GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN: 58 101 026 859

Financial Report For The Year Ended 30 June 2015

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Gladiator Resources Limited (the Company) is committed to implementing and maintaining the highest standards of corporate governance. The primary responsibility of the Board is to represent and advance the Company's shareholders' interests and to protect the interests of all stakeholders. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for its employees and monitoring achievement of these goals.

The Board continually reviews its corporate governance practices and regularly monitors developments in good corporate governance practices both in Australia and overseas. Where international and Australian guidelines are not consistent, the good practice guidelines of the ASX Corporate Governance Council has been adopted as the minimum base for corporate governance practices.

Board of Directors

The Board has adopted a formal charter which allocates responsibilities between the Board and management of the Company. The charter details the composition, responsibilities and code of conduct under which the Board operates. The Board has resolved unanimously that the Company will at all times aspire to "good practice" in Corporate Governance.

Role of the Board

The Board acknowledges its accountability to shareholders for creating shareholder value within a framework that protects the rights and interests of shareholders and ensures the Company is properly managed. The Board aims to achieve these objectives through the adoption and monitoring of strategies, plans, policies and performance as follows:

- Providing input into, and approval of, the Group's strategic direction; approval and monitoring of budgets and business plans; and ensuring that appropriate resources are available, including capital management and budgeting for major capital expenditure;
- Approving the Group's systems of risk management, monitoring their effectiveness and maintaining a dialogue with the Group's auditors;
- Considering, approving and monitoring internal and external financial and other reporting, including reporting to shareholders, the ASX and other stakeholders;
- Selection and evaluation of Directors, the Managing Director, and senior executives and planning for their succession;
- Setting the Managing Director and Director's remuneration within shareholder approved limits and ensuring that the remuneration and conditions of service of senior executives are appropriate;
- Ensuring, and setting standards for, ethical behaviour and compliance with the Group's own governing documents, including the Group's Code of Conduct and corporate governance standards.

Board Processes

The Board aims to perform its role and objectives through the adoption and monitoring of strategies, plans, policies and performance; the review of the Managing Director and senior management's performance, conduct and reward; monitoring of the major risks of the Company's business; and by ensuring the Company has policies and procedures to satisfy its legal and ethical

The Board determines the strategic direction of the Company and sets policies accordingly. In addition to maintaining oversight of the Company's executive management and operations, the Board monitors substantive issues such as ethical standards and social and environmental responsibilities.

Composition of the Board

The names of the current Directors of the Company at the date of this statement are set out in the Directors' Report accompanying this financial report. The composition of the Board is determined using the following principles:

- a maximum of five Directors and a minimum of three Directors;
- a Non-Executive Director as Chairman;
- a majority of Non-Executive Directors; and
- a balance between independent and non-independent Directors

The Board is currently comprised of three Non-Executive Directors. The Company's constitution provides for a maximum of 5 directors. The Board periodically reviews its size as appropriate. The Company currently does not employ a Managing Director, however, in the event that this office was filled, he or she would be invited to attend all Board meetings.

Directors are considered to be independent if they are not major shareholders, are independent of management, and are free from any business or other relationship that could materially interfere with their exercise of free and independent judgement. All three directors are considered to fall within this category.

The Board regards the present composition of Directors as a good balance at this stage of the Company's development with the appropriate mix of expertise, experience and ability to represent the interest of all shareholders.

Future Director appointees will receive a formal letter of appointment setting out the responsibilities, rights, terms and conditions of their appointment. Directors participate in a comprehensive induction which covers the operations, financial position, strategic and risk management issues, as well as the operation of the Board and any sub-committees.

Meetings

The Board meets on a regular basis to retain full and effective control and monitor executive management. During the financial year to 30 June 2015, the full Board met 4 timesin conjunction with regular management meetings. The Directors' attendance at meetings is detailed in the Directors' Report.

Members of the management team may attend meetings at the invitation of the Board.

Role of Chairman

The Chairman is an non-independent Director elected by the full Board and he has not previously been an employee of the Company.

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

Terms of office

The Board reviews its performance and composition on an annual basis and aims to have members with high levels of intellectual ability, experience, soundness of judgement and integrity to maximise its effectiveness and contribution. Directors serve a maximum three-year term before being required to be re-elected by the Company's members. The Company's constitution provides that at lease one third (or the nearest whole number) of directors must retire at each Annual General Meeting, but are eligible for re-election at that meeting. There is no compulsory retiring age.

Independent professional advice

In performing their duties, Directors have the right to seek independent, professional advice at the Company's expense, in furtherance of their duties as Directors, with the approval of the Chairman, which approval shall not be unreasonably withheld.

Board Committees

The Company currently has no committees, the tasks that would ordinarily be assigned to a committee are undertaken by the full board of the Company.

Code of business conduct

The Board has adopted a Code of Conduct (the Code) and a policy “Behaviour Standards – Standards of Business Conduct” setting out parameters for ethical behaviour and business practices which applies to all of the Company’s Directors, officers and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism necessary to maintain confidence in the Group’s integrity. In summary, the Code requires that at all times all group personnel act with the utmost integrity, objectivity and in compliance with both the letter and the spirit of the law and the Company's policies.

Conflicts of interest

All Directors of the Company must keep the Board advised, on an ongoing basis, of any private interest that could potentially conflict with the interests of the Company. Where the Board believes that a significant conflict exists, the Director or Directors concerned do not receive the relevant board papers and is excused at the meeting whilst the item is considered. The Board has developed procedures to assist Directors in disclosing potential conflicts of interest.

All Directors and executive officers of the Company are required to disclose to the Company any material transaction, commercial relationship or corporate opportunity that reasonably could be expected to give rise to such a conflict.

Insider trading

Trading in shares by any Director or senior executive of the Company whether during a blackout period which incorporates the periods between the close of each financial quarter and the release of quarterly, half yearly interim and full year results by the Company and 30 Days prior to the Company's AGM or not requires the express written approval of the Chairman before any trading is conducted or the entry into any share trading agreements in accordance with the Company's share trading policy.

Fair dealing and ethical standards

The Code requires all directors, officers and employees of the Company to behave honestly and ethically at all times with all stakeholders, people and other organisations.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

Financial reporting

Reporting standards

The Company is committed to providing shareholders with clear, transparent, and high quality financial information in a timely manner. The Company's continuous disclosure policy underpins this approach.

The financial reports of the Company are produced in accordance with Australian International Financial Reporting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act. The financial statements and reports are subject to review every half year and the auditor issues an audit opinion accompanying the full year results for each financial year.

External auditors

The Company policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually, taking into consideration assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in Note 6 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board.

The external auditor is requested to attend the annual general meeting either in person or via phone linkup and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Management Certification

The Company requires that the Managing Director (if in office) and Company Secretary make the following certifications to the Board:

1. that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group and are in accordance with relevant accounting standards;

2. that the above statement is founded on a sound system of risk management together with internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Risk assessment

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisational structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

Detailed control procedures cover management accounting, purchases and payments, financial reporting, capital expenditure requests, project appraisal, environment, health and safety, IT security, compliance, and other risk management issues. There is a systematic review and monitoring of key business operational risks by management which reports on current and future risks and mitigation activities to the Board.

The Company recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to the highest levels of performance with the systematic identification of environmental and OH&S issues to ensure they are managed in a structured manner. This system allows the Company to:

- monitor its compliance with all relevant legislation;
- continually assess and improve the impact of its operations on the environment;
- encourage employees to actively participate in the management of environmental and OH&S issues;
- work with industry peers to raise standards;
- use energy and other resources efficiently; and
- encourage the adoption of similar standards by the entity's principal suppliers and contractors with particular emphasis on exploration contractors.

Continuous disclosure and shareholder communication

The Company is a disclosing entity under the Corporations Act and is subject to the continuous disclosure requirements under ASX Listing Rules. Communications with shareholders and other stakeholders are given a high priority. In addition to statutory disclosure documents such as Annual Reports and Quarterly activity reports, the Board is committed to keeping all stakeholders informed of all material developments that affect the Company in a timely manner.

The Company has a formal policy and comprehensive procedures on continuous disclosure. Once the Board or management becomes aware of information concerning the Company that would be likely to have a material effect on the price or value of the Company's securities (and which does not fall within the exceptions to the disclosure requirements contained in the Listing Rules), that information is released to the ASX.

The Board has appointed the Company Secretary (or in his absence, the Chairman) as the person responsible for communication to ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX.

The Board also endorses full and regular communication with and between Directors, the Managing Director, senior management and the external auditors.

All shareholders have the opportunity to elect to receive a copy of the Company's annual report at the same time they receive by post a copy of the Notice of the Annual General Meeting.

Full use is made of annual general meetings to inform shareholders of current developments through appropriate presentations and to provide opportunities for questions.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Accordingly, the company has established a diversity policy.

This diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives as Director and senior executive positions become vacant and appropriately qualified candidates become available:

- achieve a diverse and skilled workforce, leading to continuous improvement in the achievement of its corporate goals;
- the development of clear criteria on behavioural expectations in relation to promoting diversity;
- create a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives;
- ensure that personnel responsible for recruitment take into account diversity issues when considering vacancies; and
- create awareness in all employees of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Board believes that they have been successful in implementing these objectives throughout the Groups workforce.

The number of women employed by the Group and their employment classification is as follows:

	2015		2014	
	No.	**%**	**No.**	**%**
Women on the Board	-	-	-	-
Women in senior management roles	-	-	-	-
Women employees in the company	-	-	-	-

Compliance with ASX Corporate Governance Council Good Practice Recommendations

The table below outlines each of the ASX Best practice Recommendations and the Company's compliance with those recommendations. Where the Company has met the relevant recommendation during the reporting period, this is indicated by a "Yes" in the relevant column. Where the Company has not met or complied with a recommendation this is indicated by a 'No" and an accompanying note explaining the reasons why the Company has not met the recommendation.

	Description	Compiled	Note
1.1	Formalise and disclose the functions reserved to the board and those delegated to senior executives. These functions are set out under *Role of the board* and *Role of management* in this statement.	No	1
1.2	Disclose the process for evaluating the performance of senior executives	No	
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	No	
2.1	A majority of the board should be independent directors.	No	
2.2	The chairperson should be an independent director.	No	
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Yes	
2.4	The board should establish a nomination committee.	No	2
2.5	Disclose the process for evaluating the performance of its board, committees and individual directors.	No	
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	No	
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent) and any other key executives as to:		
3.1.1	- the practices necessary to maintain confidence in the Company's integrity;	Yes	
3.1.2	- the practices necessary to take into account legal obligations and reasonable expectations of stakeholders;	Yes	
3.1.3	- the responsibilities and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	
3.2	Establish and disclose the diversity policy of the Company.	Yes	
3.3	Establish and disclose the measurable objectives for achieving gender diversity and progress towards achieving those goals.	Yes	
3.4	Disclose the proportion of women employees in the organisation, in senior executive positions and on the board.	Yes	
3.5	Provide the information indicated in the Guide to reporting on Principle 3.	Yes	
4.1	The board should establish an audit committee.	No	3
4.2	Structure the audit committee so that it consists of:		
	- only non-executive directors	No	
	- a majority of independent directors	No	
	- an independent chairperson, who is not chairperson of the board	No	
	- at least three members	No	
4.3	The audit committee should have a formal charter.	No	
4.4	Provide the information indicated in the Guide to reporting on Principle 4.	No	
5.1	Establish and disclose written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements to ensure accountability at a senior executive level for that compliance.	Yes	
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	Yes	

6.1	Design and disclose a communication strategy to promote effective communication with the shareholders and encourage effective participation at general meetings - refer to *Continuous disclosure and shareholder communication* as set out above.	Yes	
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	Yes	
7.1	Establish and disclose policies for oversight and management of material business risks.	Yes	
7.2	Design and implement risk management and internal control systems to manage and report on material business risks. Disclose reporting as to effectiveness of management of material business risks.	Yes	
7.3	Disclose whether the board as received assurance from the chief executive officer and chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	
7.4	Provide the information indicated in the Guide to reporting on Principle 7.	Yes	
8.1	Establish a remuneration committee.	No	4
8.2	Structure the remuneration committee so that it consists of:		
	- a majority of independent directors	No	
	- an independent chairperson	No	
	- at least three members	No	
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	No	
8.4	Provide the information indicated in the Guide to reporting on Principle 8.	No	

Note 1

All Executives and Officers of the Company are expected to contribute to the Company's activities and the performance of Senior Executives is reviewed informally by the Chairman and where desirable is discussed with the individual concerned. Due to the small size of the Board and the limited number of Senior Executives, the Company is not proposing a formal review mechanism at this time.

Note 2

The Company currently has no nomination committee.

The Board considers those matters and issues arising that would usually fall to a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.

Note 3

The Company currently has no audit committee.

The Board considers those matters and issues arising that would usually fall to a audit committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate audit committee.

Note 4

The Company currently has no remuneration committee.

Due to the small size and structure of the Board, a separate remuneration committee is not considered to add any efficiency to the process of determining the levels of remuneration for the directors and key executives. The Board considers that it is more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee.

The Directors of Gladiator Resources Limited submit herewith the financial report of Gladiator Resources Limited and its subsidiaries ("the Group") for the year ended 30 June 2015.

Information on Directors

The names and details of the Group's Directors in office during the financial year and until the date of this report are as follows:

Directors were in office for this entire period unless otherwise stated.

Michael Neundlinger
Non-Executive Chairman
Appointed 14 August 2014

Mr M. Neundlinger is the Director and Founder of Davinci Assets Holdings Limited. Since 2009, he has been taking care of the Neundlinger Family business in Austria, Argentina and Uruguay. He advises a small group of high net worth individuals on their investments in capital markets and private equity.

Mr Neundlinger is registered with the U.S. Commodity Futures Trading Commission and is allowed to trade on all Futures and Commodity exchanges.

Other current directorships of listed companies

None

Former directorships of listed companies in last three years

None

Malcolm Draffin
Non-Executive Director
Appointed 22 March 2013

Mr M. Draffin is a Fellow of the Institute of Chartered Accountants in Australia with over 40 years' experience in public practice and has held directorships in a number of Australian listed companies and has worked mainly with Small to Medium Business Enterprises including a number in the Finance Sector and has assisted these businesses in all phases from start up to Initial Public Offering.

Mr. Draffin presently advises a broad range of business including companies involved in the finance/capital markets, service industries, primary production and resources.

Other current directorships of listed companies

None

Former directorships of listed companies in last three years

None

Andrew Draffin
Non-Executive Director
Company Secretary
Appointed 21 May 2013

Mr A. Draffin is a partner of the accounting firm Draffin Walker & Co. He holds a Bachelor of Commerce and is a member of the Institute of Chartered Accountants in Australia. Andrew is a Director, Chief Financial Officer and Company Secretary of listed, unlisted and private companies operating across a broad range of industries. His focus is on financial reporting, treasury management, management accounting and corporate services, areas where he has gained over 17 years experience.

Other current directorships of listed companies

EnviroMission Limited - appointed 27 June 2011

Former directorships of listed companies in last three years

Hydromet Corporation Limited - resigned 7 November 2012

Company Secretary

Andrew Draffin
Appointed 12 May 2014

Mr A. Draffin is a partner of the accounting firm Draffin Walker & Co. He holds a Bachelor of Commerce and is a member of the Institute of Chartered Accountants in Australia. Andrew is a Director, Chief Financial Officer and Company Secretary of listed, unlisted and private companies operating across a broad range of industries. His focus is on financial reporting, treasury management, management accounting and corporate services, areas where he has gained over 17 years experience.

Shareholdings of directors and other key management personnel

The interest of each Director and any other key management personnel, directly and indirectly, in the shares and options of the Company at the date of this report are as follows:

Director	Ordinary Shares	Share Options
Michael Neundlinger	-	-
Malcolm Draffin	-	-
Andrew Draffin	-	-

Corporate Information

Corporate Structure

Gladiator Resources Limited is a company limited by shares that is incorporated and domiciled in Australia. Refer to Note 11 for further details of wholly owned subsidiaries under the Company's control.

Principal Activities and Significant Changes in Nature of Activities

Gladiator's principal activities during the year were divided between reporting and fulfilment of government requirements to maintain the licenses, the continual review of the existing data of the Zapucay Project, with the aim of refining the existing geological model for the project, regional geological mapping and rock chip sampling and recompilation of all information regarding the work carried out on the JV licenses.

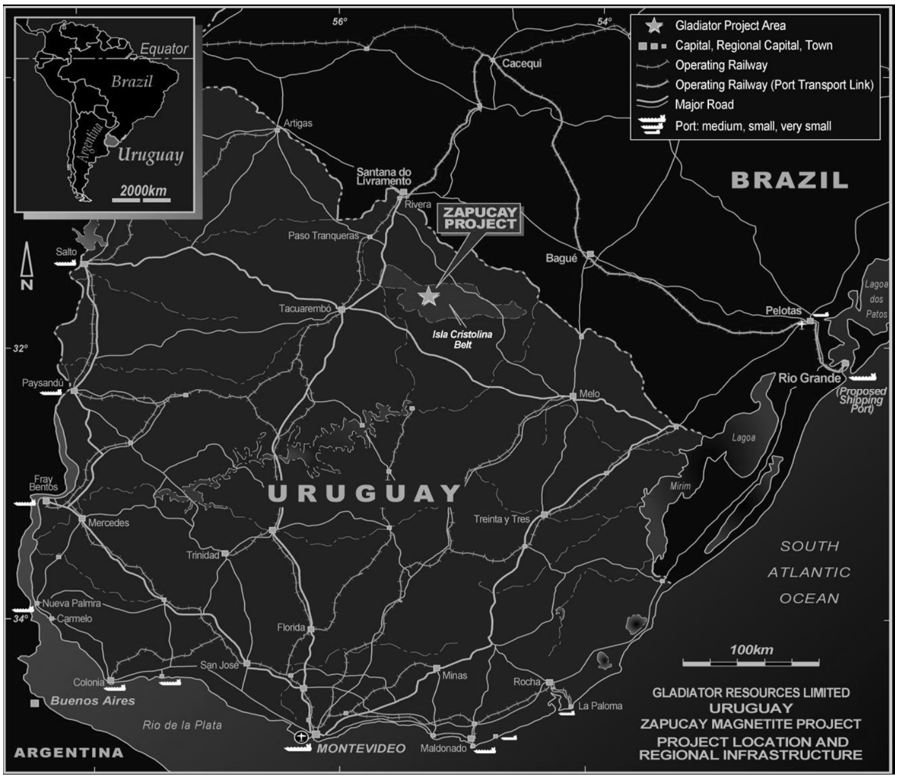

Figure 1: Location of Isla Cristalina Belt and infrastructure in Uruguay and Southern Brazil

The project is located approximately 450kms north of Montevideo, the capital of Uruguay and some 50kms from the border with Brazil (Figure 1). The project is subject to a 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 within the Isla Cristalina Belt in Uruguay (Figure 1). The agreement was signed in August 2010 and provides for the Company to earn up to an 80% interest in the project tenements by producing a bankable feasibility study on or before 31 December 2015. In August 2011, the Company reached a milestone by completing expenditure in excess of $5 million on the Zapucay project thereby earning a 51% interest in the joint venture.

As previously announced to the ASX, the Company is currently in a dispute with its Joint Venture Partner concerning the ownership structure of the Joint Venture. The Company continues to correspond with OMI and all parties have agreed to seek an independent audit of the expenditure statement submitted in support of the Company's claim that Phase 2 was completed. In accordance with the Joint Venture Agreement, the auditors determination will be final and thus the expenditure statement will not be subject to arbitration.

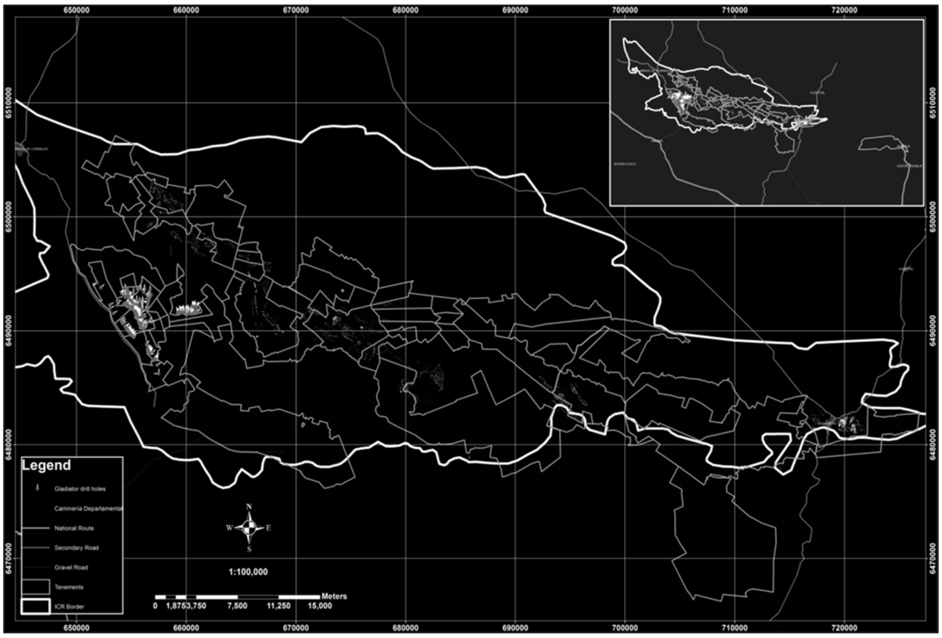

Figure 2: Location of Joint Venture Tenements and Iron & Base Metal Projects

The joint venture tenements cover an area of approximately 750kms2. In addition, Gladiator has applications for two prospecting permits covering a further 180kms2 in its own name. The Isla Cristalina Belt is a Palaeoproterozic orogenic belt located in Northern Uruguay, with approximate dimensions of 100kms by 30kms and hosts several discrete iron formation occurrences, several of which are located within the Zapucay Project area. Additional areas include Areicua and Curtume and subject to drill evaluation they have the potential to become standalone projects or allow expansion of the Zapucay Project (Figure 2).

Work undertaken during the year

A review of the existing data of the Zapucay Project was undertaken to assist with planning a revised strategy to improve the current declared resource and maintain in good standing all the licences. The information was revised thoroughly and a process of analysis and validation was carried out by our geologist. The database was amended to correct several errors regarding missing data and overlaps. A review of drillcore intervals and detail surface mapping of drilled areas was also performed to adjust the models.

A total 103 old drill holes (11,447 m) were described again and new samples were taken if required. These tasks included the revision and labelling of all drill core boxes and markers as well as sort the entire core shed that stores more than 30,000 meters. A total of 74 new samples were marked and flagged to be cut once the project future strategy is defined.

In order to fulfil the government requirement to maintain the mining licences Gladiator had to revise and cover a total of 27 permits. Most cases required a full surface mapping and additional information to keep the licences. Detail surface mapping covered a total of 315 hectares and the regional covered almost 8,700 hectares. A total of 32 rock chip samples were taken to characterize the iron ore outcrops.

Environmental remediation activities were also carried out on request of the DINAMA (Uruguayan government environmental agency). A total of 15 old drill platforms had to be mended as well as road paths. Earth works were undertaken and grass seeds combined with soil were dispersed over the paths. Water channels had to be cleaned up to avoiding flooding of crops lands and control surface runoff as well as soil erosion in places.

Tenement Summary

Joint Venture Tenements - Isla Cristalina Belt

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	13/03/2013	12/03/2015	1747	Ferrominas S.A	51%
PE 1569-11	Application		82	Bolir S.A	51%
PE 1575-11	30/08/2012	30/08/2014	215	Ferrominas S.A	51%
PP 1751-11	25/02/2013	06/03/2015	327	Ferrominas S.A	51%
PP 1752-11	10/04/2013	23/05/2014	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	Application		213	Ferrominas S.A	51%
PE 2181-11	Application		53	Dalvan S.A	51%
PP 2722-11	22/02/2013	12/03/2015	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	Application		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	07/03/2013	08/03/2015	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	Application		575	Hamfu S.A	51%
PP 1911-12	Application		2518	Ferrominas S.A	51%
PP 1913-12	Application		2548	Ferrominas S.A	51%
PP 26-12	Application		2519	Ferrominas S.A	51%
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	15/10/2014	20/10/2016	598	Ferrominas S.A	51%
PE 1962-11	01/10/2014	25/11/2016	530	Joutes S.A	51%
PP 2731-11	27/11/2013	03/10/2016	1077	Ferrominas S.A	51%
PP 2732-11	15/09/2014	10/12/2015	1346	Ferrominas S.A	51%
PE 1753-11	05/11/2014	12/01/2017	206	Joutes S.A	51%
PE 1973-11	12/11/2014	13/01/2017	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%

Tenements held with a 51% interest are held in accordance with the Joint Venture Agreement with Orosur Mining Inc including those owned 100% by the Company. All tenements are in good standing.

Dividend

No dividends in respect of the current financial year have been paid, declared or recommended for payment.

Operating and Financial Review

Principal Activities and Significant Changes in Nature of Activities

As previously announced to the ASX, the Company is currently in a dispute with its Joint Venture Partner concerning the ownership structure of the Joint Venture. The Company continues to correspond with OMI and all parties have agreed to seek an independent audit of the expenditure statement submitted in support of the Company's claim that Phase 2 was completed. In accordance with the Joint Venture Agreement, the auditors determination will be final and thus the expenditure statement will not be subject to arbitration.

The Group continued to focus on the Zapucay Project conducting further exploration and reviews of past economic and pre-feasibility studies. Further details are noted in the review of operations section of this annual report.

Financial Overview

Operating results for the year

The loss for the Group is $1,605,280 (2014: loss of $8,685,259) which is largely consistent with expectations associated with the Group's activities.

Review of financial position

The net assets of the Group have decreased by $1,510,844 from $6,202,373 as at 30 June 2014 to $4,691,529 as at 30 June 2015. The major asset of the Group is represented by the acquisition costs of the Group's interest in the Zapucay Project which continues to be carried at $5,467,000.

The Group's liabilities are represented solely by trade payables which will be settled on normal commercial terms. In addition, the Group drew down on its loan facility. Please refer to Note 14 - Borrowings for further details.

Summary of options on issue

Issuing entity	Issue Date	Number of shares under option	Class of shares	Exercise Price	Expiry Date
Gladiator Resources Limited	8 May 2014	232,985,238	Ordinary	0.6 cents	30/06/2017

Option holders do not have any rights to participate in any issues or other interest in the company or any other entity.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

There have been no shares issued since the end of the financial year resulting from exercise of options.

Events after the Reporting Period

The Company executed and announced that a non-binding Term Sheet with a third party to acquire 100% of their share capital had been executed on 29 September 2015. The proposed acquiree holds exploration tenements in Northern Uruguay which could add strategic value to the Company's current tenement interests within the same proximity. The proposed acquisition will be settled via the issue of the Company's securities based on the market values of each parties asset holdings as determined by an independent valuer to the be appointed by the Company. Shareholder approval will be required to approve the proposed transaction in the event that it proceeds following a period of due diligence. The Company intends to launch a capital raising exercise post the successful completion of the acquisition.

On 9 September 2015 the Company formalised a loan agreement with the same third party to ensure that expenditure requirements on the Company's sole project (Zapucay Project) located in Northern Uruguay are settled as and when they fall due. Please refer to Note 14 for further details on the broad terms of the loan agreement.

Future Developments, Prospects and Business Strategies

The Company continues to review prospects that can support and enhance its current Project. Investigations and negotiations with potential investors are ongoing however the current economic climate for Iron Ore projects continues to impact on a quick and favourable resolution.

The Company recently executed a Term Sheet to acquire an exploration company with tenements and a Fe project in approximately the geographical location of the Company's current project in Northern Uruguay. The proposed merger will realise many synergies including operational cost savings, shared expertise and broader investor networks.

The Company will continue to source debt and equity funding similar to the loan agreement executed post 30 June 2015.

Please refer to Note 19 – Events After Reporting Period for more details on potential future developments.

Environmental Issues

The Group is subject to and compliant with all aspects of environmental regulation of its exploration activities. The Directors are not aware of any environmental law that is not being complied with.

Meetings of Directors

During the financial year, 4 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to	Number attended
Michael Neundlinger	4	1
Malcolm Draffin	4	4
Andrew Draffin	4	4

Indemnifying Officers or Auditor

During the year, the Group entered into an insurance premium to insure certain officers of the Company and its controlled entities. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company or a related body corporate.

The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the premium paid is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement with the Directors and certain officers to indemnify these individuals against any claims and related expenses which arise as a result of work completed in their respective capabilities.

The Company nor any of its related bodies corporate have not provided any insurance for any auditor of the Company or a related body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Non-audit Services

There were no non-audit services provided by the auditor during the period.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 15 of the Financial Report.

REMUNERATION REPORT - AUDITED

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of the Group's Directors and other key management personnel for the year ended 30 June 2015. The prescribed details for each person covered by this report are detailed below.

Details of directors and other key management personnel

Directors and other key management personnel of the Group during and since the end of the financial year are as follows:

Michael Neundlinger	Non-Executive Chairman - appointed 14 August 2014
Malcolm Draffin	Non-Executive Director
Andrew Draffin	Non-Executive Director
Oscar Leon	Non-Executive Director - resigned 14 August 2014

Remuneration policy

The Company's remuneration policy has been designed to align Director and Executive objectives with shareholder and business objectives by providing remuneration packages comprising of a fixed remuneration component. The Board believes the remuneration policy for its Directors and senior management to be appropriate and effect to attract and retain people with the necessary qualifications, skills and experience to assist the company in achieving its desired results. Due to the size of the company, a remuneration committee has not been formed.

Remuneration is reviewed on an annual basis, taking into consideration a number of performance indicators. While no performance based remuneration component has been built into Director and senior management remuneration packages, it is envisaged that as the Company further progresses, consideration will be given to this component of remuneration.

The Group's earnings and movements in shareholders' wealth for five years to 30 June 2015 is detailed in the following table:

	30 June 2015 $	30 June 2014 $	Restated 30 June 2013 $	30 June 2012 $	30 June 2011 $
Revenue	11,802	28,262	348,758	489,049	378,641
Net (loss) / profit before tax	(1,605,280)	(9,638,540)	(1,090,386)	(884,218)	(520,687)
Net (loss) / profit after tax	(1,605,280)	(8,685,258)	(1,090,386)	(884,218)	(520,687)
Share price at start of year	$0.004	$0.010	$0.040	$0.280	$0.230
Share price at end of year	$0.003	$0.004	$0.010	$0.040	$0.280
Dividends paid	-	-	-	-	-
Basic earnings per share	(0.003)	(0.032)	(0.005)	(0.006)	(0.005)

Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive and Executive director remuneration is separate and distinct.

Remuneration of Directors and Senior Management

The Directors (both Executive and Non-Executive) and senior management of the Company received remuneration during the year commencing 1 July 2014 and ending 30 June 2015 based on the following agreements.

Remuneration of Executive Directors

Objective

The Board aims to reward Executive Directors with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for Company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interest of Executive Directors with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards

Structure

In determining the level and make-up of Executive Director remuneration, the Board considers external reports on market levels of remuneration for comparable executive roles. It is the Board's policy that employment contracts are entered into with all senior Executive Directors.

No Executive Directors were employed by the Company during or since the end of the financial year.

Remuneration of Non-Executive Directors

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined form time to time by a general meeting of the Company's shareholders. An amount not exceeding the amount determined is then divided between the Directors as agreed whilst maintaining a surplus amount that can be attributable to further Non-Executive Directors should they be appointed at any time. The current aggregate remuneration amount is $250,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

The Non-Executive Directors are paid a set amount per year. The Non-Executive Directors may receive consultant's fees through related entities for services rendered on a commercial basis.

	Position Held as at 30 June 2015 and since the end of the financial year	Contract details (duration & termination)
Group KMP		
Michael Neundlinger	Non-Executive Chairman	No fixed term
Malcolm Draffin	Non-Executive Director	No fixed term
Andrew Draffin	Non-Executive Director	No fixed term

Remuneration of Directors and other Key Management Personnel (KMP) for the Year Ended 30 June 2015

2015	Short-term Benefits Salaries, fees	Post employment Superannuation	Share based payments Shares	Total	Shared based payments	Amount owing as at 30 June 2015
Group KMP	$	$	$	$	%	$
Michael Neundlinger	21,978	-	-	21,978	-	12,500
Malcolm Draffin	25,000	-	-	25,000	-	6,250
Andrew Draffin	25,000	-	-	25,000	-	6,250
Oscar Leon - resigned 14 August 2014	3,022	-	-	3,022	-	9,272
	75,000	-	-	75,000		34,272

2014	Short-term Benefits Salaries, fees	Post employment Superannuation	Share based payments Shares	Total	Shared based payments	Amount owing as at 30 June 2014
Group KMP	$	$	$	$	%	$
Malcolm Draffin	25,000	-	-	25,000	-	6,250
Andrew Draffin	25,000	-	-	25,000	-	6,250
Oscar Leon	25,000	-	-	25,000	-	6,250
Juan Jorge - resigned 27 March 2014	22,392	-	-	22,392	-	-
Daniel Bruno - resigned 28 March 2014	24,961	-	-	24,961	-	-
	122,353	-	-	122,353		18,750

Share options granted to directors and executives

No shares or options were granted to Directors or Executives during the year.

Other transactions with key management personnel and their related parties

All transactions were performed at arms length basis. Refer to Note 20 (c) in the Notes to financial statements for further information.

This concludes the remuneration report, which has been audited.

Auditor:

BDO East Coast Partnership continues in office in accordance with S327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant s298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Andrew Draffin
Director
Melbourne, 30 September 2015

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Sydney NSW 2000

Australia

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF GLADIATOR RESOURCES LIMITED

As lead auditor of Gladiator Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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

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

Gareth Few
Partner

BDO East Coast Partnership

Sydney, 30 September 2015

GLADIATOR RESOURCES LIMITED ABN: 58 101 026 859
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	Restated 2014 $
Continuing operations			
Revenue	3	11,802	10,599
Other income	3	491,443	970,946
Employee benefits expense		(1,152,111)	(814,909)
Depreciation and amortisation expense		(22,792)	(24,713)
Administration expenses		(75,376)	(95,911)
Audit and tax expenses		(96,711)	(120,339)
Company secretarial fees		(20,525)	(57,997)
Consulting fees		(32,213)	(78,395)
Directors' benefits expense		(75,000)	(122,353)
Exploration expenditure (written off)		(424,535)	(8,010,047)
Fees and permits		(1,729)	(1,969)
Insurance		(41,424)	(19,353)
Legal costs		(20,631)	(133,592)
Rent and outgoings		(81,367)	(128,407)
Share registry maintenance fees		(6,634)	(9,090)
Taxes and licences		(12,094)	57,306
Travel and accomodation		(31,174)	(20,052)
Unrealised loss of financial assets		-	(529)
Other expenses		(5,443)	(15,177)
Realised foreign currency loss		(8,766)	(64,203)
Loss on sale of assets		-	(7,076)
Loss before income tax		(1,605,280)	(8,685,258)
Income tax benefit	4	-	-
Net Loss from continuing operations		(1,605,280)	(8,685,258)
Net Loss for the year		(1,605,280)	(8,685,258)
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax		94,435	(358,934)
Other comprehensive income for the year		94,435	(358,934)
Total comprehensive income for the year		(1,510,844)	(9,044,192)
Losses per share			
From continuing and discontinued operations:			
Basic and diluted loss per share (cents)	7	(0.34)	(3.25)

The accompanying notes form part of these financial statements.

GLADIATOR RESOURCES LIMITED ABN: 58 101 026 859
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	121,643	837,853
Trade and other receivables	9	150,503	416,633
TOTAL CURRENT ASSETS		272,146	1,254,486
NON-CURRENT ASSETS			
Property, plant and equipment	11	28,100	50,892
Exploration expenditure	12	5,467,000	5,467,000
TOTAL NON-CURRENT ASSETS		5,495,100	5,517,892
TOTAL ASSETS		5,767,246	6,772,378
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	382,644	570,005
TOTAL CURRENT LIABILITIES		382,644	570,005
NON-CURRENT LIABILITIES			
Borrowings	14	693,073	-
TOTAL NON-CURRENT LIABILITIES		693,073	-
TOTAL LIABILITIES		1,075,717	570,005
NET ASSETS		4,691,529	6,202,373
EQUITY			
Issued capital	15	18,888,802	18,888,802
Reserves	22	(219,398)	2,193,639
Accumulated losses		(13,977,875)	(14,880,068)
TOTAL EQUITY		4,691,529	6,202,373

The accompanying notes form part of these financial statements.

GLADIATOR RESOURCES LIMITED ABN: 58 101 026 859
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Share Capital		Reserves		
		Ordinary	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
		$	$	$	$	$
Balance at 1 July 2013		18,005,193	(6,668,945)	2,981,611	45,100	14,362,959
Balance at 1 July 2013 (restated)		18,005,193	(6,668,945)	2,981,611	45,100	14,362,959
Comprehensive income						
Loss for the year		-	(8,685,259)	-	-	(8,685,259)
Other comprehensive income for the year		-	-	-	(358,933)	(358,933)
Total comprehensive income for the year		-	(8,685,259)	-	(358,933)	(9,044,192)
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the year		931,941	-	-	-	931,941
Transaction costs		(48,334)	-	-	-	(48,334)
Options exercised during the year		2	-	(2)	-	-
Options expired during the year		-	474,137	(474,137)		-
Total transactions with owners and other transfers		883,609	474,137	(474,139)	-	883,607
Balance at 30 June 2014		18,888,802	(14,880,067)	2,507,472	(313,833)	6,202,374
Balance at 1 July 2014 (RESTATED)		18,888,802	(14,880,067)	2,507,472	(313,833)	6,202,374
Comprehensive income						
Loss for the year		-	(1,605,280)	-	-	(1,605,280)
Other comprehensive income for the year		-	-	-	94,435	94,435
Total comprehensive income for the year		-	(1,605,280)	-	94,435	(1,510,845)
Transactions with owners, in their capacity as owners, and other transfers						
Options expired during the year		-	2,507,472	(2,507,472)	-	-
Total transactions with owners and other transfers		-	2,507,472	(2,507,472)	-	-
Balance at 30 June 2015		18,888,802	(13,977,875)	-	(219,398)	4,691,529

The accompanying notes form part of these financial statements.

GLADIATOR RESOURCES LIMITED ABN: 58 101 026 859
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
R & D rebate received		491,443	953,282
Interest received		11,802	10,599
Payments to suppliers and employees		(770,350)	(1,702,925)
Net cash (used in) operating activities	18a	(267,105)	(739,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(424,535)	(235,386)
Proceeds from sale of investments		-	109,090
Purchase of property, plant and equipment		-	(1,225)
Net cash (used in) investing activities		(424,535)	(127,521)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	931,943
Costs associated with share and option issues		-	(7,804)
Net cash provided by financing activities		-	924,139
Net increase in cash held		(691,640)	57,574
Cash and cash equivalents at beginning of financial year		837,853	792,203
Effect of exchange rates on cash holdings in foreign currencies		(24,570)	(11,924)
Cash and cash equivalents at end of financial year	8	121,643	837,853

The accompanying notes form part of these financial statements.

The Directors of Gladiator Resources Limited and its subsidiaries ("the Group") submit herewith the annual report of the Group for the financial year ended 30 June 2015. The separate financial statements of the parent entity, Gladiator Resources Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Refer to Note 2 for Parent information.

The financial statements were authorised for issue on 30 September 2015 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Austrlaian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards. These finacnail statements also comply with the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparatoin of the financail statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals 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.

Change in accounting policy for refundable R & D grants

The Group previously accounted for refundable R&D tax incentives as an income tax benefit. The Group has determined that these incentives are more akin to government grants because they are not conditional upon earning taxable income. The Group has therefore made a voluntary change in accounting policy during the reporting period. Re-fundable tax incentives are now accounted for as government grants under AASB 102 Accounting for Government Grants and Disclosure of Government Assistance because the directors consider this policy to provide more relevant information to meet the economic decision-making needs of users, and to make the financial statements more reliable.

The Group has reclassified the R&D grant in the consolidated financial statements to reflect the change in accounting policy by including the grant in revenue rather than income tax benefit.

The consolidated entity has made a restatement to the prior year results as a result of the changes in the accounting policy. The change in the accounting policy does not have an impact on the consolidated statement of financial position.

The impact on the change in accounting policy is tabled below.

		Consolidated	
	30 June 2014 Reported	30 June 2014 Adjustment	30 June 2014 Restated
Government grant revenue (note 3)	-	953,252	953,252
Income tax benefit	953,252	(953,252)	-
Loss after income tax benefit for the year	(8,685,258)	-	(8,685,258)

(a) Going Concern

The financial report has been prepared on the 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 for the year of $1,605,280 (2014: loss of $8,685,259) and net cash outflows from operating activities of $267,105 (2014: outflows of $739,044) for the year ended 30 June 2015, and as of that date, had a working capital deficit of $110,498 (2014: surplus of $684,482). These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

The ability of the Group to continue as a going concern is principally dependent upon successfully raising sufficient working capital and containing expenditure.

The Directors have prepared a cash flow forecast for the next 12 months based on best estimates of future in and outflows of cash to demonstrate the Group's ability to continue as a going concern. The forecast indicates that the Group will have sufficient working capital to meet all commitments subject to successfully raising additional capital and further draw downs on the loan facility. Refer to Note 14 - Borrowings for further details.

The ability of the Group to continue as a going concern for the twelve months from the date of this report is dependent on its ability to control its overhead costs and exploration expenditures. The Group also has the potential ability to generate additional funds from activities including:

- a potential farm-out of participating interest in the group's permits;
- future equity or debt fund raisings;
- mergers or similar corporate activity; and
- further draw downs on existing loan facility

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

Note 1: Summary of significant Accounting Policies (Cont'd)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gladiator Resources Limited ('Company' or 'Parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Gladiator Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated group'. A list of controlled entities is contained in Note 11 to the financial statements.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entitiy controls and has the ability to affect those returns through its poweer to direct the activities of the entitiy. Subsidairies are fully consolidated form the date on which control is transferred to the consolidated entity. They are de-consolidated fomr the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated group. Losses incurred by the consolidated group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated group recognises the fair value of the consideration received and the fair value of any investemtnt retained together with any gain or loss in profit or loss.

(c) Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Note 1: Summary of significant Accounting Policies (Cont'd)

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	2.5 - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest or costs associated with acquiring an ownership interest in a specific project through earn-ins or joint ventures. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or project. 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 or discontinued project are written off in full against profit or loss in the year in which the decision to abandon the area or project 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.

Note 1: Summary of significant Accounting Policies (Cont'd)

(f) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified ‘at fair value through profit or loss’ in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs of disposal and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

Note 1: Summary of significant Accounting Policies (Cont'd)

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

Transaction and balances

Foreign currency transactions are translated into 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 where deferred in equity as a qualifying cash flow or net investment hedge.

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.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group'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 average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(i) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits available on demand with banks. Bank overdrafts are reported withing short-term borrowings in current liabilities in the statement of financial position.

Note 1: Summary of significant Accounting Policies (Cont'd)

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax.

(m) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(p) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST or VAT incurred is not recoverable from the Australian Taxation Office (ATO) or the Uruguay General Tax Direction (Direccion Nacional Impositiva - DGI) as appropriate.

Receivables and payables are stated inclusive of the amount of GST or VAT receivable or payable. The net amount of GST or VAT recoverable from, or payable to, the ATO or DGI is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO or DGI are presented as operating cash flows included in receipts from customers or payments to suppliers.

(q) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

The Group previously accounted for refundable R&D tax incentives as an income tax benefit. The Group has determined that these incentives are more akin to government grants because they are not conditional upon earning taxable income. The Group has therefore made a voluntary change in accounting policy during the reporting period. Re-fundable tax incentives are now accounted for as government grants under AASB 102 Accounting for Government Grants and Disclosure of Government Assistance because the directors consider this policy to provide more relevant information to meet the economic decision-making needs of users, and to make the financial statements more reliable.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

(s) Critical Accounting Estimates and Judgements

In applying the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities. These estimates and assumptions are made based on past experience and other factors that are considered relevant. Actual results may differ from these estimates. ALl estimates and underlying asusmptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reviewed if the revision affects both current and future periods.

The following describes critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Note 1: Summary of significant Accounting Policies (Cont'd)

Going Concern

The Directors have prepared a cash flow forecast for the next 12 months based on best estimates of future in and outflows of cash to demonstrate the Group's ability to continue as a going concern. The forecast indicates that the Group will have sufficient working capital to meet all commitments subject to successfully raising additional capital.

The amount and timing of any capital raising can only be estimated and is based on preliminary discussions and indicative commitments that are recognised as non-binding on either the Group or potential investors. Therefore, the directors can provide no certainty to a successful completion of any capital raising.

Government tax incentives

Government tax incentives are not recognised until there is a reasonable assurance the Group will be eligible to receive such incentives.

The Group received a Research and Development tax incentive from AusIndustry during the reporting period. AusIndustry may subsequent to the payment of any rebate monies request a review of the original R & D submission which could potentially result in the Group having to refund in part of full any rebate received, thus accounted for as an income tax benefit.

Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors' understanding thereof. At the current stage of the Group's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. THe current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

(t) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year
AASB 9 - 'Financial Instruments', and the relevant amending standards[1]	1 January 2018	30 June 2019
AASB 2014-3 ‘Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations’	1 January 2016	30 June 2017
AASB 2014-4 ‘Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation’	1 January 2016	30 June 2017
AASB 2014-9 ‘Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements’	1 January 2016	30 June 2017
AASB 2014-10 ‘Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	1 January 2016	30 June 2017
AASB 2015-1 ‘Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle’	1 January 2016	30 June 2017
AASB 2015-2 ‘Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101’	1 January 2016	30 June 2017
AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality’	1 July 2015	30 June 2016

1 The AASB has issued the following versions of AASB 9:
- AASB 9 ‘Financial Instruments’ (December 2009) and the relevant amending standard;
- AASB 9 ‘Financial Instruments’ (December 2010) and the relevant amending standards;
- AASB 2013-9 ‘Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments’, Part C – Financial Instruments
- AASB 9 ‘Financial Instruments’ (December 2014) and the relevant amending standards

All the standards have an effective date of annual reporting periods beginning on or after 1 January 2018. Either AASB 9 (December 2009) or AASB 9 (December 2010) can be early adopted if the initial application date is before 1 February 2015.
After this date only AASB 9 (December 2014) can be early dopted.

Note 2 Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2015 $	2014 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	92,035	650,201
Non-current Assets	22,025	20,305
TOTAL ASSETS	114,060	670,506
LIABILITIES		
Current Liabilities	183,330	234,420
Non-current Liabilities	32,966	32,966
TOTAL LIABILITIES	216,296	267,386
NET ASSETS	(102,237)	403,120
EQUITY		
Issued Capital	18,888,802	18,888,802
Reserves	-	2,507,473
Accumulated Losses	(18,991,039)	(20,993,155)
TOTAL EQUITY	(102,237)	403,120
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Loss for the year	(505,357)	(15,700,382)
Other Comprehensive Income	-	-
Total Comprehensive Income	(505,357)	(15,700,382)

Contingent liabilities
Gladiator Resources Limited has no commitments and contingent liabilities at the date of this report.

Note 3 Revenue and Other Income

	Consolidated Group 2015 $	Consolidated Group 2014 $
(a) Revenue from continuing operations		
Other revenue		
— interest received	11,802	10,599
	11,802	10,599
Total revenue	11,802	10,599
Other income		
— other income	-	17,664
— government grant	491,443	953,282
Total other income	491,443	970,946

Note 4 Tax Expense

	Consolidated Group 2015 $	Consolidated Group 2014 $
(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)		
— consolidated group	(481,584)	(2,891,562)
Add:		
Tax effect of:		
— Deferred tax not brought to accounts	481,584	2,891,562
Income tax attributable to entity	-	-
Balance of franking account at year end	nil	nil

(b) **Tax losses**

Unused tax losses for which no deferred tax asset has been recognised	5,895,219	5,744,834

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2015 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the loss and exploration

	Consolidated Group 2015 $	2014 $
(d) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax		
(Loss) from continuing operations	(481,584)	(9,638,540)
Income tax expense (benefit) calculated at 30%	(144,475)	(2,891,562)
Effect of non-deductible expenses	(2,677)	(8,397)
Effect of unused tax losses and tax offsets not recognised as deferred tax	628,736	2,899,959
Income tax expense	-	-

Note 5 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2015 $	2014 $
Short-term employee benefits	75,000	122,353
Post-employment benefits	-	-
Share-based payments	-	-
Total KMP compensation	75,000	122,353

Further information in relation to KMP remuneration can be found in the Director's Remuneration Report.

Note 6 Auditors' Remuneration

	Consolidated Group 2015 $	2014 $
Remuneration of the auditor for:		
— BDO Sydney	28,610	18,000
— BDO Uruguay	6,000	11,000
	34,610	29,000

Note 7 Earnings per Share

	Consolidated Group 2015 $	2014 $
(a) Reconciliation of earnings to profit or loss		
Loss	(1,605,280)	(8,685,258)
Losses used to calculate basic EPS	(1,605,280)	(8,685,258)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	465,970,476	267,454,280
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	465,970,476	267,454,280

Note 8 Cash and Cash Equivalents

	Note	Consolidated Group 2015 $	Consolidated Group 2014 $
Cash at bank and on hand		81,571	702,229
Short-term bank deposits		40,072	135,624
	21	121,643	837,853

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2015 $	2014 $
Cash and cash equivalents	121,643	837,853
	121,643	837,853

Note 9 Trade and Other Receivables

	Consolidated Group 2015 $	Consolidated Group 2014 $
CURRENT		
Other receivables		
— GST and VAT refundable	67,921	348,910
— Prepayments	10,431	12,280
— Guarantees	72,151	55,443
Total current trade and other receivables	150,503	416,633

Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 9. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2015	$	$	$	$	$	$	$
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	150,503	-	67,921	-	-	82,582	150,503
Total	150,503	-	67,921	-	-	82,582	150,503

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2014	$	$	$	$	$	$	$
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	416,663	-	348,910	-	-	67,723	416,633
Total	416,663	-	348,910	-	-	67,723	416,633

Note 10 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.

Name of subsidiary	Principal place of business	Ownership interest held by the Group 2015 (%)	2014 (%)
Brightflow Investments Pty Ltd	Australia	100%	100%
Ecochar Pty Ltd	Australia	100%	100%
Ion Resources Pty Ltd	Australia	100%	100%
Ferrous Resources Pty Ltd	Uruguay	100%	100%
Ferrominas Sociedad Anonima	Uruguay	100%	100%
Floniler Sociedad Anonima	Uruguay	100%	100%
Joutes Sociedad Anonima	Uruguay	100%	100%
Hamfu Sociedad Anonima	Uruguay	100%	100%
Kyntu Sociedad Anonima	Uruguay	100%	100%
Rolben Sociedad Anonima	Uruguay	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.

(b) **Significant Restrictions**

There are no significant restrictions over the Group's ability to access or use assets and settle liabilities, of the Group.

Note 11 Property, Plant and Equipment

	Consolidated Group 2015 $	2014 $
LAND AND BUILDINGS		
Freehold land at:		
— at cost	22,848	22,848
Total land	22,848	22,848
Carrying amount of all freehold land had it been carried under the cost model		
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	128,199	128,199
Accumulated depreciation	(122,947)	(100,155)
	5,252	28,044
Total plant and equipment	5,252	28,044
Total property, plant and equipment	28,100	50,892

(a) **Movements in Carrying Amounts**

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Property $	Plant and Equipment $	Total $
Consolidated Group:			
Balance at 1 July 2013	22,848	51,532	74,380
Additions	-	1,225	1,225
Depreciation expense	-	(24,713)	(24,713)
Balance at 30 June 2014	22,848	28,044	50,892
Depreciation expense	-	(22,792)	(22,792)
Balance at 30 June 2015	22,848	5,252	28,100

Note 12 Exploration Expenditure

	Consolidated Group	
	2015	2014
	$	$
NON-CURRENT		
Acquisition of 51% Orosur Mining Joint Venture		
Balance at beginning of year	5,467,000	5,467,000
Exploration expenditure incurred during the year	-	-
Exploration expenditure written off during the year	-	-
Balance at end of year	5,467,000	5,467,000
Mineral exploration and evaluation expenditure		
Balance at beginning of year	-	7,774,661
Exploration expenditure incurred during the year	424,535	235,386
Exploration expenditure written off during the year	(424,535)	(8,010,047)
Balance at end of year	-	-
Total Exploration Expenditure		
Acquisition of 51% Orosur Mining Joint Venture	5,467,000	5,467,000
Mineral exploration and evaluation expenditure	-	-
	5,467,000	5,467,000

Under the Gladiator & Orosur Option and Joint Venture agreement (Agreement), the Group has earned a 51% interest in Zapucay Project located in norther Uruguay. The Group has incurred significant exploration expenditure on this project since inception including but not limited to drilling, metallurgy, economic pre-fesibility studies and consultancy work.

Amounts paid to acquired the rights to explore the area defined by the Zapucay Project can be identified under the terms of the Agreement. Under the relevant terms, the Company was required to expend USD 1,100,000 on exploration in order to earn a 20% interest in the Project. This phase 1 commitment was completed and acknowledged by all aparties to the Agreement during May 2011. A further USD $4,000,000 (Phase Two) was expended earning the Company a further 31% interest in the Project taking the total earn in to 51% during August 2011.

As previously disclosed to the ASX via company announcements, the Company's dispute with Orosur is ongoing however both parties have agreed to appoint an auditor to review and verify the expenditure statement that the Company has previously provided to demonstrate its entitlement to a 51% ownership interest. The Board remains confident that review will be favourable and note that the auditors determination will be final and therefore the amounts stated in the in the expenditure statement will not be subject to arbitration in accordance with the Option and Joint Venture Agreement currently governing the Project.

In 2014 financial year, the Board had not been unable to attribute a significant portion of past capitalised exploration expenditure to the identifiable areas of interest held by the Group or the parties to the Agreement. Therefore, an impairment charge of $8,010,047 was brought to account at 30 June 2014 being the amount of exploration expenditure that could not be directly attributable to an identifiable area of interest in accordance with AASB 6 and the relevant accounting policy adopted by the Company. Refer to Note 1(e) for further details.

Note 13 Trade and Other Payables

	Note	Consolidated Group 2015 $	2014 $
CURRENT			
Unsecured liabilities			
Trade payables		348,522	570,005
Sundry payables and accrued expenses		34,122	-
		382,644	570,005

	Note	Consolidated Group 2015 $	2014 $
(a) Financial liabilities classified as trade and other payables			
Trade and other payables			
— Total current		382,644	570,005
— Total non-current		-	-
		382,644	570,005
Financial liabilities as trade and other payables	21	382,644	570,005

Note 14 Borrowings

	Note	Consolidated Group 2015 $	2014 $
NON-CURRENT			
Loan - third party		693,073	-
Total non-current borrowings		693,073	-
Total borrowings	21	693,073	-

The Company entered into a loan agreement with a third party to ensure that the Group's expenditure requirements for the Zapucay Project are settled as and when they fall due.

The broad terms of the loan agreement include the following:

- Availability period of 18 months from 30 June 2015;
- Repayment period of 14 days on the receipt of a repayment notice at the conclusion of the availability period;
- No interest is payable on the loan; and
- The Company reserves the right for early repayment.

At the date of this report, the Company has completed a drawdown notice which resulted in AUD $693,073 (USD $532,280) being advanced to the Group to settle certain liabilities associated with the Zapucay Project.

Note 15 Issued Capital

	Consolidated Group 2015 $	2014 $
465,970,476 fully paid ordinary shares (2014: 465,970,476)	18,888,802	18,888,802
	18,888,802	18,888,802

The company has authorised share capital amounting to 465,970,476 ordinary shares.

(a) **Ordinary Shares**	Consolidated Group 2015 No.	2014 No.
At the beginning of the reporting period	465,970,476	232,985,222
Shares issued during the year	-	232,985,254
At the end of the reporting period	465,970,476	465,970,476

(b) **Options**

The following reconciles with the outstanding listed options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial year:

	2015 No.	2014 No.
Balance at the beginning of the financial year	370,982,194	137,996,956
Exercised during the financial year	-	(16)
Granted during the financial year	-	232,985,254
Lapsed during the financial year	(137,996,956)	-
Balance at the end of the financial year	232,985,238	370,982,194
Exercisable at the end of the financial year	232,985,238	370,982,194

The following reconciles with the outstanding unlisted options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial year:

	2015 No.	2014 No.
Balance at the beginning of the financial year	-	14,625,000
Lapsed during the financial year	-	(14,625,000)
Balance at the end of the financial year	-	-
Exercisable at the end of the financial year	-	-

(c) **Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, listed options to subscribe for fully paid shares' and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

		Consolidated Group	
		2015	2014
	Note	$	$
Total borrowings		1,075,717	570,005
Less cash and cash equivalents	8	(121,643)	(837,853)
Net debt		954,074	(267,848)
Total equity		4,691,529	6,202,373
Total capital		5,645,603	5,934,525
Gearing ratio		23%	9%

Note 16 Contingent Liabilities

Gladiator Resources Limited has no known material contingent liabilities at the date of this report.

Note 17 Operating Segments

Business Segments

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

Unless state otherwise, 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.

Segment information

(i) **Segment performance**

30 June 2015	**Australia $**	**Uruguay $**	**Total $**
Revenue			
Other income	-	-	-
Interest revenue	6,767	5,035	11,802
Total segment revenue	6,767	5,035	11,802
Reconciliation of segment revenue to consolidated entities revenue			
Total consolidated revenue:			11,802
Expenses			
Employee benefits expense	-	1,152,111	1,152,111
Depreciation	-	22,792	22,792
Directors benefits expense	75,000	-	75,000
Rent and outgoings	-	-	-
Consulting fees	25,000	-	25,000
Travel and accomodation	31,174	-	31,174
Exploration written off	-	424,535	424,535
Other expenses	178,728	199,185	377,913
	309,902	1,798,623	2,108,524
Segment loss before tax	(303,135)	(1,793,588)	(2,096,723)
Amounts not included in segment result but reviewed by the Board:			
Realised loss on sale of investments			-
Income tax benefit			491,443
			491,443
Net loss before tax from continuing operations			(1,605,280)

30 June 2014	**Australia $**	**Uruguay $**	**Total $**
Revenue			
Other income	-	17,664	17,664
Interest revenue	2,057	8,542	10,599
Total segment revenue	2,057	26,206	28,263
Reconciliation of segment revenue to consolidated entities revenue			
Total consolidated revenue:			28,263
Expenses			
Employee benefits expense	-	814,909	814,909
Depreciation	-	24,713	24,713
Directors benefits expense	122,353	-	122,353
Rent and outgoings	30,000	98,407	128,407
Consulting fees	73,329	5,065	78,394
Travel and accomodation	20,052	-	20,052
Exploration written off	971,544	7,038,503	8,010,047
Other expenses	377,808	83,045	460,853
	1,595,086	8,064,642	9,659,728
Segment loss before tax	(1,593,029)	(8,038,436)	(9,631,465)
Amounts not included in segment result but reviewed by the Board:			
Realised loss on sale of investments			(7,076)
Income tax benefit			953,282
			946,206
Net loss before tax from continuing operations			(8,685,259)

(ii) **Segment assets**

30 June 2015	**Australia $**	**Uruguay $**	**Total $**
Segment assets	127,121	5,675,211	5,802,332
Reconciliation of segment assets to group assets			
Intersegment eliminations			(35,085)
Total group assets			5,767,247

30 June 2014	Australia $	Uruguay $	Total $
Segment assets	683,567	6,225,790	6,909,357
Reconciliation of segment assets to group assets			
Intersegment eliminations			(136,978)
Total group assets			6,772,379

(iii) **Segment liabilities**

30 June 2015	Australia $	Uruguay $	Total $
Segment liabilities	252,078	11,180,739	11,432,817
Reconciliation of segment liabilities to group liabilities			
Intersegment eliminations			(10,357,100)
Total group liabilities			1,075,717

30 June 2014	Australia $	Uruguay $	Total $
Segment liabilities	298,322	8,658,257	8,956,579
Reconciliation of segment liabilities to group liabilities			
Intersegment eliminations			(8,386,574)
Total group liabilities			570,005

Note 18 Cash Flow Information

	Consolidated Group 2015 $	2014 $
(a) **Reconciliation of Cash Flow from Operating Activities with Profit after Income Tax**		
Loss after income tax	(1,605,280)	(8,685,259)
Non-cash flows in profit		
Depreciation	22,792	24,713
Write-off of capitalised expenditure	424,535	8,010,047
Foreign exchange on impairment of capitalised expenditure	-	(462,323)
Equity settled share base payments	-	14,543
Net loss on sale of investments	-	7,076
Unrealised foreign exchange movements	110,240	-
Realised foreign exchange movements	8,766	64,203
Unrealised (gain)/loss on investments	-	529
Changes in assets and liabilities, net of the effects		
Decrease / (Increase) in trade and other	266,130	467,391
(Decrease) in trade and other payables	(187,361)	(179,963)
Increase in borrowings	693,073	-
Cash flow from operating activities	(267,105)	(739,043)

Note 19 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.

The Company executed and announced that a non-binding Term Sheet with a third party to acquire 100% of their share capital had been executed on 29 September 2015. The proposed acquiree holds exploration tenements in Northern Uruguay which could add strategic value to the Company's current tenement interests within the same proximity. The proposed acquisition will be settled via the issue of the Company's securities based on the market values of each parties asset holdings as determined by an independent valuer to the be appointed by the Company. Shareholder approval will be required to approve the proposed transaction in the event that it proceeds following a period of due diligence. The Company intends to launch a capital raising exercise post the successful completion of the acquisition.

On 9 September 2015 the Company formalised a loan agreement with the same third party to ensure that expenditure requirements on the Company's sole project (Zapucay Project) located in Northern Uruguay are settled as and when they fall due. Please refer to Note 14 for further details on the broad terms of the loan agreement.

Note 20 Related Party Transactions

Related Parties

(a) The Group's main related parties are as follows:

i. **Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5.

ii. **Other Related Parties**

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Consolidated Group 2015 $	Consolidated Group 2014 $
i. **Director related entities**		
- Directors' fees paid to Mr Michael Neundlinger	21,978	-
- Directors' fees paid to Draffin Walker Pty Ltd, of which Mr Malcolm Draffin is a director and shareholder	25,000	25,000
- Directors' fees paid to Draffin Walker Pty Ltd, of which Mr Andrew Draffin is a director and shareholder	25,000	25,000
- Company secretarial fees paid to Draffin Walker Pty Ltd, of which Mr Malcolm Draffin and Mr Andrew Draffin are directors and shareholders	20,000	67,788
- Directors' fees paid to Mr Oscar Leon	3,022	25,000
- Directors' fees paid to Mr Juan Jorge	-	22,392
- Directors' fees paid to Mr Daniel Bruno	-	24,961
- Company secretarial and finance function fees paid to Franks & Associates Pty Ltd, of which Mr Andrew Bursill is a director and shareholder	-	67,788

(c) Reimbursment Transactions with related parties

	Consolidated Group 2015 $	Consolidated Group 2014 $
Reimbursement of business expenses incurred by the Company and intially settled by Draffin Walker Pty Ltd, of which Mr Malcolm Draffin and Mr Andrew Draffin are directors and shareholders. All expenses were incurred on an arm's length basis.	35,621	5,464
Reimbursement of business expenses incurred by the Company and initially settled by Mr Daniel Bruno. All expenses were incurred on an arm's length basis.	-	14,588

(d) Amounts due to related parties as at 30 June 2015

	Consolidated Group 2015 $	Consolidated Group 2014 $
Draffin Walker Pty Ltd	12,500	12,500
Michael Neunlindger	12,500	-
Mr Oscar Leon	9,272	6,500

Note 21 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2015	2014
	Note	$	$
Financial Assets			
Cash and cash equivalents	8	121,643	837,853
Loans and receivables	9	150,503	416,633
Total Financial Assets		272,146	1,254,486
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	13	382,644	570,005
— Borrowings	14	693,073	-
Total Financial Liabilities		1,075,717	570,005

Financial Risk Management Policies

The Finance and Operations Committee (FOC) has been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. The FOC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk. The FOC meets on a bi-monthly basis and minutes of the FOC are reviewed by the Board.

The FOC's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar charaterisctics. The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are bankes with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent the Group's maximum exposure to credit risk.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The following table details the Group's remaining contractual maturity for its financial liabilities and financial assets:

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables	382,644	570,005	-	-	-	-	382,644	570,005
Borrowings	-	-	693,073	-	-	-	693,073	-
Total contractual outflows	382,644	570,005	693,073	-	-	-	1,075,717	570,005
Less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	382,644	570,005	693,073	-	-	-	1,075,717	570,005

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	2015	2014	2015	2014	2015	2014	2015	2014
Financial Assets - cash flows realisable								
Cash and cash equivalents	121,643	837,853	-	-	-	-	121,643	837,853
Trade, term and loans receivables	150,503	416,633	-	-	-	-	150,503	416,633
Total anticipated inflows	272,145	1,254,486	-	-	-	-	272,145	1,254,486
Net (outflow) / inflow on financial	(110,499)	684,481	(693,073)	-	-	-	(803,572)	684,481

c. Market Risk

i. *Interest rate risk*

The Group's exposure to market risk primarily consists of financial risks assocaited with changes in interest rates as detailed below. As the level of risk is low, the Group does not use any derivatives to hedge its exposure.

The Group is not exposed to interest rate risk on its non-current borrowings as the terms of the loan agreement stipulates that no interest is payable.

ii. *Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the US Dollar may impact on the Group's financial results unless those exposures are appropriately hedged.

The Australian dollar equivalent of foreign current balances included in the accounts are as follows:

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other

	Consolidated Group	
	2015	**2014**
Cash and cash equivalents	43,845	212,253
Current trade and other receivables	136,266	392,033
Non-current assets	5,495,100	5,621,504
Current trade and other payables	(199,314)	(335,585)
Non-current liabilities	(10,981,425)	(8,322,672)
	(5,505,528)	(2,432,467)

The following significant exchange rates were applied during the year.

$1 AUD	Average Rate		Spot Rate	
United States	1.1978	1.0895	1.3021	1.0594

Interest rate sensitivity Analysis

A sensitivity analysis has been determined based on the exposure to interest rates at reporting date with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 75 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the management's assessment of the possible change in interest rate.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group	
Year ended 30 June 2015	**Profit $**	**Equity $**
+/- 0.75% in interest rates	912	912

	Consolidated Group	
Year ended 30 June 2014	**Profit $**	**Equity $**
+/- 0.75% in interest rates	6,284	6,284

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

The Directors consider that the carrying amounts of financial assets and liabilities recorded at cost less any accumulated impairments in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- Other financial assets and financial liabilities are determined in accordance with generally accepted pricing models

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liabilitiy settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for lsited securities are obtained from quoted market bid prices. WHere securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

	Note	2015		2014	
Consolidated Group		Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Financial assets					
Cash and cash equivalents	8	121,643	121,643	837,853	837,853
Trade and other receivables		150,503	150,503	416,633	416,633
Total financial assets		272,146	272,146	1,254,486	1,254,486
Financial liabilities					
Trade and other payables	13	382,644	382,644	570,005	570,005
Borrowings	14	693,073	693,073	-	-
Total financial liabilities		1,075,717	1,075,717	570,005	570,005

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.

Note 22 Reserves

a. **Option Reserve**

The option reserve records items recognised as expenses on valuation of employee share options and other options.

	2015 $	2014 $
Balance at beginning of the year	2,507,472	2,981,611
Options exercised	-	(2)
Expiry of options	(2,507,472)	(474,137)
	-	2,507,472

b. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

	2015 $	2014 $
Balance at the beginning of the year	(313,834)	45,100
Foreign currency movements during the year	94,435	(358,934)
	(219,399)	(313,834)

Total Reserves	2015 $	2014 $
Option Reserve	-	2,507,472
Foreign currency translation reserve	(219,399)	(313,834)
	(219,399)	2,193,638

Note 23 Economic Dependency

All subsidiaries and controlled entities are dependent on the Parent Company, Gladiator Resources Limited.

Note 24 Company Details

The registered office of the company is:
Gladiator Resources Limited
Level, 2 395 Collins Street
Melbourne Vic 3000

The principal places of business are:
Gladiator Resources Limited
Level, 2 395 Collins Street
Melbourne Vic 3000

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

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act

On behalf of the directors

Director

Mr Andrew Draffin

Dated this 30 September 2015

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Sydney NSW 2000

Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Gladiator Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Gladiator Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 report.

Opinion

In our opinion:

(a) the financial report of Gladiator Resources Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 14 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Gladiator Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Gareth Few

Gareth Few
Partner

Sydney, 30 September 2015

GLADIATOR RESOURCES LIMITED ABN: 58 101 026 859
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 29 September 2015:

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	**No. of Holders**	**No. of Ordinary Shares**
1 – 1,000	26	2,555
1,001 – 5,000	34	115,129
5,001 – 10,000	96	878,418
10,001 – 100,000	168	7,173,269
100,001 – and over	116	457,801,105
	440	465,970,476

b. The number of shareholdings held in less than marketable parcels is 350 (2014: 357)

c. The names of the substantial shareholders listed in the holding company's register are:

	Number	
Shareholder	**No. of Ordinary Fully Paid Shares**	**% Held of Issued Ordinary Capital**
BHP Paribas Noms Pty Ltd <DRP A/C>	178,124,762	38.23%
Wealthystar Group Limited	59,750,279	12.82%
ABN Amro Clearing Sydney Nominees Pty Ltd <Cust A/C>	40,127,768	8.61%

d. **Voting Rights**
Articles 15 on the Constitution specify that on a show of hands, every member present in person, by attorney or by proxy shall have:

– For every fully paid share held by him one vote; and
– For every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares.

e. 20 Largest Shareholders — Ordinary Shares

Name		**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
1.	BNP Paribas Noms Pty Ltd <DRP A/C>	178,124,762	38.23%
2.	Wealthystar Group Limited	59,750,279	12.82%
3.	ABN Amro Clearing Sydney Nominees Pty Ltd <CUST A/C>	40,127,768	8.61%
4.	Cuthbert Prods Inc	23,251,927	4.99%
5.	Joyce Asset Corp	23,251,927	4.99%
6.	Citicorp Nominees Pty Ltd	15,154,187	3.25%
7.	NEFCO Nom Pty Ltd	12,954,563	2.78%
8.	HSBC Custody Nom Aust Limited	8,578,409	1.84%
9.	Tim Adams & Assoc Pty Ltd <Adams Fam A/C>	8,400,000	1.80%
10.	JP Morgan Nom Aust Limited	7,962,543	1.71%
11.	Jomima Pty Ltd	4,645,000	1.00%
12.	J & E Kerr Inv Pty Ltd <J&E Kerr Inv PL SF>	3,500,000	0.75%
13.	GA & AM Leaver Inv Pty Ltd <GA & AM Leaver S/F>	3,022,296	0.65%
14.	Red Oaks Pty Ltd	3,000,000	0.64%
15.	Dirki Pty Ltd	2,900,000	0.62%
16.	M & M Fam Pty Ltd	2,750,000	0.59%
17.	Joe and Sally Leuzzi	2,500,000	0.54%
18.	Daffodil Holdings Pty Ltd <Kandahar Fam A/C>	2,255,000	0.48%
19.	Casa Dolce Pty Ltd <Todd Rapley Fam A/C>	2,000,000	0.43%

20.	Feng Li	2,000,000	0.43%
		406,128,661	87.15%

f. Options on issue

The following listed options are on issue and remain outstanding at the date of this report.

1. 232,985,238 options exercisable on or before 30 June 2017 at an exercise price of 0.6 cents.

2. The name of the company secretary is Andrew John Draffin

3. The address of the principal registered office in Australia is Level 2, 395 Collins Street, Melbourne Vic 3000. Telephone (03) 8611 5333.

4. Registers of securities are held at the following addresses
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. **Other Disclosures**