GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN: 58 101 026 859

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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AND CONTROLLED ENTITIES

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Financial Report For the Half-Year Ended 31 December 2019

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The half-year financial report is prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensure compliance with International Financial Reporting Standard IAS 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2019 and any public announcements made by the Company since 30 June 2019 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN: 58 101 026 859
DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of Gladiator Resources Limited and its controlled entities for the half-year ended 31 December 2019.

General Information

Directors

The following persons were directors of Gladiator Resources Limited during or since the end of the financial year up to the date of this report.

Mr Ian Hastings
Mr Andrew Draffin
Mr Ian Richer
Dr Andy Wilde (Resigned 12 July 2019)

Unless otherwise stated, all directors were in office for the period under review, and up to the date of this report.

DIRECTORS' REPORT

In accordance with continuous disclosure requirements, it is recommended that this half-year report be read in conjunction with any public announcements lodged with the Australian Securities Exchange for the half-year and to the date of this report.

Review of Operations

The consolidated loss for the six month period ended 31 December 2019 was $1,118,272 primarily due to the write off of the North Arunta joint venture project. (2018 loss: $190,525)

The net asset position of the Group as at 31 December 2019 was a deficit of $551,502 (30 June 2019: Net assets of $469,770)

During the reporting period the Company continued to evaluate exploration opportunities both within Australia and abroad. This evaluation ultimately resulted in the company entering into a binding share sale agreement to acquire the Highgate Vanadium Project in January 2020 subsequent to the reporting period subject to shareholder approval at a meeting to be held in April 2020.

Highgate Vanadium Project

The Highgate Vanadium project is located in the promising Mt. Isa mining province approximately 60km North West of Julia Creek and has excellent infrastructure with high quality roads, airport and rail facilities nearby. Power and water are readily available and there are no known sensitive environment or community issues near the Project.

Figure 1 - Project location

Previous exploration has been undertaken on the Project including 18 drill holes for a total of 1,268m of drilling, including 269m of diamond drill core. Existing exploration drill holes are spaced 2 – 3 km apart, providing reasonable stratigraphic definition of the host formation across the project. Vanadium oxide (V2O5) and Molybdenum (Mo) grade definition across the project is limited, based on assay results from one hole within the tenement, and a regional assay dataset.

The Company intends to complete a further 15 to 17 drill holes to further define vanadium, molybdenum, aluminium and other battery metals potential and following the drill program, the Company will:

- update the geological model and report any JORC Resources defined by the drilling program;
- undertake metallurgical testing (beneficiation and leaching) testing to complete a flowsheet methodology and expected recoveries;
- commence desktop environmental assessments, preliminary mine planning and metallurgy flowsheet development to support economic project development potential.

Marymia Gold Project

During the reporting period, the Company prepared and lodged for approval a proposed drill program for its Marymia gold project in WA which was approved in late December 2019. The Company is presently planning proposed reconnaissance field work and aircore (AC) drilling along strike of untested anomalous RAB intersections.

The Marymia Gold Project comprises granted exploration license E52/3104 and is located at the north east end of the ~50km long Plutonic Greenstone Belt which hosts the world class Plutonic and Marymia gold mine centres some ~45km and ~10km to the south west respectively. See **(Figure 2)**.

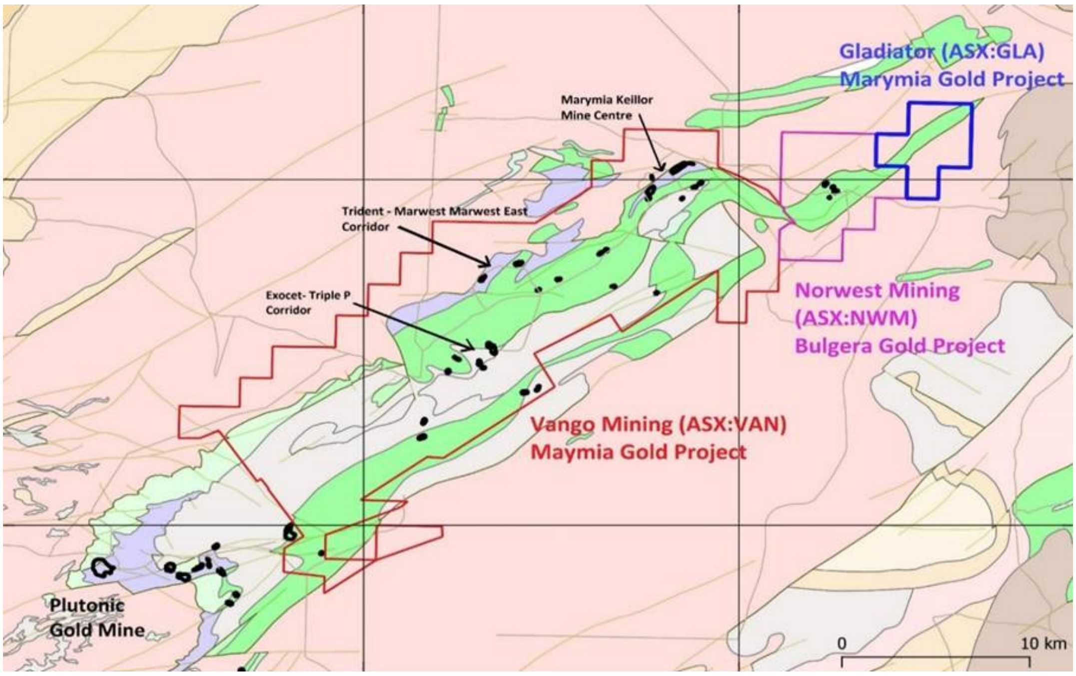

Figure 2

The area abutts Norwest Minerals (ASX: NWM) Bulgera Project to the south west with historic production at Bulgera of 441,000 tonnes at 1.6 g/t Au (23,398 ounces) and a recently announced maiden resource of 2.0 million tonnes grading 1.03 g/t Au (65,500 ounces) – See NWM ASX announcement dated 11 September 2019.

Further Vango Mining Ltd (ASX: VAN) is actively exploring and developing gold resources within a large tenement holding in the area and has recently reported exceptionally high-grade results at its Albatross – Flamingo target.

North Arunta Gold Project

During the reporting period the Company continued to rationalise its holdings in the North Arunta gold project. Subsequent to the reporting period, the Company decided not to proceed with the Joint Venture and handed back the project to its JV partner Prodigy Gold. The Company is now in the process of formally withdrawing from the Joint Venture and has chosen to focus its Marymia and Victorian gold projects together with the Highgate Vanadium Projects subject to shareholder approval. The Company is working with Prodigy Gold to terminate the Joint Venture agreement following confirmation that rehabilitation works at Arunta have been completed to satisfaction.

Victoria Gold Projects

Subsequent to the reporting period the Company entered into option agreements to acquire two Gold Projects, (Rutherglen and Bendoc) respectively located in Eastern Victoria. The Company was attracted to the Victorian projects as both areas offer near term drill targets that could generate new discoveries and gold resources at a time of revival in gold exploration in Victoria.

Rutherglen Gold Project

The Rutherglen Gold Project encompasses Exploration License (EL6331) is located 30km west of Albury and covers an area of ~368km2 over the historical Chiltern and Rutherglen goldfields. Historical gold production from this area up until 1920 is estimated at approximately 1.4Million ounces with most production coming from underground mining of rich (5 – 11.6 g/m2 : Bulletin 62 Geological Survey of Victoria) ancient placer deposits along palaeo river systems, buried beneath unconsolidated sediments, that were located through crude auger drilling. Mined palaeo river deposits were up to 100 – 300m wide and several kilometres long. Subsequently minor amounts of gold have been produced from tailings retreatment and small-scale mining. Geophysics will be used to locate and extend potentially mineralised river systems buried beneath up to 100 metres of unconsolidated sediments and provide drill targets.

Bendoc Gold Project

The Bendoc Gold Project encompasses Exploration License (EL6187) and is located 12km south of Delegate, NSW covering an area of ~220km2 over the historical Bendoc, Bonang and Clarkesville goldfields. The area has a history of alluvial mining and small high-grade gold mines typical of the Orogenic Gold deposits in the Lachlan fold belt.

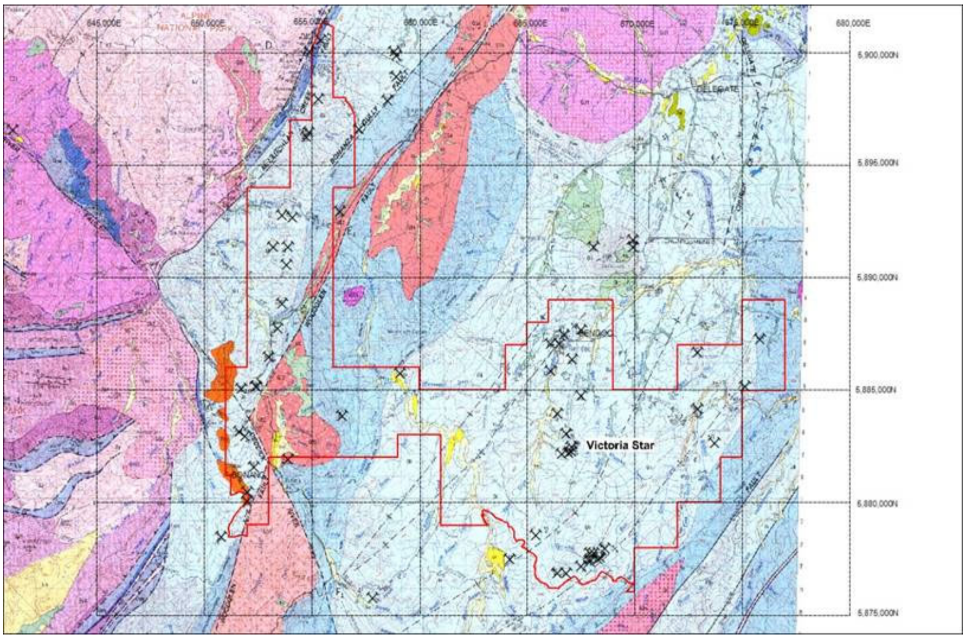

Figure 3 - Regional Geology of Bendoc and location of old gold mines

A number of companies have explored the region with geochemical surveys, drilling and mapping, assessment of this data by the Company is underway. Review of previous regional geological and exploration data, and probable further geochemical sampling, is anticipated to highlight other areas for more detailed work.

A resource which is not compliant with the JORC Code was reported for Victoria Star that included 3D modelling and displays. Drilling has confirmed pervasive mineralisation of interest with the potential to upgrade to resource status and complete additional drilling to identify deeper and high-grade shoots of mineralisation. Outlier intercepts for parallel mineralised systems, and untested geochemical anomalies in the immediate region, will also be targeted. Historical drilling focused on the southern extension of the Victoria Star and Welcome Stranger lines but indicates other shallow and isolated drill intersections that require follow up

The two option agreements grant the Company a 12-month window to assess more fully the potential of each license over the option period. The Company is now preparing work programs for the two projects, details of which will be released once finalised.

The Company’s three Gold projects together with the proposed Vanadium project (subject to shareholder approval) provides the company with a diversified portfolio to capitalise on current gold market conditions and the rapidly growing energy storage sector where Vanadium is a central component.

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2019 has been received and can be found on page 4 of the Financial Report.

Signed in accordance with a resolution of directors made pursuant to s.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors
Mr Andrew Draffin
Director
Dated:

morrows
AUDIT

Level 13, Freshwater Place, 2 Southbank Boulevard,
Southbank VIC 3006

Phone: 03 9690 5700
Facsimile: 03 9690 6509
Website: www.morrows.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GLADIATOR RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2019 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Morrows

MORROWS AUDIT PTY LTD

L.S. WONG
Director

Melbourne: 13 March 2020

GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN: 58 101 026 859
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated Group 31 December 2019 $	31 December 2018 $
Continuing operations			
Audit and accounting expenses		(28,200)	(27,000)
Company secretarial fees		(10,000)	(10,000)
Consulting fees		-	(6,000)
Directors' benefits expense		(78,923)	(88,500)
Exploration expenditure (written off)	3	(939,456)	(6,134)
Fees and permits		(80)	-
Insurance		(11,182)	(7,283)
Legal costs		-	(12,070)
Rent and outgoings		(9,000)	-
Share registry maintenance fees		(3,192)	(5,729)
Travel and accommodation		(22,802)	(1,979)
Other expenses		(15,437)	(25,830)
Loss before income tax		(1,118,272)	(190,525)
Tax expense		-	-
Net loss for the period		(1,118,272)	(190,525)
Earnings per share			
From continuing and discontinued operations:			
Basic and diluted loss per share (cents)		(0.07)	(0.01)

The accompanying notes form part of these financial statements.

GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN: 58 101 026 859
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

		Consolidated Group	
	Note	31 December 2019 $	30 June 2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		124,652	96,884
Trade and other receivables		1,766	7,605
Other assets		45,721	48,391
TOTAL CURRENT ASSETS		172,139	152,880
NON-CURRENT ASSETS			
Exploration expenditure	3	42,018	930,646
TOTAL NON-CURRENT ASSETS		42,018	930,646
TOTAL ASSETS		214,157	1,083,526
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4	765,659	613,756
TOTAL CURRENT LIABILITIES		765,659	613,756
TOTAL LIABILITIES		765,659	613,756
NET (LIABILITIES) / ASSETS		(551,502)	469,770
EQUITY			
Issued capital	5	21,202,603	21,105,603
Retained earnings		(21,754,105)	(20,635,833)
TOTAL (DEFICIT) / EQUITY		(551,502)	469,770

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Issued Capital $	Accumulated Losses $	Total $
Consolidated Group			
Balance at 1 July 2018	20,183,462	(19,880,174)	303,288
Comprehensive income			
LosS for the period	-	(190,525)	(190,525)
Total comprehensive income for the year	-	(190,525)	(190,525)
Transactions with owners, in their capacity as owners, and other transfers			
Shares issued during the period	725,000	-	725,000
Transaction costs	(37,859)	-	(37,859)
Total transactions with owners and other transfers	687,141	-	687,141
Balance at 31 December 2018	20,870,603	(20,070,699)	799,904
Balance at 1 July 2019	21,105,603	(20,635,833)	469,770
Comprehensive income			
Loss for the period	-	(1,118,272)	(1,118,272)
Total comprehensive income for the year	-	(1,118,272)	(1,118,272)
Transactions with owners, in their capacity as owners, and other transfers			
Shares issued during the period	100,000	-	100,000
Transaction costs	(3,000)	-	(3,000)
Total transactions with owners and other transfers	97,000	-	97,000
Balance at 31 December 2019	21,202,603	(21,754,105)	(551,502)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated Group 31 December 2019 $	Consolidated Group 31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(57,672)	(144,356)
Net cash used in operating activities		(57,672)	(144,356)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(11,260)	(494,212)
Payments for tenement deposit			(27,888)
Net cash used in investing activities		(11,260)	(522,100)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		100,000	725,000
Transaction costs		(3,300)	(41,645)
Net cash provided by financing activities		96,700	683,355
Net increase in cash held		27,768	16,899
Cash and cash equivalents at beginning of financial year		96,884	401,891
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at end of financial year		124,652	418,790

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Gladiator Resources Limited and Controlled Entities (the "consolidated group" or "group").

The financial statements were authorised for issue on 13 March 2020 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Statement of compliance

The half-year financial report is prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2019 and any public announcements made by the Company since 30 June 2019 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group's last reported annual financial statements at 30 June 2019, unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(b) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the Company’s functional currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Note 1: Summary of Significant Accounting Policies (continued)

The Company

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(c) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Judgements

Exploration and Evaluation Expenditure

Exploration expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to a relinquished area are written off in full against the profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

(d) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group generated a loss of $1,118,272 (2019: Loss of $190,525) and net cash outflows from the operating activities of $57,672 (31 December 2018: outflows of $144,356) for the half-year ended 31 December 2019. As of that date, the Group had a net asset deficit position of $551,502 (30 June 2019: net assets of $469,770). These conditions indicate a material uncertainty that may cast significant doubt concerning the ability of the Group to continue as a going concern.

The Directors have prepared a cashflow forecast for the next 12 months based on best estimates of future inflows and outflows of cash to support the Group's ability to continue as a going concern. The Directors are confident that they can raise capital when required as they have been successful in the past.

Note 2 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

		Ownership interest held by the Group	
Name of subsidiary	Principal place of business	As at 31 December 2019	As at 30 June 2019
Ecochar Pty Ltd	Australia	100%	100%
Ion Resources Pty Ltd	Australia	100%	100%
Ferrous Resources Pty Ltd	Australia	100%	100%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Note 3 Exploration Expenditure

NON-CURRENT	$
Mineral exploration and evaluation expenditure	
Balance at 1 July 2018	481,400
Exploration expenditure incurred during the year	779,763
Exploration expenditure written off during the year	(330,517)
Balance at 30 June 2019	930,646
Balance at 1 July 2019	930,646
Exploration expenditure incurred during the period	50,828
Exploration expenditure written off during the period	(939,456)
Balance at 31 December 2019	42,018
Total Exploration Expenditure	
Mineral exploration and evaluation expenditure	42,018
Balance at period end	42,018

The $42,018 capitalised exploration expenditure relates to the Marymia Project in Western Australia.

As announced in the Company's Quarterly Activities Report for the quarter ending 31 December 2019, subsequent to the reporting period, the Company had excluded the final tenements from the North Arunta Joint Venture and handed back the project to its JV partner Prodigy Gold NL.

The value of the Company's interest in exploration expenditure is dependent upon the:

- continuance of the economic entity's right to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Ultimate recovery of deferred exploration and evaluation costs is dependent upon the success of pre-feasibility studies, exploration and evaluation or sale or farm-out of the exploration interest. Broadly, the Company has three cost centres, Corporate, Pre-feasibility and Exploration. Where identifiable, costs associated with the Pre-feasibility and Exploration cost centres are capitalised. These costs are annually reviewed for impairment and a charge is made direct to the Statement of profit or loss and other comprehensive income of the Company where an impairment is identified.

The Group has reviewed all of its tenements and has only carried forward the expenses on the tenements that give rise to a potential economic benefit to the Company through development or exploration.

Impairment Indicators

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantiative expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale;
- Evidence is available of obsolescence or physical damage of an asset;
- The net assets of the Group exceeds its market capitalisation.

Note 4 Trade and Other Payables

	Consolidated Group	
	31 December 2019	30 June 2019
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	530,036	415,456
Sundry payables and accrued expenses	235,623	198,300
	765,659	613,756

	Consolidated Group	
	31 December 2019	30 June 2019
	$	$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total current	765,659	613,756
— Total non-current	-	-
	765,659	613,756

Note 5 Issued Capital

(a) Ordinary Shares

	No.	$
Balance at 1 July 2018	866,834,171	20,183,462
Shares issued during the year	602,500,000	975,000
Less transaction costs	-	(52,859)
Balance at 30 June 2019	1,469,334,171	21,105,603
Balance at 1 July 2019	1,469,334,171	21,105,603
Shares issued during the period	100,000,000	100,000
Less transaction costs	-	(3,000)
Balance at 31 December 2019	1,569,334,171	21,202,603

(b) Options

The following reconciles the outstanding options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial period.

	No.
Balance at 1 July 2018	132,645,833
Issued during the financial year	35,000,000
Expired during the financial year	(37,645,833)
Balance at 30 June 2019	130,000,000
Balance at 1 July 2019	130,000,000
Issued during the period	-
Expired during the period	-
Balance at 31 December 2019	130,000,000

Details of the options on issue are as follows:

	Number	Issue Date	Expiry Date	Exercise Price $
Unlisted options	60,000,000	25/07/2017	24/07/2022	$0.005
Unlisted options	35,000,000	17/05/2018	17/05/2022	$0.005
Unlisted options	15,000,000	6/12/2018	27/09/2020	$0.005
Unlisted options	20,000,000	6/12/2018	6/12/2020	$0.010
	130,000,000			

Note 6 Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

Unless otherwise stated, all accounts are reported to the Board of Directors, being the chief decision makers with respect to operating segments, which are determined in accordance with accounting policies that are consistent to those adapted in the annual financial statements of the consolidated entity.

(i) **Segment performance**

31 December 2019	Australia $	Total $
REVENUE		
Interest revenue	-	-
Total segment revenue	-	-
Reconciliation of segment revenue to group revenue		
Total consolidated revenue	-	-
Expenses		
Directors benefits expense	(78,923)	(78,923)
Travel and accommodation	(22,802)	(22,802)
Exploration written off	(939,456)	(939,456)
Other expenses	(77,091)	(77,091)
	(1,118,272)	(1,118,272)
Segment loss before tax	(1,118,272)	(1,118,272)

Note 6: Operating Segments (continued)

31 December 2018	Australia $	Total $
REVENUE		
Interest revenue	-	-
Total segment revenue	-	-
Reconciliation of segment revenue to group revenue		
Total consolidated revenue		-
Expenses		
Directors benefits expense	(88,500)	(88,500)
Consulting fees	(6,000)	(6,000)
Travel and accommodation	(1,979)	(1,979)
Exploration written off	(6,134)	(6,134)
Other expenses	(87,912)	(87,912)
	(190,525)	(190,525)
Segment loss before tax	(190,525)	(190,525)

(ii) **Segment assets**

31 December 2019	Australia $	Total $
Segment assets		-
Segment assets	214,157	214,157
Reconciliation of segment assets to group assets		
Intersegment eliminations	-	-
Total group assets		214,157

30 June 2019	Australia $	Total $
Segment assets	1,083,526	1,083,526
Segment assets	-	-
Reconciliation of segment assets to group assets		
Intersegment eliminations	-	-
Total group assets		1,083,526

(iii) **Segment liabilities**

31 December 2019	Australia $	Total $
Segment liabilities		-
Segment liabilities	765,659	765,659
Reconciliation of segment liabilities to group liabilities		
Intersegment eliminations	-	-
Total group liabilities		765,659

30 June 2019	Australia $	Total $
Segment liabilities	613,756	613,756
Segment liabilities	-	-
Reconciliation of segment liabilities to group liabilities		
Intersegment eliminations	-	-
Total group liabilities		613,756

Note 7 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

As announced on 24 January 2020 and 31 January 2020, the Company has entered into a binding Share Sale Agreement ("SSA") with Vecco Group Pty Ltd ("Vecco") to acquire all of the issued share capital in NQ Utah Pty Ltd ("NQ Utah"), which holds the rights to 100% of the Highgate Vanadium Project ("Project") by way of Exploration Permit for Minerals 25968 ("Licence").

Key Acquisition Terms and Consideration

The SSA is subjected to certain conditions which must be satisfied or waived for the Proposed Transaction to proceed, including:

- the Company obtaining all necessary ASX, shareholder, regulatory or Board approvals and consents (if required); and
- the Directors of the Company completing a capitalisation of outstanding Directors' Fees on the same terms and conditions as the Completion Shares (see below).

Under the terms of the SSA, the Company has agreed to pay Vecco the following milestone consideration:

1. On approval by the Company's shareholders of the Proposed Transaction and capitalisation of outstanding Directors fees, the Company is to issue 200,000,000 fully paid ordinary shares in GLA to Vecco (or its nominee) at a deemed issue price of $0.001 per share (representing a total value of $200,000) ("Completion Shares");
2. On commencement of any activity contained within the approved work program for the Licence, GLA shall issue a further 200,000,000 fully paid ordinary shares in GLA to Vecco (or its nominee) at a deemed issue price of $0.001 (representing a total value of $200,000);
3. On completion of an Inferred JORC Resource (which will include consideration of the Project's economics) for the Project of not less than 50MT at 0.30% grade V2O5, GLA shall issue to Vecco (or its nominee) fully paid ordinary shares in GLA to the value of $250,000, calculated based on the 30 day VWAP immediately prior to the date of the proposed issue, plus $50,000 in cash.
4. On completion of an Indicated JORC Resource (which will include consideration of the Project's economics) for the Project of not less than 50MT at 0.30% grade V2O5, GLA shall issue to Vecco (or its nominee) fully paid ordinary shares in GLA to the value of $250,000, calculated based on the 30 day VWAP immediately prior to the date of the proposed issue, plus $50,000 in cash.
5. On completion of a positive feasibility study for the Project assessed as commercial, the issue of fully paid ordinary shares in GLA to the value of $250,000, calculated based on the 30 day VWAP immediately prior to the date of the proposed issue.

On completion of the Proposed Transaction, Mr Luke Robinson will join the Company's Board of Directors as a nominee of NQ Utah.

As announced on 17 February 2020, the Company has signed two 12 month option agreements to acquire two gold projects in Eastern Victoria that have recorded historical gold production in excess of 1 Million Ounces.

Terms of Option Agreements

The Company has entered into two separate option agreements to acquire two licences, Rutherglen Gold Project ("Rutherglen") and Bendoc Gold Project ("Bendoc"). The terms of the option agreements for the two Exploration Licenses are as follows;

- Payment of $50,000 per license on completion of Legal Due Diligence, exercisable at any time within 12 months from grant;
- Payment of $50,000 to exercise each option (total $100,000) at which time, the Company would acquire ownership of the licenses;
- Milestone payments as follows:
  - (a) 50 million shares in GLA on registration of the transfer of each license;
  - (b) Further payment of $100,000 Rutherglen and $125,000 for Bendoc respectively each project reporting of JORC compliant resources of 100,000 oz gold at a grade of approximately 2 g/t Au from 1.5 Million tonnes.
- Royalty of 2% in respect of each licence.

The two option agreements grant the Company a 12 month window to assess more fully the potential of each license by expending a minimum $150,000 on each project over the 12 month option period unless otherwise negotiated between the parties.

The acquisition of the option and any exercise is subject to any approvals required including ASX, shareholder and legal due diligence. The Company is further committed to minimum expenditure on each license of $150,000 per annum once a license is acquired.

On 2 March 2020, the Company announced the completion of a capital raise. A total of 312,500,000 fully paid ordinary shares were issued, raising a total of $250,000. The Company has also agreed to issue 312,500,000 unlisted options (subject to shareholder approval) with an exercise price of $0.0015 and an expiry of three years from the date of issue.

Note 8 Financial Instruments

The Group's financial instruments consist of those which are measured at amortised cost including trade and other receivables and trade and other payables.

The carrying amount of these financial assets and liabilities approximate their fair value.

The Group does not hold any trading financial assets up to the date of this report. (30 June 2019: nil)

DIECTORS' DECLARATION

In accordance with a resolution of the directors of Gladiator Resources Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 14, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
   (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the half-year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Director

Mr Andrew Draffin

Dated this 13 March 2020

Level 13, Freshwater Place, 2 Southbank Boulevard,
Southbank VIC 3006

Phone: 03 9690 5700
Facsimile: 03 9690 6509
Website: www.morrows.com.au

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 (the Entity), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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.

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 the Entity is not in accordance with the Corporations Act 2001 including:

i. giving a true and fair view of the Entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 (d) in the half-year financial report which indicates that the ability of the Entity to continue as a going concern is dependent on its ability to generate additional funds from future equity or debt raising activities. The events and conditions, including the net current liability, the net asset deficiency and the loss for the period, indicate the existence of a material uncertainty that may cast significant doubt about the Entity's ability to continue as a going concern and therefore the Entity may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the half year financial report

Our opinion is not qualified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

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AUDIT

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF GLADIATOR RESOURCES LIMITED

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 Entity's financial position as at 31 December 2019 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 the Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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L.S. WONG
Director

Melbourne: 13 March 2020