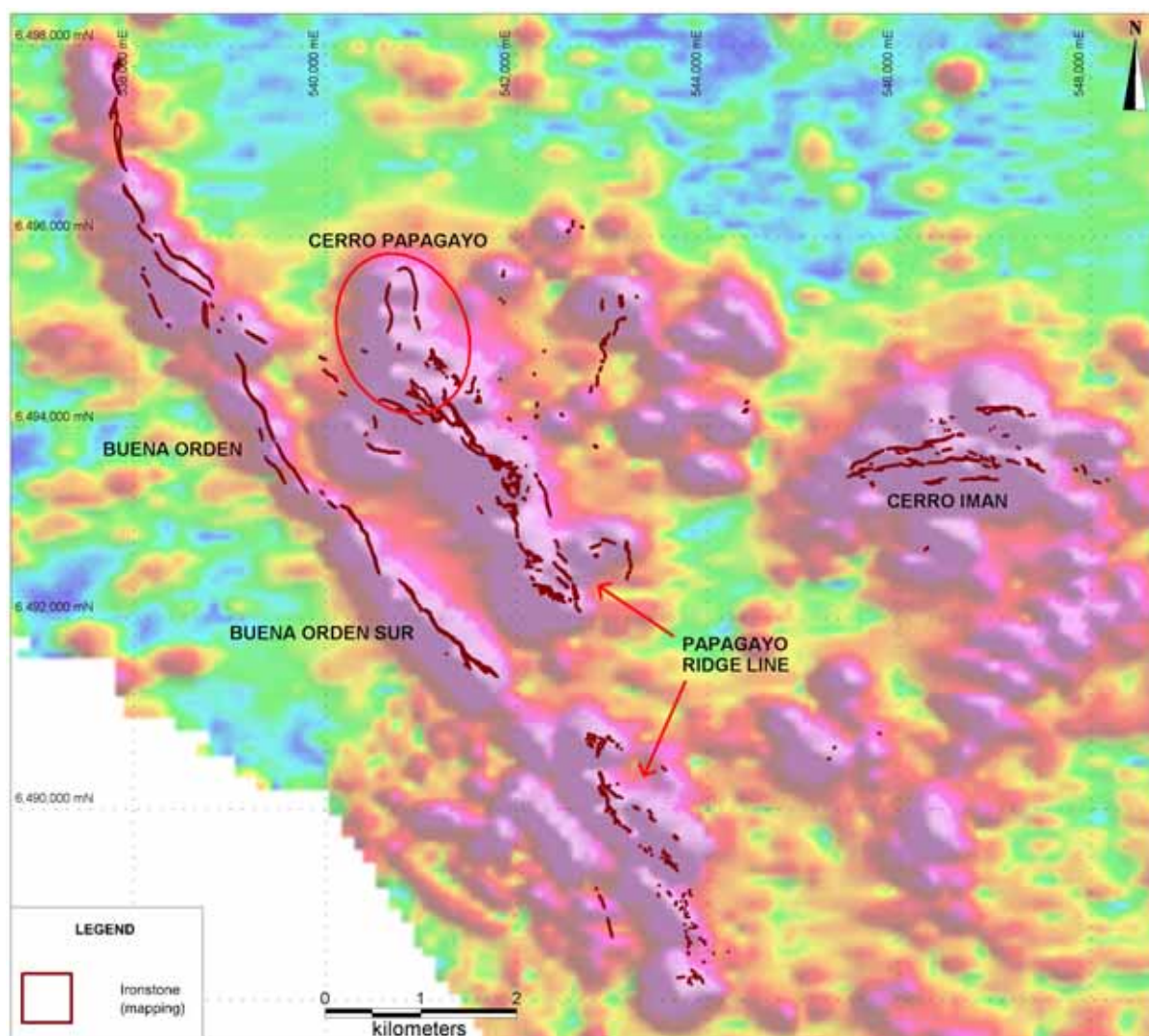


Figure 3: Zapucay Project – Location of Magnetite Deposits



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

Analytical Results

The Orosur Mining Inc laboratory in Uruguay is being used for sample preparation with analytical work being undertaken in Perth. During the six months ending 31 December 2011, a further 2,746 samples were sent to Perth for analysis (Table 3).

As at the end of December 2011, 6,674 samples had been sent to Perth for analysis and DTR determination. A summary of samples submitted for assay is provided in Table 3.

TABLE 3 ZAPUCAY PROJECT SAMPLES SUBMITTED FOR ASSAY AS AT 31 DECEMBER 2011									
Location	Previous			Six Months to December 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	34	74	0	663	652	0
Papagayo North	242	0	0	0	0	0	242	0	0
Papagayo Ridge	481	74	0	1,705	470	0	2,186	544	0
Buena Orden	52	15	0	0	0	0	52	15	0
Buena Orden South	243	115	0	252	84	0	495	199	0
Project Area	0	0	69	0	0	127	0	0	196
TOTAL	2,758	1,101	69	1,991	628	127	4,749	1,729	196
GRAND TOTAL	3,928			2,746			6,674		

During the six-month period to 31 December 2011, head assay results for 34 diamond drill holes (Appendix 1) and 48 RC drill holes (Appendix 2) from Papagayo Ridge line and 7 RC drill holes from Cerro Iman (Appendix 3) were received. Numerous thick intersections of magnetite mineralisation were recorded from Papagayo Ridge line.

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

- CPDD 122 – 96.8m @ 25.75% Fe
- CPRC 177 – 106m @ 23.06% Fe
- CPDD 203 – 78.8m @ 27.58% Fe
- CPDD 164 – 112.4m @ 18.96% Fe
- CPRC 114 – 108m @ 19.7% Fe
- CPRC 196 – 65m @ 29.82% Fe
- CPDD 001 – 79.2m @ 24.27% Fe
- CPRC 124 – 67m @ 27.43% Fe
- CPDD 087 – 75.5m @ 23.62% Fe
- CPDD 218 – 67.85m @ 26.34% Fe
- CPDD 112 – 59.35m @ 28.61% Fe
- CPDD 250 – 55.4m @ 29.6% Fe
- CPDD 080 – 58.4m @ 27.76% Fe
- CPDD 073 – 79.2m @ 19.9% Fe



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

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 six-month period to 31 December 2011, DTR results were received for 21 diamond drill holes (Appendix 4) and 46 RC drill holes (Appendix 5) from the Papagayo Ridge and Buena Orden ridge lines. It should be noted that the DTR data are incomplete with additional DTR results pending for samples from several drill holes.

The results show several thick intersections of magnetite mineralisation with high recovery of excellent quality magnetite. The most significant results from the Papagayo Ridge line include:

- CPDD 122 – 87m grading 35.7% magnetite containing 67.8% Fe
- CPRC 196 – 65m grading 39.1% magnetite containing 67.0% Fe
- CPDD 001 – 77m grading 29.6% magnetite containing 65.9% Fe
- CPRC 124 – 62m grading 36.4% magnetite containing 67.8% Fe
- CPDD 112 – 59.4m grading 36.1% magnetite containing 68.0% Fe
- CPRC 177 – 59m grading 36.3% magnetite containing 67.2% Fe
- CPDD 080 – 55.4m grading 32.0% magnetite containing 67.7% 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
- CPRC 179 – 42m grading 33.9% magnetite containing 68.8% 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

The DTR results are very encouraging 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 line.

Pre-Feasibility Study

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

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



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

Work undertaken on the pre-feasibility study undertaken during the six-month period to 31 December 2011 is summarised below.

Metallurgical Test Work

During the six month period, the Company completed an evaluation of the merits of replacing the proposed sinter plant with a pellet plant and also received assay results for the testwork to investigate the production of high grade pellet feed from the magnetite concentrate.

Samples representing high and low manganese ore from both Cerro Papagayo and Cerro Iman were evaluated. Liberation of magnetite was substantially achieved at a grind of approximately 75 microns with a slight improvement at finer grind sizes. A grind of approximately 45 microns is typically best for pelletisation. Both the high and low manganese ores produced very high quality concentrate with very low content of phosphorus and sulphur.

Mine Planning

Coffey International has been engaged to assist Gladiator with mine planning and mine design. During the period under review, 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 previously announced.

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; and
- 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; and
- 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 December 2011, 296 holes have been drilled for 26,212 metres and 6,674 samples submitted for analysis. Consequently taking into consideration the more recent drilling results, the Company considers the current resource estimate to be conservative.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

Concentrator

Design of the concentrator continued however finalisation of the flow sheet is dependent on the completion of metallurgical testwork. EPMS are updating a report on completed test work and the concentrator design to include the production of pellet feed.

Charcoal Production

DPC issued a final report on the charcoal testwork undertaken by them. The report confirms the quality of the test samples and identifies the most suitable timber species for the production of high quality charcoal.

The Company's timber consultants commenced work on the sourcing of both short term and long term supplies of timber suitable for the production of high quality charcoal. Longer-term supply is focused on the development of dedicated plantations located close to the project site growing high dry density eucalypts.

Discussions have commenced with potential suppliers of timber for the project and a draft memorandum of understanding has been drafted.

Work on the design and costing of the satellite charcoal plants based on the DPC process was completed. Each site will comprise:

- Four DPC batteries of 10 kilns each;
- Timber storage area;
- Charcoal storage area;
- Buildings, weighbridge and roads;
- Power and water supply; and
- Emergency fire control system.

Pellet Plant

EPMS developed indicative chemistries for fully fluxed and acid pellets (Table 4) based on concentrate chemistry from the high and low manganese ores.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

TABLE 4 ZAPUCAY PROJECT INDICATIVE CHEMISTRIES FOR FULLY FLUXED AND ACID PELLETS				
Parameter	Fully Fluxed Pellets		Acid Pellets	
	Average Low Mn Concentrate	Average High Mn Concentrate	Average Low Mn Concentrate	Average High Mn Concentrate
Fe	65.77%	63.38%	66.72%	64.46%
FeO	0.50%	0.50%	0.50%	0.50%
SiO₂	1.49%	1.77%	1.56%	1.85%
Al₂O₃	0.30%	0.31%	0.32%	0.34%
CaO	1.55%	1.84%	0.50%	0.55%
MgO	0.30%	0.28%	0.13%	0.18%
TiO₂	0.16%	0.17%	0.16%	0.17%
Cr₂O₃	0.066%	0.069%	0.067%	0.070%
Na₂O/K₂O	0.030%	0.027%	0.035%	0.033%
Mn	1.15%	3.16%	1.17%	3.21%
P	0.003%	0.002%	0.003%	0.002%
S	0.005%	0.003%	0.005%	0.005%
B₄	1.03	1.02	0.33	0.33
B₂	1.04	1.04	0.32	0.29
MgO/CaO	0.19	0.15	0.25	0.33
SiO₂/Al₂O₃	5.24	5.93	5.06	5.63

For fully fluxed pellets the following assumptions were used:

- Bentonite addition of 8 kg/t pellets;
- Limestone addition of between 25 to 40 kg/t; and
- Dolomite addition of between 0 to 10 kg/t.

For acid pellets the following assumptions were used:

- Bentonite addition of 10 kg/t pellets; and
- Limestone addition of between 7 to 10 kg/t.

Sinter Plant

Based on economic and environmental considerations, the Company concluded that a pellet plant offers a more attractive alternative to a sinter plant consequently no further work on the design of a sinter plant is currently planned.

Blast Furnace

A revised draft of the MiniTec design and costing study has been received and is being reviewed and modified to reflect Uruguayan cost structures.

An indicative pig iron chemistry (Table 5) has been prepared based on the average low and high manganese fully fluxed pellet chemistries developed by EPMS and shown in table 4.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

TABLE 5			
ZAPUCAY PROJECT			
INDICATIVE PIG IRON CHEMISTRY			
Constituent	Pig Iron from Low Mn Ore	Pig Iron from High Mn ore	Typical Pig Iron From Northern Brazil
Iron	93.8%	92%	94% - 95%
Carbon	4.2%	4.2%	3.5% - 4.5%
Silicon	0.6%	0.6%	<1.5%
Manganese	1.0% to 1.2%	3.0% to 3.2%	0.5% - 1.0%
Sulphur	<0.01%	<0.01%	<0.05%
Phosphorus	<0.01%	<0.01%	<0.12%

Based on the quality of concentrate produced from testwork on the low manganese Zapucay mineralization, the pig iron from the Zapucay project will have a similar manganese content to typical basic pig iron with the bonus of substantially lower contents of phosphorus and sulphur.

Pig iron from the high manganese mineralisation should have a higher manganese content and a correspondingly lower iron content but with substantially lower contents of phosphorus and sulphur.

Logistics

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

Environment

Work on the Environmental Impact Assessment Study was substantially completed. It is planned to lodge the "Project Communication Document" with the authorities in February. This will trigger the commencement of the environmental approvals process.

Cost Estimates

Capital cost estimates were completed for the following areas:

- Blast furnace;
- Mining;
- Charcoal plants;
- Pellet plant;
- Materials handling and product logistics; and
- Ancillary areas.

Revised numbers are awaited from EPMS for the concentrator.



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

CURTUME PROJECT - IRON

Geological mapping at Curtume was completed during November. The Curtume project is located approximately 25 kms east of Cerro Papagayo (Figure 2). A significant strike length of magnetite mineralisation exists at Curtume and the near surface, shallow dipping mineralisation has the potential to contribute additional resource tonnage with low stripping costs.

DTR results have been received for 18 surface rock chip samples (Appendix 6). These initial results are encouraging as they show the widespread presence of magnetite mineralisation with high recovery of magnetite containing high iron content and low sulphur and phosphorus.

AREICUA PROJECT - IRON

The Areicua Project is located approximately 10 kms northeast of the Cerro Papagayo Project (Figure 2). DTR results have been received for 31 rock chip samples collected from the Areicua project area (Appendix 7). These initial results are encouraging as they indicate the widespread presence of high quality magnetite mineralisation.

CARAGUATÁ PROJECT - IRON

Geological mapping and rock chip sampling commenced at Caraguatá Project during the period under review. The project is located approximately 55 kms east of Cerro Papagayo (Figure 2). Results from rock chip samples collected are pending.

BASE METAL EXPLORATION

Carpinteria Nickel Prospect

The Carpinteria area is located between Cerro Iman and Curtume iron project areas (figure2) and forms part of Gladiator's Joint Venture Agreement with Orosur.

The Carpentaria project area is considered prospective for Ni-Cu massive sulphide mineralisation. Gladiator completed detailed field mapping and rock chip sampling at Carpinteria during the period under review. All exploration data is currently being reviewed with a view to developing a follow up exploration programme.

Las Flores Granite / IOCG targets.

During 2011, Coffey Mining completed an interpretation of aeromagnetic and radiometric data for the Isla Cristalina Belt. Three areas have been identified at the margins of the Las Flores granite that have potential for iron-oxide copper gold mineralisation. During the period under review, these areas were mapped and several rock chip samples submitted for multi-element analysis. The results are pending.



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

BIOMASS PYROLYSIS TECHNOLOGY

LICENSING RIGHTS TO DPC PROCESS

DPC Process and Zapucay Project

During the six-month period to 31 December 2011, DPC issued a final report on the charcoal production testwork undertaken by them. DPC is assisting Gladiator in the preparation of the pre-feasibility study for the Zapucay Project by providing data on gaseous emissions from a DPC charcoal kiln for the Environmental Impact Assessment of the 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.



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

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 (E26/107, 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 25 kms 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 credited to Octagonal up to 31 December 2011 amounted to \$758,787.

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

Work Completed by Octagonal during the six-month period to 31 December 2011

Work completed by Octagonal during the six-month period included:

- Completion of 17 aircore drill holes aggregating 679 metres at the Burns prospect, Sideshow Prospect and Salt Creek-Lucky Bay Gravity Trend. No significant results were recorded;
- Data from 168 station gravity survey processed and interpreted;
- Hyperspectral analysis completed on 225 end of hole aircore drill samples collected from E15/774, E15/803, E15/1044 and E26/108; and
- Petrological analysis was completed on two end of hole aircore drill samples collected from E15/774.

Octagonal has advised that during 2012 it is planning to undertake infill aircore drilling at the Sideshow, Burns, Quimby and Salt Lake-Lucky Bay Gravity Trend with the objective of defining gold in regolith anomalies for bedrock drill testing.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

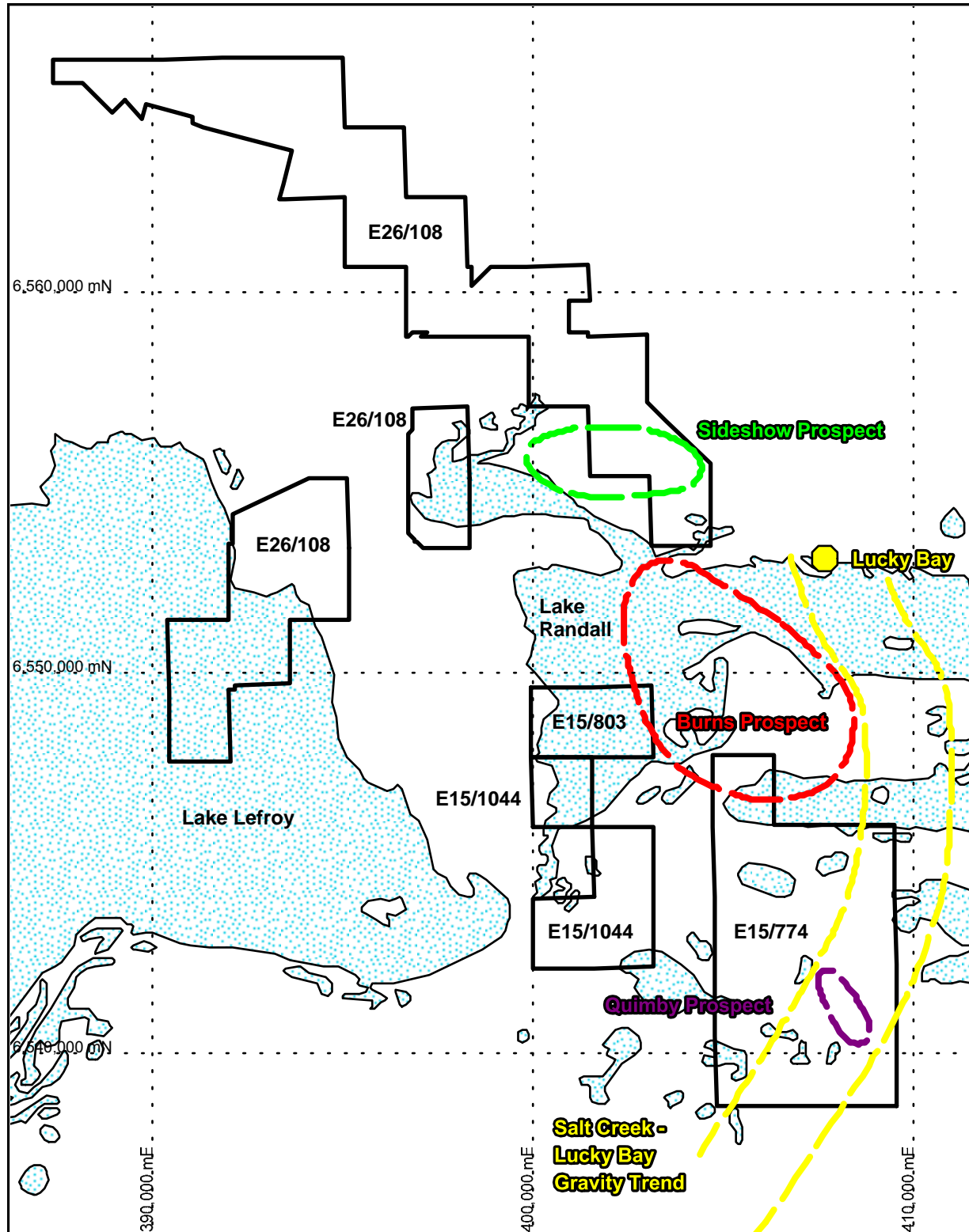


Figure 4: Hogan's Joint Venture – Exploration Targets



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

SIGNIFICANT EVENTS SINCE THE END OF THE REPORTING PERIOD

RIGHTS ISSUE

Gladiator Resources Limited (ASX: GLA) (**Company** or **Gladiator**) refers to the announcement to the market on 12 January 2012 advising of a non-renounceable rights issue to raise approximately \$6.2 million (before costs).

Subsequent to that announcement, the Company advised that Patersons Securities Limited had agreed to fully underwrite a renounceable rights issue based on revised terms of the Rights Issue. Patersons has also agreed to act as joint lead manager of the Rights Issue, together with Cunningham Peterson Sharbanee Securities Pty Ltd.

The Company now intends to proceed with the renounceable rights issue of 101,468,349 shares to raise approximately \$6.1 million (before costs). Under the Rights Issue, eligible shareholders will be entitled to subscribe for nine (9) fully paid ordinary shares for every eleven (11) fully paid ordinary shares held as at 5.00pm (WST) on a date to be set out in a prospectus relating to the Rights Issue. The new shares will be offered at \$0.06 per share. Applicants for new shares will receive one free attaching option for every new share subscribed for under the Rights Issue.

The new options to be issued under the Rights Issue will be exercisable at \$0.10 on or before 5.00pm (WST) on 30 June 2015. The Company will be seeking ASX quotation of the new shares and new options.

Use of Proceeds

The funds raised (assuming full take up of entitlements) under the Rights Issue will be applied as follows:

(a) On-going exploration	\$1 million
(b) Engineering and metallurgical testing	\$1 million
(c) Advancing the bankable feasibility study on the Isla Cristalina joint venture project (Project) in Uruguay, which upon completion 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%.	\$3 million
(d) Working capital	\$1.1 million
Total proceeds before costs	\$6.1 million



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

REVIEW OF OPERATIONS *(continued)*

Terms of the Underwriting Arrangement

In consideration of Patersons acting as Joint Lead Manager, together with CPS Securities, and as sole underwriter of the Rights Issue, the Company has agreed to:

- (a) issue 56 million options on the same terms as the new options to the Joint Lead Managers (28 million 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) issue 36,528,606 options on the same terms as the new options to the Underwriter, subject to the approval of Shareholders obtained at a general meeting of the Company. In the event that Shareholders do not approve the issue of the Underwriter Options, then the Company shall issue 33 million Underwriter Options under the Company's 15% capacity under Listing Rule 7.1 and pay a fee of \$61,000 for the balance of the Underwriter Options to the Underwriter; and
- (c) pay an underwriting fee of 6% (exclusive of GST) of the amount underwritten to the Underwriter. Any sub-underwriting fees will be paid out of this fee and the Underwriter Options.

Further details of the underwriting arrangement will be set out in the Prospectus.

Competent Person's Statement

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.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

APPENDIX 1 PAPAGAYO RIDGE DIAMOND DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Interct (m)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	V₂O₅ (%)	TiO₂ (%)	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 073	0.00	79.20	79.20	19.90	43.83	6.33	0.01	0.50	6.74	0.09	0.10
CPDD 080	1.60	59.95	58.35	27.76	38.33	4.39	0.01	0.32	8.15	0.01	0.07
CPDD 083	18.4	25.00	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	39.00	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 089	7.70	66.70	59.00	25.05	38.85	4.39	0.01	0.33	8.26	0.06	0.10
	91.40	100.00	8.60	17.24	44.13	8.73	0.02	0.83	2.35	0.09	0.14
	110.50	116.20	5.70	16.00	50.60	10.12	0.02	0.89	1.09	0.09	0.13
	120.40	152.40	32.00	18.85	49.03	7.32	0.01	0.57	2.60	0.05	0.10
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 117	8.10	53.40	45.30	25.78	42.07	7.33	0.01	0.76	5.85	0.00	0.06
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 136	0.00	8.35	8.35	17.60	50.74	10.76	0.01	0.92	2.75	0.00	0.07
	22.95	31.45	8.50	18.28	49.93	7.10	0.01	0.39	3.89	0.02	0.07
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



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

APPENDIX 1 <i>(continued)</i>											
PAPAGAYO RIDGE DIAMOND DRILL HOLES											
HEAD ASSAY RESULTS											
CPDD 164	0.00	17.70	17.70	30.68	41.11	3.38	0.01	0.27	5.90	0.00	0.05
	44.10	156.50	112.40	18.96	45.66	4.88	0.01	0.36	5.53	0.31	0.11
	163.60	173.30	9.70	10.24	51.10	9.12	0.02	0.71	2.75	0.16	0.09
	183.25	197.90	14.65	20.13	43.28	7.29	0.02	0.82	5.31	0.12	0.11
CPDD 173	11.50	46.00	34.50	26.22	39.21	5.70	0.01	0.67	6.47	0.05	0.13
CPDD 203	0.00	5.40	5.40	25.94	40.10	10.07	0.01	0.69	5.34	0.01	0.05
	7.40	27.40	20.00	24.05	38.60	10.59	0.02	0.89	5.95	0.01	0.09
	33.85	112.60	78.75	27.58	39.32	3.05	0.01	0.28	7.83	0.01	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
CPDD 218	0.00	67.85	67.85	26.34	41.02	5.48	0.02	0.63	5.35	0.03	0.12
CPDD 220	0.00	3.00	3.00	15.80	46.76	16.23	0.02	0.98	0.83	0.01	0.02
	5.50	24.50	19.00	28.16	44.90	5.27	0.01	0.39	1.93	0.00	0.09
	38.20	49.80	11.60	14.25	49.80	9.49	0.02	0.81	1.24	0.18	0.13
	55.70	67.50	11.80	21.52	42.02	5.99	0.02	0.58	5.89	0.07	0.11
	73.55	105.50	31.95	19.44	44.63	7.05	0.01	0.51	6.29	0.06	0.09
CPDD 223	0.00	13.50	13.50	19.14	50.81	9.96	0.02	0.76	1.48	0.00	0.08
	20.40	29.30	8.90	18.45	49.74	8.67	0.02	0.87	1.70	0.09	0.16
	33.60	60.60	27.00	22.14	41.12	4.70	0.01	0.40	6.08	0.08	0.09
CPDD 225	0.00	58.00	58.00	23.85	42.68	4.38	0.01	0.38	5.70	0.03	0.08
CPDD 229	55.17	86.55	31.38	20.80	46.14	5.61	0.01	0.42	6.38	0.03	0.10
CPDD 234	0.00	19.30	19.30	18.63	46.67	7.66	0.01	0.59	2.63	0.02	0.10
CPDD 238	0.00	45.80	45.80	21.00	44.75	6.00	0.01	0.47	5.14	0.18	0.09
CPDD 240	5.85	57.60	51.75	26.33	38.52	5.26	0.01	0.39	7.47	0.03	0.09
CPDD 246	43.40	73.20	29.80	21.03	44.47	5.63	0.01	0.40	4.91	0.05	0.08
	101.30	110.40	9.10	16.42	44.14	6.34	0.01	0.40	8.16	0.31	0.13
	122.70	143.50	20.80	23.26	43.26	4.97	0.01	0.49	5.27	0.25	0.10
CPDD 250	0.00	55.40	55.40	29.60	33.79	4.17	0.01	0.36	9.59	0.02	0.07
	59.60	72.30	12.70	23.00	44.71	6.40	0.01	0.60	3.85	0.04	0.12
CPDD 254	54.30	69.40	15.10	19.10	44.75	6.79	0.01	0.53	8.41	0.01	0.09
	75.40	124.30	48.90	23.12	42.37	5.57	0.01	0.50	6.32	0.10	0.10



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

APPENDIX 2 PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Interct (m)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	V₂O₅ (%)	TiO₂ (%)	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
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	1	109	108	19.70	46.65	6.92	0.02	0.66	1.26	0.27	0.10
	112	132	20	19.07	45.91	5.72	0.01	0.49	5.46	0.30	0.06
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



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

APPENDIX 2 (continued) PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Interct (m)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	V₂O₅ (%)	TiO₂ (%)	MnO (%)	S (%)	P (%)
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	44	62	18	22.26	42.90	5.79	0.01	0.43	8.27	0.04	0.09
	62	69	7	30.81	29.46	0.97	0.01	0.09	16.80	0.02	0.05
	69	71	2	10.52	44.54	9.55	0.01	0.63	2.57	0.12	0.08
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
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 178	24	42	18	22.32	44.76	6.14	0.01	0.52	5.10	0.03	0.10
	59	82	23	23.61	44.09	4.86	0.01	0.45	5.69	0.13	0.08
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
CPRC 189		1		25.14	41.45	5.02	0.01	0.34	5.73	0.08	0.08
	3	3		17.86	44.24	6.11	0.01	0.43	3.86	0.09	0.14
	48	64	16	19.42	45.51	6.64	0.02	0.64	2.35	0.71	0.11
CPRC 196	152	217	65	29.82	34.17	1.91	0.01	0.22	10.22	0.05	0.08
CPRC 211	138	157	19	23.58	41.73	3.29	0.01	0.18	8.58	0.04	0.06
	192	198	6	18.84	43.15	5.73	0.01	0.45	9.10	0.11	0.09
CPRC 212	79	94	15	29.23	35.36	2.53	0.01	0.25	9.52	0.09	0.07



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

APPENDIX 2 <i>(continued)</i> PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Interct (m)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	V₂O₅ (%)	TiO₂ (%)	MnO (%)	S (%)	P (%)
CPRC 213	4	10	6	18.56	42.46	15.42	0.01	0.69	3.46	0.01	0.03
	20	25	5	24.54	38.63	8.06	0.01	0.39	6.94	0.00	0.09
	30	71	41	28.29	39.78	3.73	0.01	0.29	6.73	0.03	0.09
CPRC 221	88	93	5	20.62	46.96	3.21	0.01	0.44	4.40	0.09	0.07
	96	103	7	19.55	47.53	4.94	0.01	0.48	7.55	0.07	0.05
	106	110	4	25.95	43.91	3.01	0.01	0.59	7.31	0.02	0.05
CPRC 231	58	70	12	22.21	45.55	5.87	0.01	0.46	4.38	0.04	0.09
	81	96	15	20.93	46.30	5.12	0.01	0.43	5.62	0.01	0.09
CPRC 237	27	74	47	22.38	42.63	5.74	0.01	0.46	6.66	0.04	0.10
CPRC 239	16	21	5	19.70	38.72	6.46	0.02	0.45	8.79	0.06	0.07
CPRC 243	30	35	5	19.60	44.13	6.67	0.01	0.45	5.27	0.09	0.09
	49	55	6	19.31	44.30	6.82	0.02	0.54	5.19	0.27	0.11
	132	135	3	26.69	46.50	2.55	0.01	0.64	4.01	0.01	0.13
CPRC 249	30	66	36	19.80	45.33	6.37	0.01	0.40	4.64	0.05	0.09
CPRC 256	56	101	45	19.79	43.05	4.54	0.01	0.36	5.14	0.13	0.07
	113	122	9	16.80	51.17	7.22	0.01	0.39	1.72	0.34	0.09
	127	151	24	19.57	41.51	5.04	0.01	0.33	9.79	0.32	0.08
CPRC 258	62	65	3	11.75	50.12	12.10	0.02	0.52	0.86	0.00	0.07
CPRC 259	26	29	3	20.28	41.53	10.17	0.02	0.45	3.71	0.07	0.11
CPRC 260	36	50	14	24.56	42.03	4.59	0.01	0.32	4.87	0.07	0.08
	98	101	3	18.64	45.40	8.19	0.02	0.90	2.46	0.15	0.15
CPRC 263	4	7	3	25.10	41.31	5.24	0.01	0.52	3.53	0.00	0.11
	49	75	26	24.70	41.51	3.53	0.01	0.26	8.00	0.09	0.07
CPRC 266	56	101	45	19.79	43.05	4.54	0.01	0.36	5.14	0.13	0.07
	113	122	9	16.80	51.17	7.22	0.01	0.39	1.72	0.34	0.09
	127	151	24	19.57	41.51	5.04	0.01	0.33	9.79	0.32	0.08



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT *(continued)*

APPENDIX 3 CERRO IMAN REVERSE CIRCULATION DRILL HOLES HEAD ASSAY RESULTS											
Drill Hole	From (m)	To (m)	Interct (m)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	V₂O₅ (%)	TiO₂ (%)	MnO (%)	S (%)	P (%)
CIRC 018	45	46	1	6.03	56.74	17.68	0.02	0.80	0.33	0.02	0.11
CIRC 037	58	60	2	7.50	46.63	10.43	0.03	0.72	0.19	0.01	0.10
CIRC 038	3	9	6	14.18	49.09	18.57	0.03	1.47	0.52	0.00	0.07
CIRC 041	8	14	6	14.67	48.25	14.05	0.03	1.25	0.72	0.01	0.10
	19	34	15	10.78	54.02	14.45	0.02	0.95	0.52	0.00	0.09
	67	68	1	9.89	56.61	12.74	0.02	1.38	0.29	0.06	0.09
CIRC 044	61	63	2	15.80	51.09	8.78	0.01	0.79	4.55	0.01	0.12
CIRC 045	39	41	2	17.11	50.26	6.81	0.02	0.53	0.70	0.45	0.05
CIRC 054	8	10	2	8.86	55.50	14.02	0.02	1.26	0.30	0.00	0.17



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

APPENDIX 4 PAPAGAYO RIDGE DIAMOND DRILL HOLES DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Interct (m)	Mass (%)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	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 080	1.6	56.95	55.35	31.95	67.71	1.79	0.30	0.000	0.010	-2.22
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
CPDD 098	0.0	1.40	1.40	21.68	66.90	3.94	0.83	0.000	0.010	
	33.0	45.35	12.35	22.75	66.16	4.84	0.57	0.010	0.010	
CPDD 100	13.10	25.70	12.60	21.27	68.79	2.54	0.38	0.000	0.010	
CPDD 103	0.0	11.0	11.00	26.07	68.14	2.41	0.69	0.000	0.010	
	17.55	19.50	1.95	37.06	68.14	2.92	0.32	0.000	0.010	
	35.40	49.60	14.20	34.80	62.60	6.75	0.61	0.010	0.010	
CPDD 105	8.5	16.0	7.5	24.43	66.94	3.71	0.39	0.000	0.010	
	22.10	23.85	1.75	37.70	69.33	2.18	0.36	0.010	0.000	
	30.80	40.00	9.20	19.27	67.12	4.07	0.44	0.010	0.010	
CPDD 107	18.0	20.80	2.80	27.62	68.89	2.42	0.38	0.000	0.010	
	24.65	45.60	20.95	16.20	66.48	4.85	0.58	0.000	0.010	
CPDD 112	0.0	59.35	59.35	36.05	68.04	2.64	0.17	0.000	0.000	
CPDD 115	16.8	24.90	8.1	35.79	66.67	3.82	0.27	0.000	0.010	-2.35
	61.0	77.75	16.75	29.16	64.59	5.68	0.25	0.000	0.010	-3.12
CPDD 119	0.0	8.40	8.40	13.50	68.54	1.00	0.37	0.000	0.010	
	13.05	37.85	24.80	38.08	68.84	1.58	0.08	0.000	0.000	
CPDD 122	6.50	15.00	8.50	29.90	66.60	3.29	0.36	0.000	0.000	-1.67
	48.30	55.20	6.90	11.44	57.04	7.92	0.62	0.000	0.020	
	65.60	152.60	87.0	35.72	67.78	2.93	0.18	0.000	0.000	-3.01



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT *(continued)*

APPENDIX 4 <i>(continued)</i> PAPAGAYO RIDGE DIAMOND DRILL HOLES DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Interct (m)	Mass (%)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	S (%)	P (%)	LOI (%)
CPDD138	0.0	7.70	7.70	33.11	67.50	3.82	0.45	0.000	0.020	
	12.90	18.80	5.90	25.92	65.88	5.28	0.33	0.000	0.010	
	25.90	31.90	6.00	20.72	68.56	2.49	0.11	0.000	0.000	
	37.40	52.60	15.20	30.61	66.68	4.68	0.20	0.010	0.000	
	61.75	77.60	15.85	30.82	61.88	8.48	0.46	0.030	0.010	
	83.4	88.5	5.10	36.00	64.09	6.67	0.42	0.060	0.010	-2.54
CPDD 210	0.0	15.15	15.15	37.12	67.72	1.88	0.26	0.000	0.010	-1.91
	19.30	23.95	4.65	36.09	67.68	2.55	0.15	0.000	0.000	-2.29
CPDD 240	5.85	29.10	23.25	20.04	67.33	1.76	0.45	0.000	0.010	
	34.90	54.60	19.70	20.94	65.77	4.72	0.31	0.000	0.000	-2.63



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

APPENDIX 5 PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Interct (m)	Mass (%)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	S (%)	P (%)	LOI (%)
CPRC 045	96	121	25	32.07	67.81	2.98	0.26	0.000	0.000	-3.00
CPRC 046	12	43	31	35.56	67.58	2.34	0.10	0.000	0.000	-2.70
	44	46	2	25.25	66.81	3.61	0.40	0.000	0.010	-2.97
	118	138	20	40.71	67.05	3.85	0.20	0.000	0.010	-3.25
CPRC 056	1	6	5	39.30	60.28	2.20	1.44	0.000	0.000	-1.50
	16	24	8	29.28	64.70	4.85	0.42	0.000	0.010	-2.07
CPRC 060	6	15	9	4.34	34.31	24.21	6.48	0.080	0.220	-0.00
	18	24	6	4.19	45.15	12.72	3.70	0.100	0.090	-0.00
CPRC 062	17	23	6	9.61	61.50	7.37	1.15	0.000	0.010	0.00
CPRC 063	0	8	8	9.69	55.72	11.05	1.03	0.010	0.012	-0.48
CPRC 066	12	15	3	19.74	61.74	6.72	0.54	0.020	0.020	-2.47
	17	20	3	36.34	64.91	3.89	0.34	0.010	0.000	-2.79
	52	59	7	37.45	68.08	3.73	0.56	0.030	0.010	-3.11
	62	65	3	32.68	56.21	10.72	0.40	0.070	0.010	-1.84
	72	75	3	48.65	68.41	2.95	0.77	0.010	0.010	-2.76
CPRC 067	19	32	13	33.06	68.04	4.48	0.40	0.010	0.010	-2.72
	37	66	29	19.71	65.57	4.95	0.47	0.030	0.010	-0.00
CPRC 068	7	12	5	33.57	69.64	1.37	0.34	0.000	0.010	-0.00
	14	22	8	17.21	65.70	5.10	0.45	0.05	0.01	-2.72
	28	35	7	33.17	65.97	2.09	0.30	0.000	0.000	-0.00
CPRC 069	23	33	10	21.34	66.46	4.17	0.47	0.030	0.010	-2.98
CPRC 075	12	36	24	20.82	66.57	4.75	0.57	0.000	0.010	-2.71
	39	56	17	17.78	65.75	4.77	0.49	0.000	0.010	-2.67
CPRC 076	8	15	7	24.43	65.62	4.93	0.49	0.000	0.010	-2.42
	20	22	2	28.71	64.32	5.30	0.69	0.000	0.010	-2.35
	24	29	5	29.41	65.83	5.28	0.55	0.010	0.010	-2.74
	30	43	13	13.16	63.36	7.04	1.46	0.020	0.020	-2.52
	53	74	21	26.40	66.80	4.20	0.37	0.000	0.000	-3.19
	78	79	1	42.73	67.92	3.18	0.31	0.010	0.000	-3.21
CPRC 078	7	25	18	34.47	67.03	2.66	0.29	0.000	0.010	-1.63
	26	31	5	11.72	67.31	2.89	0.45	0.000	0.010	-0.00
	37	40	3	20.02	66.64	3.11	0.40	0.000	0.010	-0.00
CPRC 081	0	12	12	32.17	66.58	2.06	0.24	0.000	0.000	-1.84
	19	31	12	36.99	69.05	1.65	0.16	0.000	0.010	-2.29
CPRC 082	19	47	28	20.71	63.23	6.17	0.81	0.010	0.010	-1.97
CPRC 086	65	89	24	34.21	64.56	4.56	0.32	0.000	0.010	-2.04
CPRC 088	14	52	38	31.37	67.22	2.97	0.31	0.000	0.010	
	54	80	26	26.52	64.45	5.27	0.63	0.000	0.010	
	86	92	6	12.39	64.34	6.03	0.96	0.050	0.010	-3.31
	96	104	8	9.46	62.87	6.61	0.86	0.010	0.000	-2.32



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT (continued)

APPENDIX 5 (Continued)										
PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES										
DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Interct (m)	Mass (%)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	S (%)	P (%)	LOI (%)
CPRC 090	4	8	4	29.26	67.31	2.05	0.44	0.000	0.000	-0.99
	29	44	15	24.09	65.98	3.26	0.29	0.000	0.010	-0.98
	45	59	14	19.74	65.34	2.61	0.40	0.000	0.010	-1.43
CPRC 102	16	49	33	28.24	64.88	5.31	0.83	0.000	0.010	-2.60
CPRC 104	1	10	9	11.25	68.60	2.55	0.48	0.000	0.010	-2.68
	21	45	24	25.59	67.61	3.45	0.52	0.000	0.010	-3.00
CPRC 106	9	23	14	28.14	67.29	3.89	0.46	0.000	0.010	-2.75
	24	34	10	25.62	67.48	3.34	0.47	0.000	0.010	-0.00
	38	41	3	22.37	64.66	5.54	0.65	0.010	0.010	-0.00
	42	48	6	20.83	63.99	6.45	0.92	0.020	0.020	-0.00
CPRC 110	13	32	19	21.07	67.57	3.79	0.51	0.000	0.010	-3.14
	33	42	9	30.52	68.12	3.13	0.33	0.000	0.010	-3.27
CPRC 111	11	18	7	28.77	63.98	6.30	0.58	0.030	0.010	
	21	24	3	12.98	62.18	6.97	1.33	0.010	0.010	-2.45
CPRC 114	3	13	10	38.79	68.25	1.77	0.31	0.000	0.010	-2.24
	19	22	3	21.74	66.77	4.01	0.19	0.000	0.000	
	25	29	4	17.20	67.33	3.16	0.28	0.000	0.010	
	39	48	9	25.99	69.28	1.34	0.39	0.000	0.000	-3.03
	65	66	1	50.85	69.77	1.43	0.59	0.000	0.010	-2.92
	71	90	19	35.23	68.46	3.38	0.68	0.020	0.010	
	92	97	5	31.36	67.92	3.89	0.74	0.020	0.010	
	98	100	2	33.85	68.32	3.32	0.79	0.100	0.010	-3.13
CPRC 116	117	118	1	21.51	64.09	5.79	0.62	0.090	0.010	-2.92
	5	23	18	22.26	64.86	3.86	0.40	0.000	0.010	
CPRC 123	7	8	1	25.24	68.07	2.02	0.24	0.010	0.010	-2.08
	11	26	15	29.52	66.41	3.84	0.29	0.000	0.010	-1.91
	34	36	2	13.43	64.10	4.46	0.34	0.010	0.000	-0.39
	38	41	3	30.38	64.37	5.69	0.23	0.000	0.010	-1.03
	88	92	4	33.92	67.93	3.28	0.16	0.010	0.000	-3.28
	98	109	11	18.49	67.81	3.05	0.35	0.070	0.000	-3.11
	121	125	4	25.59	63.15	6.97	0.53	0.220	0.010	-2.69
	128	130	2	33.37	65.87	6.40	0.67	0.170	0.010	-2.94
	138	139	1	7.91	53.31	18.58	1.59	0.79	0.010	-1.11
CPRC 124	109	110	1	20.67	66.16	4.51	0.73	0.040	0.010	-2.93
	112	174	62	36.35	67.83	2.63	0.21	0.000	0.000	
CPRC 175	14	16	2	34.61	68.05	1.65	0.22	0.000	0.000	-1.37
	17	50	33	30.35	68.97	1.45	0.12	0.000	0.010	-2.08
	67	74	7	16.59	48.33	24.45	0.26	0.310	0.010	
	78	83	5	18.70	59.62	10.53	0.45	0.650	0.010	



GLADIATOR RESOURCES LIMITED
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DIRECTORS' REPORT (continued)

APPENDIX 5 (Continued) PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Interct (m)	Mass (%)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	S (%)	P (%)	LOI (%)
CPRC 176	39	41	2	43.95	69.64	1.18	0.24	0.000	0.000	-2.83
	42	45	3	44.85	69.02	1.63	0.14	0.000	0.000	-2.65
	46	47	1	29.36	69.98	0.82	0.19	0.000	0.000	-2.03
	49	56	7	37.50	69.36	1.38	0.32	0.000	0.000	-2.68
	60	88	28	30.60	69.11	1.99	0.14	0.000	0.000	-3.24
	103	112	9	23.73	58.06	14.46	0.95	0.430	0.020	-1.87
	119	120	1	12.11	50.74	23.67	1.15	0.420	0.020	-2.45
	121	125	4	15.38	51.85	22.02	0.67	0.560	0.020	-2.25
	147	151	4	12.84	64.18	6.66	0.64	0.310	0.010	-2.62
CPRC 177	63	69	6	30.44	69.26	1.77	0.36	0.000	0.010	-2.56
	82	88	6	36.79	68.23	2.57	0.11	0.000	0.000	-3.05
	92	151	59	36.34	67.17	3.15	0.20	0.000	0.000	-3.09
	152	158	6	24.15	63.13	6.77	0.73	0.120	0.000	-2.04
	163	170	7	31.87	64.10	6.50	0.48	0.110	0.010	-2.72
	172	193	21	10.55	50.95	18.25	1.28	0.900	0.010	-1.12
CPRC 178	24	34	10	24.38	67.16	3.00	0.44	0.000	0.010	-2.17
	35	36	1	22.19	65.61	4.59	0.66	0.000	0.010	-2.71
	38	42	4	15.41	67.92	2.61	0.34	0.000	0.000	
	60	82	22	29.15	68.34	2.69	0.26	0.000	0.000	-3.09
CPRC 179	12	21	9	26.42	68.15	1.98	0.17	0.000	0.020	-1.00
	24	27	3	19.73	67.84	2.66	0.53	0.000	0.020	-1.48
	65	70	5	25.95	67.31	2.06	0.33	0.000	0.000	-2.58
	71	82	11	27.34	69.44	1.56	0.38	0.000	0.000	-2.65
	89	131	142	33.93	68.79	2.29	0.22	0.000	0.000	
CPRC 180	2	21	19	32.86	68.40	2.06	0.43	0.000	0.010	-2.14
	24	37	13	30.81	68.66	2.32	0.32	0.000	0.000	-2.80
	69	73	4	32.11	59.99	10.24	0.48	0.030	0.010	-2.64
	94	96	2	19.00	47.89	26.85	1.83	0.450	0.030	-1.52
CPRC 189	6	13	7	34.46	64.35	6.59	0.39	0.010	0.010	-2.18
	36	38	2	25.79	64.09	5.43	0.70	0.020	0.010	-1.58
	48	59	11	18.06	57.36	13.23	1.18	0.290	0.020	
	61	64	3	22.09	54.55	14.46	1.13	0.140	0.030	-1.20
CPRC 196	152	217	65	39.12	67.03	3.00	0.18	0.000	0.010	-3.03
CPRC 211	139	157	18	32.27	67.94	2.82	0.18	0.010	0.000	
	192	198	6	23.46	62.15	7.45	0.36	0.020	0.000	
CPRC 212	79	94	15	39.95	66.30	4.18	0.56	0.010	0.010	
CPRC 213	4	6	2	13.67	67.83	2.32	0.86	0.000	0.000	
	8	10	2	15.78	66.70	2.66	0.92	0.000	0.000	
	21	24	3	37.05	67.63	2.55	0.45	0.000	0.000	
	32	44	12	39.84	69.57	2.10	0.42	0.000	0.000	
	45	71	26	36.04	66.71	3.80	0.31	0.000	0.000	



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

APPENDIX 5 (Continued)										
PAPAGAYO RIDGE REVERSE CIRCULATION DRILL HOLES										
DTR RESULTS FOR MAGNETITE MINERALISATION										
Drill Hole	From (m)	To (m)	Interct (m)	Mass (%)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	S (%)	P (%)	LOI (%)
CPRC 221	88	92	4	28.48	67.12	3.51	0.34	0.010	0.000	
	96	98	2	31.58	62.48	5.69	0.32	0.010	0.000	
	100	103	3	30.15	67.33	3.33	0.16	0.000	0.000	
	106	110	4	33.47	67.73	2.42	0.27	0.000	0.000	
CPRC 237	27	33	6	16.85	67.22	3.32	0.45	0.020	0.000	
	35	41	6	25.68	68.18	2.89	0.44	0.010	0.000	
	43	74	31	28.38	65.11	4.10	0.40	0.010	0.000	
CPRC 239	17	21	4	35.31	55.28	9.86	0.67	0.010	0.000	
CPRC 243	32	38	6	30.54	62.99	5.24	0.42	0.010	0.010	
	49	54	5	23.27	64.77	5.75	0.62	0.020	0.010	
	132	135	3	33.31	69.40	2.00	0.22	0.000	0.010	
CPRC 249	31	35	4	14.11	67.64	2.98	0.48	0.010	0.010	
	36	50	14	9.77	65.25	4.57	0.56	0.010	0.010	
	51	66	15	23.25	59.99	11.20	0.45	0.020	0.010	
CPRC 256	57	71	14	28.15	67.85	3.09	0.32	0.010	0.000	
	73	75	2	12.71	63.00	6.47	0.70	0.010	0.010	
	77	84	7	27.77	68.24	2.98	0.33	0.010	0.000	
	86	89	3	23.19	59.05	11.61	0.85	0.050	0.010	
	91	101	10	6.33	51.23	15.06	1.78	2.150	0.010	
	113	114	1	21.54	40.97	35.14	1.76	0.940	0.020	
	115	116	1	14.01	44.61	30.72	1.37	1.070	0.010	
	118	122	4	8.93	48.97	23.79	0.83	0.770	0.020	
	128	151	23	17.60	62.63	6.87	0.70	0.210	0.010	
CPRC 258	63	65	2	5.90	61.69	8.77	0.81	0.010	0.030	
CPRC 260	37	39	2	19.70	69.10	1.67	0.45	0.000	0.000	
	40	50	10	28.85	69.38	1.82	0.19	0.000	0.000	
	98	101	3	20.73	64.81	5.24	0.81	0.020	0.010	



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

APPENDIX 6 CURTUME PROJECT SURFACE ROCK CHIP SAMPLES DTR RESULTS									
Sample No.	Mass (%)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	TiO₂ (%)	MnO (%)	S (%)	P (%)	LOI (%)
002990	37.6%	69.67	0.74	0.25	0.132	0.71	<0.001	0.026	-1.62
002991	51.9%	70.36	1.58	0.13	0.031	0.30	<0.001	0.014	-2.84
002992	52.5%	69.60	1.27	0.35	0.346	0.43	<0.001	0.006	-2.13
002993	24.7%	69.75	1.38	0.41	0.230	0.20	<0.001	0.011	-2.21
002994	31.6%	66.78	4.82	0.67	0.242	0.13	<0.001	0.005	-2.41
002995	7.1%	69.87	2.26	0.22	0.058	0.20	0.007	0.016	-2.78
000905	4.2%	42.66	39.18	0.25	0.019	0.12	0.020	0.040	I.S.
000909	33.7%	70.23	0.83	0.42	0.032	0.15	0.007	0.004	-2.01
14244	19.0%	69.79	0.67	0.13	0.017	0.10	0.004	0.020	-0.89
20001	29.3%	68.17	1.68	0.32	0.161	1.51	<0.001	0.006	-1.44
20002	19.9%	63.94	3.25	0.39	0.29	4.23	0.00	0.008	-0.62
010654	57.4%	71.14	0.75	0.46	0.031	0.05	0.003	0.003	-3.09
010655	51.7%	70.97	1.19	0.35	0.027	0.05	0.002	0.002	-3.02
010656	39.9%	66.50	1.06	0.54	0.01	2.88	0.00	0.017	0.15
010657	27.1%	50.39	27.01	0.37	0.018	0.54	0.006	0.027	-1.92
010658	35.0%	69.47	2.37	0.87	0.150	0.08	0.004	0.004	-3.14
010574	29.8%	68.16	3.43	0.20	0.013	0.04	<0.001	<0.001	-1.04
010575	18.5%	70.07	0.56	0.25	0.017	0.27	0.002	0.024	-1.32



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

APPENDIX 7 AREICUA PROJECT SURFACE ROCK CHIP SAMPLES DTR RESULTS									
Sample No.	Mass (%)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	TiO₂ (%)	MnO (%)	S (%)	P (%)	LOI (%)
009946	20.6	66.81	4.89	0.34	0.035	0.04	0.007	0.005	-1.02
009947	27.8	66.76	4.54	0.39	0.011	0.03	<0.001	0.014	-0.66
009949	32.9	67.83	4.10	0.33	0.045	0.03	<0.001	0.006	-1.62
010700	16.8	68.94	2.10	0.31	0.043	0.04	<0.001	0.004	-1.32
000901	8.2	69.58	1.59	0.39	0.181	1.49	0.004	0.012	-1.53
000902	31.4	69.16	2.31	0.31	0.106	2.01	0.004	0.003	-1.57
000903	54.0	70.45	1.39	0.42	I.S.	I.S.	<0.001	0.011	-2.68
000904	3.9	68.36	2.81	0.28	0.086	1.70	0.056	0.007	I.S.
002997	32.3	69.87	1.53	0.38	0.069	0.06	0.007	0.003	-2.16
002999	30.8	69.91	1.13	0.34	0.056	0.04	<0.001	0.006	-1.50
003000	7.7	70.05	1.69	0.40	0.058	0.20	0.012	0.042	-3.54
003811	21.8	69.00	0.58	0.21	0.159	0.95	<0.001	0.012	-0.76
003812	34.0	66.12	4.33	0.47	0.215	0.13	0.001	0.035	0.21
003813	4.8	69.58	1.45	0.41	0.037	0.12	0.002	0.012	I.S.
005826	13.3	68.94	2.03	0.41	0.047	0.20	0.025	0.034	-1.63
005827	1.7	67.94	2.59	0.50	0.015	0.39	0.015	0.024	I.S.
005828	32.3	68.94	1.18	0.52	0.257	0.57	0.005	0.016	-1.14
005829	22.1	69.53	0.70	0.37	0.129	0.08	0.005	0.016	-0.80
005898	22.7	69.69	1.12	0.35	0.017	0.08	<0.001	0.006	-1.27
005899	1.8	67.50	2.61	0.24	0.014	0.33	0.007	0.007	I.S.
005900	22.6	69.81	0.84	0.36	0.008	0.06	0.002	0.005	-0.98
010569	46.8	71.06	0.43	0.38	0.022	0.15	<0.001	0.010	-2.46
010570	25.7	68.26	1.70	0.55	0.166	0.06	0.029	0.003	-0.35
010571	35.3	64.06	7.80	0.34	0.099	0.08	0.005	0.019	-0.17
010800	24.6	68.57	2.75	0.36	0.051	0.07	0.003	0.004	-1.54
005895	17.6	68.58	0.62	0.10	0.005	2.01	0.002	0.007	-1.09
005896	25.6	69.62	0.39	0.31	0.008	0.60	<0.001	0.001	-1.09
005897	7.7	68.96	2.34	0.42	0.105	0.14	0.005	0.020	-2.46
010561	41.4	69.47	2.42	0.29	0.019	0.08	<0.001	0.003	-2.36
010562	24.3	70.12	0.56	0.12	0.010	0.05	0.004	0.002	-1.32
13276	13.3	69.75	1.34	0.40	0.026	0.07	0.002	0.006	-1.85



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT *(continued)*

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 48.

This consolidated financial report is signed in accordance with a resolution of the board of directors.

John Palermo
Director

Dated at Perth this 8th day of March, 2012



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	December 2011 \$	December 2010 \$
Other income	70,325	205,673
Net foreign exchanges gains/(losses)	89,503	(105,167)
Depreciation	(12,392)	(4,147)
Administration expenses	(69,049)	(64,564)
Advertising and promotion benefits expense	--	(47,550)
Audit and tax remuneration	(36,108)	(30,652)
Company secretarial fees	(89,615)	(15,000)
Consulting fees	(33,327)	(27,707)
Directors' benefits expense	(97,585)	--
Exploration expenditure recouped/(written off)	215	1,149
Insurance	(10,477)	(8,778)
Legal costs	(6,532)	(6,626)
Rent and outgoings	(13,498)	(14,380)
Share registry maintenance fees	(30,206)	(30,825)
Travel and accommodation	(10,270)	(14,873)
Other expenses	(75,095)	(35,071)
Loss before income tax	(324,111)	(198,518)
Income tax	--	--
Loss for the period	(324,111)	(198,518)
Other comprehensive income		
Exchange differences on translation of foreign operations	12,034	32,564
Total comprehensive loss for the period	(312,077)	(165,954)
Loss attributable to:		
Members of the parent entity	(312,077)	(165,954)
Basic and diluted losses per share (cents per share)	(0.28)	(0.23)

The above consolidated statement of 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 2011

	Note	December 2011 \$	June 2011 \$
CURRENT ASSETS			
Cash and cash equivalents		1,298,770	4,522,152
Trade and other receivables		841,816	647,588
Total Current Assets		2,140,586	5,169,740
NON CURRENT ASSETS			
Other financial assets		48,573	23,381
Plant and equipment		88,032	80,938
Mineral exploration and evaluation expenditure		9,376,124	5,278,197
Total Non Current Assets		9,512,729	5,382,516
TOTAL ASSETS		11,653,315	10,552,256
CURRENT LIABILITIES			
Trade and other payables		1,504,952	772,796
TOTAL LIABILITIES		1,504,952	772,796
NET ASSETS		10,148,363	9,779,460
EQUITY			
Issued capital	2	13,022,887	12,443,002
Reserves	3	2,143,929	2,030,800
Accumulated losses		(5,018,453)	(4,694,342)
TOTAL EQUITY		10,148,363	9,779,460

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 2011

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 01/07/2010	6,413,453	1,623,620	--	(4,173,655)	3,863,418
Loss for the period	--	--	--	(198,518)	(198,518)
Other comprehensive income	--	--	32,564	--	32,564
Total comprehensive loss for the period	--	--	32,564	(198,518)	(165,954)
Transactions with owners recorded directly into equity					
Shares issued during the period	6,424,900	--	--	--	6,424,900
Fair value of options issued during the period	--	352,744	--	--	352,744
Transaction costs	(724,694)	--	--	--	(724,694)
Balance at 31/12/2010	12,113,659	1,976,364	32,564	(4,372,173)	9,750,414
Balance at 01/07/2011	12,443,002	1,976,364	54,436	(4,694,342)	9,779,460
Loss for the period	--	--	--	(324,111)	(324,111)
Other comprehensive income	--	--	12,034	--	12,034
Total comprehensive loss for the period	--	--	12,034	(324,111)	(312,077)
Transactions with owners recorded directly into equity					
Shares issued during the period	600,400	--	--	--	600,400
Fair value of options issued during the period	--	19,710	--	--	19,710
Fair value of performance rights issued during the period	--	81,385	--	--	81,385
Transaction costs	(20,515)	--	--	--	(20,515)
Balance at 31/12/2011	13,022,887	2,077,459	66,470	(5,018,453)	10,148,363

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 2011

	December 2011 \$	December 2010 \$
Cash Flows from Operating Activities		
Receipts from customers	11,332	106,681
Payments to suppliers	(352,315)	(527,157)
Interest received	71,096	147,067
Interest paid	(54)	--
	<hr/>	<hr/>
Net Cash Flows Used In Operating Activities	(269,941)	(273,409)
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Payments for plant and equipment	(22,612)	(1,399)
Payments for exploration expenditure	(3,568,080)	(1,525,422)
Purchase of other assets	(25,192)	(52,166)
Other	(6,945)	--
	<hr/>	<hr/>
Net Cash Flows Used In Investing Activities	(3,622,829)	(1,578,987)
	<hr/>	<hr/>
Cash Flows from Financing Activities		
Proceeds from issue of shares and options	600,400	6,325,000
Costs associated with share and option issues	(20,515)	(1,500)
	<hr/>	<hr/>
Net Cash Flows Provided By Financing Activities	579,885	6,323,500
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents held	(3,312,885)	4,471,104
Cash and cash equivalents at beginning of the financial period	4,522,152	3,182,998
Effect of exchange rate change on cash holdings	89,503	--
	<hr/>	<hr/>
Cash and cash equivalents at the end of the half-year	1,298,770	7,654,102
	<hr/>	<hr/>

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 2011

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 2011 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.

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 June 2011 annual financial report, except in relation to the matters disclosed below:

New and Revised Accounting Standards and Interpretations

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual 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.

NOTE 2: ISSUED CAPITAL

		Consolidated	
		December	June
(a) Issued Capital		2011	2011
		\$	\$
123,416,872 Ordinary shares fully paid (30/06/11: 114,179,949)		13,022,887	12,443,002
		<hr/>	
(b) Movements in ordinary share capital		No. of Shares	
01/07/11	Opening balance	114,179,949	\$12,443,002
28/09/11	Conversion of unlisted options	2,000,000	\$130,000
23/12/11	Conversion of unlisted options	7,236,923	\$470,400
	Less: costs associated with issue of shares	--	(\$20,515)
		<hr/>	
31/12/11	Closing balance	123,416,872	\$13,022,887
		<hr/>	



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 3: RESERVES

	Consolidated	
	December	June
	2011	2011
	\$	\$
(a) Composition		
Share based payments reserve	2,077,459	1,976,364
Foreign currency translation reserve	66,470	54,436
	2,143,929	2,030,800

(b) Movements in share based payments reserve

Date	Details	No. of Performance Rights	No. of Unlisted Options	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/2011	Opening balance	--	38,504,312	\$1,976,364		
28/09/2011	Conversion of unlisted options	--	(2,000,000)	--	\$0.065	31/12/2011
17/10/2011	Pursuant to employee share option plan	--	125,000	\$3,510	\$0.40	30/06/2013
08/12/2011	Pursuant to shareholder approval on 30/11/2011	--	750,000	\$10,575	\$0.30	31/12/2012
08/12/2011	Pursuant to shareholder approval on 30/11/2011	--	750,000	\$5,625	\$0.40	31/12/2012
08/12/2011	Pursuant to shareholder approval on 30/11/2011	600,000	--	\$78,000	--	08/12/2014
08/12/2011	Pursuant to shareholder approval on 30/11/2011	800,000	--	\$83,200	--	08/12/2014
	Less: value of performance rights carried forward from 31/12/2011 (refer note 7)			(\$79,815)		
23/12/2011	Conversion of unlisted options	--	(7,236,923)	--	\$0.065	31/12/2011
	Less: transaction costs arising on option issues			--		
31/12/2011	Closing balance	1,400,000	30,892,389	\$2,077,459		



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

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.

	Australia		Uruguay		Consolidated	
	December		December		December	
Geographical Segments	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Revenue						
Settlement proceeds	--	125,000	--	--	--	125,000
Other revenues from customers	68,300	77,604	2,025	3,069	70,325	80,673
Total segment revenue	68,300	202,604	2,025	3,069	70,325	205,673
Assets						
Segment assets	5,968,213	8,056,938	5,685,102	2,420,663	11,653,315	10,477,601
Major Customers	--	--	--	--	--	--



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

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

Gladiator Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2011.

NOTE 7: SHARE BASED PAYMENTS

On 17 October 2011, the following *options* were granted to various employees of the Company as part of their remuneration:

- 125,000 unlisted options exercisable at \$0.40 on or before 30 June 2013 with a fair value of \$0.02808 per share.

The fair value of the options are estimated at the grant date using the Binomial option valuation methodology.

On 30 November 2011, the following *options* were granted to a director of the Company as part of his remuneration:

D Bruno

- 750,000 unlisted options exercisable at \$0.30 on or before 31 December 2012 with a fair value of \$0.0141 per share; and
- 750,000 unlisted options exercisable at \$0.40 on or before 31 December 2012 with a fair value of \$0.0075 per share.

The fair values of the options are estimated at the grant date using the Binomial option valuation methodology.

The amount expensed and included in directors' benefits for the six month period ended 31 December 2011 was \$16,200.

On 30 November 2011, the following *performance rights* were granted to two directors as part of their remuneration:

L Dean

- 300,000 performance rights vests into shares when the Company earns a 51% interest in the Isla Cristalina Joint Venture Project in Uruguay from Orosur Mining Inc. (Milestone 1); and
- 400,000 performance rights vests when the Company earns an 80% interest in the Project (Milestone 2).



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 7: SHARE BASED PAYMENTS (*continued*)

S J Hall

- 300,000 performance rights vests into shares when the Company earns a 51% interest in the Isla Cristalina Joint Venture Project in Uruguay from Orosur Mining Inc. (Milestone 1); and
- 400,000 performance rights vests when the Company earns an 80% interest in the Project (Milestone 2).

All the performance rights were issued for nil consideration and may be exercised for nil consideration upon the occurrence of the Performance Conditions. The performance rights shall expire three years after their issue date at 5.00 pm (WST).

The fair value of the performance rights granted were independently valued and took into account the following:

- 13 cents underlying value of a Gladiator share trading on ASX as at 24 November 2011; and
- 20% discount on the underlying value on Milestone 2 only due to performance rights not having any rights to vote, no rights to receive dividends and no rights to participate in any surplus assets on a wind up of the Company.

The total share based payment expense for the half-year ended recognised in the Statement of Comprehensive Income was \$81,385, with the balance of \$79,815 to be carried forward and proportioned over the period up until the expiry date of 8 December 2014.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year ended 31 December 2011, the following events have occurred:

- On 20 February 2012, 600,000 performance rights were converted to shares for nil consideration on satisfaction of performance condition, Milestone 1.
- On 28 February 2012, the Company announced that the Company intends to proceed with a renounceable rights issue of 101,468,349 shares to raise approximately \$6.1 million (before costs). Under the Rights Issue, eligible shareholders will be entitled to subscribe for nine (9) fully paid ordinary shares for every eleven (11) fully paid ordinary shares held as at 5.00pm (WST) on a date to be set out in a prospectus relating to the Rights Issue. The new shares will be offered at \$0.06 per share. Applicants for new shares will receive one free attaching option for every new share subscribed for under the Rights Issue.

The new options to be issued under the Rights Issue will be exercisable at \$0.10 on or before 5.00pm (WST) on 30 June 2015. The Company will be seeking ASX quotation of the new shares and new options.



GLADIATOR RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the opinion of the directors:

- a) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting;
- b) there are reasonable grounds to believe that the Gladiator Resources Limited will be able to pay its debts as and when they become due and payable.

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

Dated this 8th day of March, 2012

John Palermo
Director

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**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 statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant 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 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 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 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 2011 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.

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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.

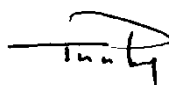
Conclusion

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 2011 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*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 8 March 2012

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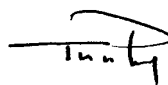
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Gladiator Resources Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 8 March 2012