



GLADIATOR RESOURCES LTD

ABN 58 101 026
859

QUARTERLY REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

REVIEW OF OPERATIONS

ISLA CRISTALINA JOINT VENTURE (ZAPUCAY PROJECT) – URUGUAY



Figure 1: Location of the Zapucay Project and the Isla Cristalina Belt (ICB) in Uruguay

ZAPUCAY PROJECT, Iron Ore.

ISLA CRISTALINA JOINT VENTURE, URUGUAY

Interest: Gladiator Resources Limited 51 %

Operator: Gladiator Resources Limited

No specific exploration activities have been carried out during the quarter other than conducting minimal tasks in order to maintain the current licenses compliant with government requirements.

Corporate Activity

The Company entered into a non-binding Term Sheet with Metamila Ltd for the disposal of the Company's 100% owned subsidiaries domiciled in Uruguay which will result in the Company disposing of its current interest in the Zapucay Project located in the North of Uruguay.

Due diligence by both parties is progressing favourably and the execution of a binding sale agreement is expected by the conclusion of the December Qtr.

The Company has given due notice to its current Joint Venture Partner, Orosur Mining Inc. (Orosur), in accordance with the current agreement between the parties which inter alia provides Orosur with a first right of refusal on the same terms as those agreed with Metamila Ltd. Orosur has 60 days to respond to the offer which was made on 12 September 2016.

The parties to the Term Sheet have reached a in principle agreement for the Company to receive a total cash consideration for its interest equal to the liabilities of the Company's Uruguay subsidiaries which includes a loan to the Company's subsidiary Ferrominas SA, provided under a loan agreement executed in September 2015, which is guaranteed by the Company.

As previously stated, the sale of the Company's interests in the disputed Zapucay Project and the resulting reduction in the Company's debt will provide a greater opportunity to progress negotiations on alternative exploration projects.

The Company made a further drawdown of \$25,000 from its finance facility, the total amount advanced to date equates to approximately \$801,000 after allowing for favourable exchange rate fluctuations.

There is no further update concerning the dispute with the Company's Joint Venture Partner in the Zapucay Project.

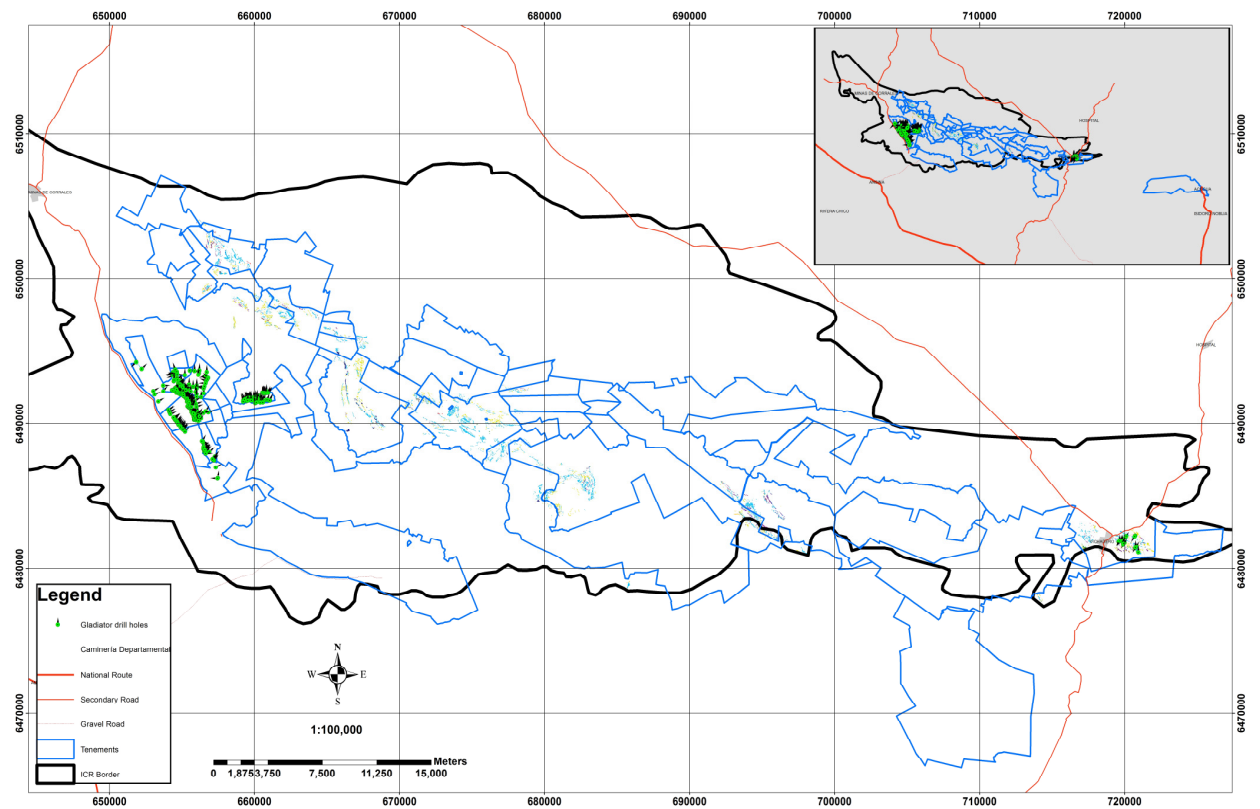


Figure 2: Location of Joint Venture & 100% GLA Tenements - Iron & Base Metal Projects

***Isla Cristalina Belt
Tenement Summary***

Table 1 - Summary of mining tenements					
Tenement	Granted	Expiry	Area (has)	Company	Interest
PP 1832-06	17/06/2009	18/06/2014	541	Montemura S.A.	51%
PP 1810-09	22/12/2010	22/12/2013	184	Montemura S.A.	51%
PP 1811-09	22/12/2010	22/12/2013	355	Montemura S.A.	51%
PP 2144-09	18/01/2011	18/01/2014	647	Montemura S.A.	51%
PP 391-09	25/02/2011	25/02/2013	1283	Montemura S.A.	51%
PP 123-10	08/04/2011	08/04/2013	6067	Montemura S.A.	51%
PP 1721-10	Renovation in progress				
PP 2457-10	Application		7548	Ferrominas S.A.	100%
PP 2492-10	Application		2510	Ferrominas S.A.	51%
PP 2513-10	Application		10274	Ferrominas S.A.	100%
PE 373-10	18/08/2011	18/08/2012	141	Montemura S.A.	51%
PP 493-10	05/11/2010	22/12/2012	151	Bolir S.A.	51%
PP 62-10	15/04/2011	15/04/2012	444	Bolir S.A.	51%
PP 1350-11	Application		1747	Ferrominas S.A.	51%
PE 1569-11	Application		82	Bolir S.A.	51%
PE 1575-11	Renovation in progress		215	Ferrominas S.A.	51%
PP 1751-11	Application		327	Ferrominas S.A.	51%
PP 1752-11	Application		139	Ferrominas S.A.	51%
PP 1960-11	Application		471	Ferrominas S.A.	51%
PP 1961-11	Application		516	Ferrominas S.A.	51%
PE 1965-11	Application		473	Ferrominas S.A.	51%
PE 1971-11	Application		359	Joutes S.A.	51%
PE 1975-11	Renovation in progress		213	Ferrominas S.A.	51%
PE 2181-11	Application		53	Dalvan S.A.	51%
PP 2722-11	Application		552	Ferrominas S.A.	51%
PE 2861-11	06/12/2013	25/03/2016	680	Montemura S.A.	51%
PP 2864-11	Application		1968	Brimol S.A.	51%
PP 3078-11	Application		997	Joutes S.A.	51%
PP 3344-11	Renovation in progress		269	Ferrominas S.A.	51%
PP 3763-11	Application		2398	Ferrominas S.A.	51%
PP 397-11	Application		479	Ferrominas S.A.	51%
PP 69-11	Application		2139	Ferrominas S.A.	51%
PE 878-11	Application		175	Montemura S.A.	51%
PE 881-11	Application		124	Montemura S.A.	51%
PP 1072-12	Renovation in progress		575	Hamfu S.A.	51%
PP 1911-12	Renovation in progress		2518	Ferrominas S.A.	51%
PP 1913-12	Application		2548	Ferrominas S.A.	51%
PP 26-12	Application		2519	Ferrominas S.A.	51%

Table 1 - Summary of mining tenements (cont)					
Tenement	Granted	Expiry	Area (has)	Company	Interest
PP 905-12	Application		653	Joutes S.A.	51%
PP 1975-13	Application		189	Glendora S.A.	51%
PP 724-13	Application		306	Ferrominas S.A.	51%
PP 1510-14	Application		2377	Montemura S.A.	51%
PP 3070-14	Application		6046	USF S.A.	51%
PP 3071-14	Application		2192	Ferrominas S.A.	51%
PP 3072-14	Application		3139	Ferrominas S.A.	51%
PP 3083-14	Application		909	Kyntu S.A.	51%
PP 3084/14	Application		1435	Ferrominas S.A.	51%
PP 438-14	Application		142	Ferrominas S.A.	51%
PE 1577-11	Application		598	Ferrominas S.A.	51%
PE 1962-11	Application		530	Joutes S.A.	51%
PP 2731-11	Application		1077	Ferrominas S.A.	51%
PP 2732-11	Application		1346	Ferrominas S.A.	51%
PE 1753-11	Renovation in progress		206	Joutes S.A.	51%
PE 1973-11	Application		455	Joutes S.A.	51%
PP 881-10	Renovation in progress			Ferrominas S.A.	51%
PP 2091-10	Renovation in progress			Ferrominas S.A.	51%
PE 1059-12	Renovation in progress			Ferrominas S.A.	51%
PE 1571-11	Renovation in progress			Ferrominas S.A.	51%