



The General Meeting of

GLADIATOR RESOURCES LIMITED

ABN 58 101 026 859

*Will be held at
11 AM (AEST) on Friday, 14 July 2017*

At

Level 4, 91 William Street, Melbourne VIC 3000

For personal use only

GLADIATOR RESOURCES LIMITED

ABN 58 101 026 859

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Gladiator Resources Limited (the *Company*) will be held at:

Level 4, 91 William Street,

Melbourne, Victoria

at 11 am (AEST) on Friday, 14 July 2017.

This Notice of General Meeting is accompanied by an Explanatory Memorandum and Proxy Form which contain important information regarding the matters to be considered at the meeting and how to vote on the proposed resolutions. The Proxy Form and Explanatory Memorandum form part of this Notice of General Meeting and should read together with this Notice.

Business

The business of the meeting consists of ten (10) resolutions, proposed as ordinary resolutions, to be put to the meeting in accordance with this Notice, as set out below.

The resolutions being put to the meeting seek, amongst other things, shareholder approval for the issue of shares previously allotted by the Company without shareholder approval under the Company's 15% placement capacity in accordance with Listing Rule 7.1. The relevant resolutions, if passed will have the effect of refreshing the Company's 15% placement capacity and thus provide the ability to complete further placements to fund future operations. Moreover, shareholder approval is sought for the issue of one (1) free-attaching unlisted Option for every one (1) share allotted under the share placement undertaken by the Company on 23 February 2017 as agreed with the subscriber at that time.

Additionally, member approval is being sought for a private placement to be undertaken by the Company to raise up to \$100,000 for working capital.

Further, approval is sought for the re-election of Mr Ian Hastings and Mr Ian Richer as directors of the Company who were appointed to fill casual vacancies that were created since the last meeting of the Company and, separately, approval for the issue of options to each of the current Directors.

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Resolution 1 – RATIFICATION OF SHARE ISSUE TO KASSETS PTY LTD (Less than 15% of issued capital)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue and allotment of 19,928,000 fully paid ordinary shares to Kassets Pty Ltd at an issue price of \$0.001 (0.1 cents) per share.”

Voting Exclusion Statement in Respect of Resolution 1

The Company will disregard any votes cast on this resolution by Kassets Pty Ltd or any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 2 – RATIFICATION OF SHARE ISSUE TO TOMIK NOMINEES PTY LTD (Less than 15% of issued capital)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue and allotment of 49,821,420 fully paid ordinary shares to Tomik Nominees Pty Ltd at an issue price of \$0.001 (0.1 cents) per share.”

Voting Exclusion Statement in Respect of Resolution 2

The Company will disregard any votes cast on this resolution by Tomik Nominees Pty Lt or any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 3 – ISSUE OF PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 25,000,000 fully paid ordinary shares, at an issue price of \$0.004 (0.4 cents) per share on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement in Respect of Resolution 3

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The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – RE-ELECTION OF DIRECTOR – MR IAN HASTINGS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr. Ian Hastings, a Director of the Company appointed to fill a casual vacancy in accordance with the Company’s Constitution, retires in accordance with clause 14.3(b) of the Constitution and, being eligible, is re-elected as a Director of the Company.”

Resolution 5 – RE-ELECTION OF DIRECTOR – MR IAN RICHER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr. Ian Richer, a Director of the Company appointed to fill a casual vacancy in accordance with the Company’s Constitution, retires in accordance with clause 14.3(b) of the Constitution and, being eligible, is re-elected as a Director of the Company.”

Resolution 6 – ISSUE OF SHARES TO RELATED PARTIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 16,666,666 fully paid ordinary shares to be allotted between DW Accounting and Advisory Pty Ltd and Draffin Walker Pty Ltd, each being entities controlled by Director Andrew Draffin, at an issue price of \$0.003 (0.3 cents) per share.”

Voting Exclusion Statement in Respect of Resolution 6

In accordance with ASX Listing Rules 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution by each of Andrew Draffin, DW Accounting and Advisory Pty Ltd and Draffin Walker Pty Ltd, or an associate of those persons. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

Note: the meaning of “associate” for the purposes of voting exclusion is given in Section 11 and Section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

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Resolution 7 – ISSUE OF OPTIONS TO MR IAN HASTINGS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule Listing Rule 10.11 and sections 195(4) and 208 of Corporations Act 2001 (Cth), and for all other purposes, Shareholders approve and authorise the issue to Mr Ian Hastings, or his nominee, of 20,000,000 Director Options on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement in Respect of Resolution 7

The Company will disregard any votes cast on this Resolution by Mr Hastings and any of his associates. However, the Company will not disregard the vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 7 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 7 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 7; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 7. Shareholders may also choose to direct the Chair to vote against Resolution 7 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act. Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 7.

Resolution 8 – ISSUE OF OPTIONS TO MR IAN RICHER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule Listing Rule 10.11 and sections 195(4) and 208 of Corporations Act 2001 (Cth), and for all other purposes, Shareholders approve and authorise the issue to Mr Ian Richer, or his nominee, of 20,000,000 Director Options on the terms and conditions set out in the Explanatory Memorandum.”

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Voting Exclusion Statement in Respect of Resolution 8

The Company will disregard any votes cast on this Resolution by Mr Richer and any of his associates. However, the Company will not disregard the vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 8 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 8 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 8; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 8. Shareholders may also choose to direct the Chair to vote against Resolution 8 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act. Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 8.

Resolution 9 – ISSUE OF OPTIONS TO MR ANDREW DRAFFIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule Listing Rule 10.11 and sections 195(4) and 208 of Corporations Act 2001 (Cth), and for all other purposes, Shareholders approve and authorise the issue to Mr Andrew Draffin, or his nominee, of 20,000,000 Director Options on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement in Respect of Resolution 9

The Company will disregard any votes cast on this Resolution by Mr Draffin and any of his associates. However, the Company will not disregard the vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 9 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution

and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 9 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 9 or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 9. Shareholders may also choose to direct the Chair to vote against Resolution 9 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act. Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 9.

Resolution 10 – ISSUE OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 46,666,666 free-attaching unlisted Options to the subscriber of shares in the Company undertaken on 23 February 2017 at an exercise price of \$0.005 (0.5 cents) per Option on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement in Respect of Resolution 10

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Instructions

Voting instructions and restrictions are set out in the notes to this Notice of General Meeting.

If you cannot attend the General Meeting, you are strongly urged to complete the Proxy Form accompanying this Notice and return it to the Company (see Proxy Form for details).

The Directors unanimously (with the exception of Mr Draffin in respect of Resolution 6) recommend the approval of Resolutions 1 to 6 (inclusive) and Resolution 10 contained in this Notice of Meeting and encourage eligible Shareholders to vote in favour of those Resolutions. Andrew Draffin has declined to make a recommendation on Resolution 6 as it concerns the issue of securities to entities related to him. Further, all of the Directors

have declined to make any recommendation in respect of Resolutions 7 to 9 (inclusive) having regard to their subject matter, as set out in the Explanatory Memorandum.

The Chairman of the meeting intends to vote undirected proxies in favour of all of the Resolutions. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for the Resolutions.

BY ORDER OF THE BOARD



Andrew Draffin
Company Secretary
Gladiator Resources Limited
Dated: 13 June 2017

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GLADIATOR RESOURCES LIMITED

ABN 58 101 026 859

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice of General Meeting dated XX June 2017 and should be read in conjunction with that Notice as this Explanatory Memorandum contains important information on each of the proposed Resolutions.

1. Resolutions 1 & 2 – Ratification of Prior Share Issue to Kassets Pty Ltd and Tomik Nominees Pty Ltd (Less than 15% of issued capital)

1.1. Background

Resolutions 1 and 2 relate to the ratification of a prior issue of securities in the Company, undertaken since the last AGM held by the Company. In particular the Company seeks shareholder approval ratifying the issue of 69,749,420 ordinary shares in the Company, as follows:

- (a) 19,928,000 shares issued to Kassets Pty Ltd, as nominee, in consideration of an investment in the Company by Mr Kelvin Ng; and
- (b) 49,821,420 shares issued to Tomik Nominees Pty Ltd (*Tomik Nominees*), as nominee, in consideration of an investment in the Company by Mr Ian Hastings,

on the terms described below.

- **Issue price:** \$0.001 (0.1 cents) per share;
- **Issue date:** 30 January 2017;
- **Purpose of issue:** To fund the Company's immediate operational and working capital requirements as at the issue date; and

The issue of the above shares by the Company, undertaken without shareholder approval, was in compliance with Listing Rule 7.1 at the time of the allotment.

1.2. About Listing Rule 7.4

ASX Listing Rule 7.4 permits a listed company at a general meeting to subsequently approve an issue of securities made without prior shareholder approval under Listing Rule 7.1. Resolutions 1 and 2 have been included in this Notice of Meeting to preserve the Company's ability to issue further shares under Listing Rule 7.1.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of the issue, except where an exception applies or with prior approval of members of the Company at a general meeting.

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The ASX Listing Rules state that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with shareholder approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within the 15% limit) and the Company's members subsequently approve it under Listing Rule 7.4.

Accordingly, the Company seeks approval from Shareholders for the prior issue and allotment of shares as disclosed above.

1.3. Further information required by Listing Rule 7.5

In accordance with Listing Rule 7.5 and to enable the Shareholders to approve and ratify the prior issue of shares, Shareholders are provided with the following information in respect of Resolutions 1 and 2:

- (a) The shares rank equally in all respects with all other fully paid ordinary shares that the Company has on issue; and
- (b) The shares were issued by the Company to provide capital to fund the Company then, current, future and ongoing operations.

1.4. ASX Listing Rule 10.11 and Corporations Act Chapter 2E

The Company notes that Tomik Nominees, the entity the subject of Resolution 2, is controlled by Director, Ian Hastings. As at the date of this Notice, Tomik Nominees is a related party of the Company within the meaning of section 228(4) of the Corporations Act by virtue of Mr Hastings being both a Director of the Company and having control of that entity.

However, at the time the shares the subject of Resolution 2 were issued to Tomik Nominees, Mr Hastings was not a Director (having been appointed contemporaneously with the allotment of those shares). Accordingly, on the issue date of the shares each of Mr Hastings and Tomik Nominees were related parties of the Company only by virtue of the application of section 228(6) of the Corporations Act to the transaction (on the basis that there were reasonable grounds to believe that they would become related parties of the Company).

(a) Listing Rule 10.11

Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party without obtaining shareholder approval.

However, Listing Rule 10.12 Exception 6 provides that an issue of securities to a person who is a related party only by reason of the transaction to which the issue of shares relates and the application of 228(6) of the Corporations Act to it does not require approval under Listing Rule 10.11. Accordingly, shareholder approval for the issue of shares the subject of Resolution 2 is not required under Listing Rule 10.11.

(b) Corporations Act Chapter 2E

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (i) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or

- (ii) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control.

As set out above, Tomik Nominees was, at the relevant time, a related party of the Company pursuant to section 228(6). The issue of shares to Tomik Nominees as set out above constituted the giving of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

Section 210 of the Corporations Act provides that shareholder approval is not required for the giving of a financial benefit to a related party where the terms of that benefit are reasonable in the circumstances if the Company were dealing at arm's length.

The Board at the time of agreeing the terms of issue of the shares to Tomik Nominees considered the Company's circumstances at the relevant time, together with the nature of the benefit and terms on which such benefit was to be provided to Tomik Nominees (a related party by virtue only of the terms of the relevant transaction being considered). The Board determined at the time of issuing the shares the subject of Resolution 2 that the Company was dealing with Tomik Nominees and Mr Hastings on an arm's length basis and that the terms on which the shares were to be issued were reasonable in the circumstances and did not require shareholder approval under section 208..

Accordingly, as per the Board's determination at the relevant time that shareholder approval for the allotment was not required under section 208 of the Corporations Act by virtue of section 210, approval is not required or being sought under Chapter 2E of the Corporations Act in respect of the ratification.

2. Resolution 3 – Issue of placement shares

2.1. General

Resolution 3 seeks Shareholder approval for the issue of up to 25,000,000 fully paid ordinary shares in the Company, at an issue price of \$0.004 (0.4 cents) per share to raise a total of up to \$100,000 (**Placement Shares**).

None of the subscribers to the issue of any Placement Shares will be related parties of the Company.

The effect of Resolution 3, if approved by Shareholders, will be to allow the Company to issue the Placement Shares to subscribers during the period of 3 months following the meeting (or longer period if allowed by ASX), without utilising the Company's 15% or 10% annual placement capacity.

2.2. Information required by Listing Rule 7.3

Pursuant to Listing Rule 7.3, the Company provides the following information in relation to the proposed issue of the Placement Shares:

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- (a) The maximum number of shares to be issued is up to 25,000,000 ordinary fully paid shares in the capital of the Company;
 - (b) The Placement Shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by ASX pursuant to any waiver or modification of the Listing Rules);
 - (c) The issue price of the Placement Shares will be \$0.004 (0.4 cents) per share;
 - (d) The Directors will determine, at their discretion, to whom the Placement Shares will be issued, however, none of these persons shall be related parties of the Company or persons to whom an issue of securities would require shareholder approval for the purposes of Section 606 of the Corporations Act;
 - (e) The Placement Shares will be issued as fully paid ordinary shares in the capital of the Company, on the same terms and conditions and ranking equally with the Company's existing ordinary shares on issue; and
 - (f) The Company intends to use the funds raised from the Placement Shares for general working capital requirements.
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3. Resolution 4 – re-election of director – Mr. Ian Hastings

Clause 14.3(b) of the Company's Constitution allows the Directors to appoint, at any time, a person to be a Director, in addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Company's Constitution.

Any Director so appointed under clause 14.3(b) of the Constitution holds office only until the next following general meeting, at which time such person must retire as a Director of the Company and is then eligible for re-election.

Mr. Ian Hastings was appointed a Director on 28 February 2017 by the other Directors in accordance with clause 14.3(b). Accordingly, Mr Hastings will retire at the General Meeting in accordance with clause 13.3(b) of the Company's Constitution and being eligible seeks re-election as a Director of the Company.

4. Resolution 5 – re-election of director – Mr. Ian Richer

Mr. Ian Richer was appointed a Director on 28 February 2017 by the other Directors pursuant to clause 14.3(b) of the Company's Constitution. Accordingly, Mr Richer will retire at the General Meeting in accordance with clause 13.3(b) of the Company's Constitution and being eligible seeks re-election as a Director of the Company.

5. Resolution 6 – Approval of Issue of Shares to Related Parties

5.1. General

The Company proposes to issue and allot 16,666,666 fully paid ordinary shares at a deemed issue price of \$0.003 (0.3 cents) per share to be allotted between each of DW Accounting and Advisory Pty Ltd and Draffin Walker Pty Ltd in satisfaction of the Company's financial obligations to each of those entities on account of outstanding invoices issued to the Company for services provided up to 30 April 2017, totaling \$50,000 between them.

DW Accounting and Advisory Pty Ltd and Draffin Walker Pty Ltd provide accounting and company secretarial services to the Company on an as needed basis charged on a time based fee and invoiced periodically. Each of those entities are managed and controlled by Director Andrew Draffin and are related parties of the Company within the meaning of section 228(4) of the Corporations Act and for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

The outstanding invoices which have been issued by Draffin Walker Pty Ltd and DW Accounting and Advisory Pty Ltd relate to the provision of operational, accounting and company secretarial services to the Company under a commercial arrangement between the Company and those entities. The invoices, totaling \$50,000, issued by those entities have not been paid by the Company as at the date of this Notice and are presently due and owing.

5.2. Listing Rules 7.1 & 10.11

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exemption applies or with the prior approval of members of the company at a general meeting. Exemption 14 to Listing Rule 7.1 provides that if approval is obtained pursuant to Listing Rule 10.1, then approval is not required under Listing Rule 7.1.

Listing Rule 10.11 prevents a company from issuing equity securities to a related party without the prior approval of its shareholders. Accordingly, the Company seeks approval from Shareholders for the issue and allotment of the following equity securities:

- Total shares to be issued: 16,666,666 fully paid ordinary shares;
- Person to be issued shares: DW Accounting and Advisory Pty Ltd and Draffin Walker Pty Ltd, or their nominee, pro rata between each of them in

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accordance with their respective entitlements to professional fees due and owing by the Company, as invoiced up to 30 April 2017;

- The total valuable consideration to be received for the issue of shares: \$50,000 to be offset against the Company's current liability to pay outstanding fees due to the recipient of the allotment for professional services rendered to the Company up to 30 April 2017 in equal value; and
- Price at which the shares are to be issued: \$0.003 (0.3 cents) per share, being the quoted price of the Company's ordinary shares on the ASX on the date the Board (excluding Andrew Draffin) resolved and agreed with the related parties to settle the outstanding invoices (subject to obtaining shareholder approval) by way of issue of shares.

5.3. Information required by Listing Rule 10.13

Shareholders are provided with the following further information in accordance with Listing Rule 10.13 in order to assist Shareholders in determining how to vote on this Resolution:

Name of the person	Draffin Walker Pty Ltd and DW Accounting and Advisory Pty Ltd, being entities controlled by Director Andrew Draffin.
Maximum number of securities to be issued	16,666,666 ordinary fully paid shares.
Nature of the shares to be issued	Fully paid ordinary shares in the Company, which shall rank equally in all respects with all other ordinary shares on issue in the Company upon allotment.
The date by which the entity will issue the securities	Within thirty (30) days of the date of the General Meeting, subject to Shareholders approving the issue pursuant to Resolution 6.
If the person is not a director, the relationship between the person and the director that required the approval to be obtained	The entities the subject of Resolution 6 are entities which are controlled by Director, Andrew Draffin and are related parties of the Company by virtue of section 228(4) of the Corporations Act.

The issue price of the securities and a statement of the terms of the issue	The shares are to be issued at a price of \$0.003 (0.3 cents) per share, being (subject to shareholder approval) equal to the quoted price of the Company's ordinary securities on the ASX on the date the Company and each of the related parties agreed to offset the Company's liabilities for professional fees against an issue of shares in the Company.
A voting exclusion statement	See voting exclusion statement in section 5.5 below
The intended use of funds raised	The shares will be issued and allotted in satisfaction of the Company's current outstanding obligation to pay Draffin Walker Pty Ltd and DW Accounting and Advisory Pty Ltd a total of \$50,000 for services provided to the Company up to 30 April 2017. The effect of the issue will be to reduce the Company's current liabilities by the sum of \$50,000. However, no funds will be raised from the issue.

5.4. Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act is summarized in section 1.4(b) above.

Mr Draffin is a Director and consequently a related party of the Company. Further, each of the entities Draffin Walker Pty Ltd and DW Accounting and Advisory Pty Ltd are entities which Mr Draffin controls and are therefore related parties of the Company within the meaning of section 228(4) of the Corporations Act.

The issue of shares to Draffin Walker Pty Ltd and DW Accounting and Advisory Pty Ltd, as proposed pursuant to Resolution 6, constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

Section 210 of the Corporations Act provides that shareholder approval is not required for the giving of a financial benefit to a related party, where the terms of that benefit are:

- reasonable in the circumstances if the Company were dealing with the related party at arms' length; or
- are less favourable to the related party than such arm's length terms.

The Board (excluding Andrew Draffin, having been excluded from voting on the subject of Resolution 6), having considered the nature of the benefit to be provided pursuant to Resolution 6 is of the view that:

- (a) the terms of engagement between the Company and each of Draffin Walker Pty Ltd and DW Accounting and Advisory Pty Ltd for the provision of accounting, operational and company secretarial services are reasonable and at least as favourable to the Company, and no more favourable to the related parties as any terms the Company could expect to negotiate with any third party for the provision of like services if dealing at arms' length; and
- (b) the satisfaction of the Company's current financial obligation to Draffin Walker Pty Ltd and DW Accounting and Advisory Pty Ltd by way of issue of shares in the manner and on the terms set out above is reasonable in the circumstances, having regard to the Company's cash position, the extent of the indebtedness and the continuing requirements of the Company for such services.

Accordingly, the Board (with the exclusion Mr Draffin) has determined that the terms of the financial benefit to be provided by virtue of Resolutions is on reasonable terms and no more favourable to those related parties than had the parties been dealing at arm's length. Pursuant to section 210 of the Corporations Act shareholder approval is not required for the giving of the financial benefit hereunder and the Company is not seeking shareholder approval for the purposes of Chapter 2E of the Corporations Act.

5.5. Voting Exclusion

As required by Listing Rule 11.2, the Company will disregard any votes cast on Resolution 6 by:

- any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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6. Resolutions 7 to 9 – Issue of Options to Directors

6.1. General

It is proposed that a total of 60,000,000 options be issued to the three existing Directors of the Company, or their nominees, as follows:

(a) 20,000,000 options to Mr Ian Hastings (Resolution 7);

(b) 20,000,000 options to Ian Richer (Resolution 8); and

(c) 20,000,000 options to Andrew Draffin (Resolution 9),

(Director Options).

The grant of Director Options to each Director is designed to provide an incentive and reward to Directors for the future performance of the Company and enhancement of Shareholder value and otherwise to remunerate the Directors whose ordinary director fees continue to be unpaid by the Company (due to the Company preserving available funds for current working capital requirements).

No funds will be raised by the Company from the grant of the Director Options.

The Director Options will have an exercise price of \$0.005 (0.5 cents) and will be exercisable at any time from the date of issue until the expiry date, being 5 years after the issue date. The terms and conditions of the Director Options are summarised in Annexure A to this Explanatory Memorandum and the term of issue further particularised in section 6.3.

The issue date for the Director Options will be within thirty (30) days of the date of the General Meeting, should Shareholders approve the respective Resolutions.

Any shares issued pursuant to the exercise of any Director Options the subject of Resolutions 7, 8 or 9 will rank pari passu with the existing ordinary shares of the Company on issue.

6.2. Basis for seeking approval

ASX Listing Rules

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of its shareholders. Messrs Hastings, Richer and Draffin are related parties by reason of them being Directors of the Company and therefore shareholder approval is required under Listing Rule 10.11 for the issue of Director Options to them as proposed under Resolutions 7, 8 and 9 respectively.

Resolutions 7, 8, and 9 are proposed as separate resolutions and are not interdependent.

The Company notes that if approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (pursuant to Listing Rule 7.2 Exception 14) as set out in section 5.2 above.

Corporations Act

In addition to the Listing Rule 10.11, shareholder approval is also being sought pursuant to sections 195(4) and 208 of the Corporations Act.

For the purposes of Chapter 2E of the Corporations Act, each of the Directors (and/or their nominee(s)) is a related party of the Company and the granting of the Director Options constitutes giving a 'financial benefit'. The terms of Chapter 2E of the Corporations Act are summarised in section 1.4(b) above.

The offer of Director Options forms part of the Company's long term incentive plan aimed at encouraging Directors to have a greater involvement in achieving the Company's objectives and incentivise Directors to strive for the future growth and prosperity of the Company through share ownership. Further, the offer of Director Options is made, in part, to compensate the Directors for forgoing payment of their ordinary cash remuneration entitlements (which entitlements continue to accrue but remain unpaid to those Directors to preserve the Company's current cash position).

The Board in considering the issue of Director Options and the exceptions set out in Sections 210 to 216 of the Corporations Act has determined that, in light of each Director having a material personal interest in the grant of the Director Options to that Director, it is prudent that the Board not make a determination as to the application of those exemptions and instead seek the approval of Shareholders for the financial benefit to be given to the related parties (section 6.5 deals further with the Directors' personal interests in each of Resolutions 7, 8 and 9).

Section 195 of the Corporations Act enables the Directors of a company to seek shareholder approval where a majority of Directors have a material personal interest in a matter being considered by the Board and there are not sufficient remaining independent Directors to consider the resolution. The Board has determined that for the avoidance of doubt and in adopting a best practice approach to its obligations, Shareholder approval be sought under section 195(4) of the Corporations Act to deal with the subject of Resolutions 7 to 9, to the extent necessary. Further information regarding section 195(4) is set out in section 6.5 below.

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6.3. Information required by sections 217 to section 219 of the Corporations Act and Listing Rule 10.13

In accordance with section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to allow them to assess each of Resolutions 7 to 9, inclusive:

(a) The related party to whom the financial benefit would be given

The financial benefit from the issue of the Director Options will be granted to the following related parties, or their respective nominees, each being a Director of the Company:

- (i) (Resolution 7): Mr Ian Hastings;
- (ii) (Resolution 8): Mr Ian Richer; and
- (iii) (Resolution 9): Mr Andrew Draffin.

(b) Nature of the financial benefit

The proposed financial benefit to be given is the grant of the number of Director Options set out in the below table, to be issued for no consideration.

Each Director Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the company, at an exercise price of \$0.005 (0.5 cents) per share. The Director Options may be exercised at any time from the issue date until the expiry date, being 5 years after the date of issue. The terms and conditions of the Director Options are further particularized in Annexure A of this Explanatory Memorandum.

The indicative value attributable to the Director Options has been determined using the Black and Scholes pricing model, as at a valuation date of 18 May 2017. The value of the options has been concluded as \$0.001 (0.1 cents) per Director Option, based upon the methodology and assumptions set out in Annexure B to this Explanatory Memorandum.

Based on the Black & Scholes pricing model calculations applied, the value of the Director Options to be issued to each Director are as follows:

Director	Number of Director Options	Value of Option (\$)	Total Value (\$)
Mr Ian Hastings	20,000,000	0.001	\$20,000
Mr Ian Richer	20,000,000	0.001	\$20,000
Mr Andrew Draffin	20,000,000	0.001	\$20,000

(c) Directors Recommendation

Each Director declines to make a recommendation in respect of Resolutions 7 to 9 (inclusive), on the basis that:

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- (i) in respect of the relevant Resolution for the issue of Director Options in which the Director is named, the Director has a material personal interest in the outcome of that Resolution; and
- (ii) in respect of each of the Resolutions concerning the issue of Director Options in which the Director is not so named, whilst the Director does not have a direct material personal interest in the entitlement the subject of those Resolutions (as the Resolutions are proposed separately) the subject matter of those Resolutions are directly relevant to the provision of a financial benefit to all of the Directors, on the same terms, to be considered by Shareholders contemporaneously.

Accordingly, in adopting a best practice approach and in line with the recommendations in ASIC Regulatory Guide 76, the Directors decline to make a recommendation regarding the subject matter of the Resolutions relating to the Director Options.

(d) Directors' interests and effect of the issue of Director Options

All of the Directors have a material personal interest in the outcome of the proposed Resolution as they are each to be the recipient of the Director Options to subscribe for shares in the capital of the Company as outlined in this Explanatory Memorandum.

The following table sets out each Directors' current interests in the securities on issue in the Company as at the date this Notice:

Director	Shares	Options	Relevant interest as at date of this Notice
Ian Hastings	49,821,420	Nil	8.55%
Ian Richer	Nil	Nil	-
Andrew Draffin	43,313,480	Nil	7.43%

The following table sets out the maximum potential effect of the issue of the Director Options on the Directors' respective interests in the Company's securities:

Director	Shares	Options	Maximum relevant interest*
Ian Hastings	49,821,420	20,000,000	10.2%
Ian Richer	Nil	20,000,000	2.9%

Andrew Draffin	59,980,146	20,000,000	11.69%
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*On exercise of the Director Options, assuming the maximum number of Placement Shares the subject of Resolution 3 have been issued and no options other than the Director Options on issue in the Company have been exercised.

The Company currently has the following securities on issue:

- (i) 582,386,562 fully paid ordinary shares;
- (ii) 232,985,238 unlisted options exercisable at \$0.006 and expiring 30 June 2017.

If all of Director Options are exercised by the Directors (assuming that the securities proposed to be issued under resolutions 3 and 6 are approved by members) the exercise of the Director Options would have the following effect on the existing Shareholders' relevant interest in the Company:

- 7% dilution if all existing options on issue are exercised in addition to the Director Options;
- 7.36% if none of the existing options on issue are exercised.

(e) **Other information reasonably required by the members to make a decision and that is known to the Company or any of its Directors**

The Director Options are to be granted in addition to the total fixed remuneration of the Directors, set out below. Whilst each of the Directors is entitled to receive fixed remuneration entitlements, the Company notes that such entitlements have been accrued but have not been paid to Directors, in the case of Mr Ian Hastings and Mr Ian Richer, since their appointment and in the case of Mr Draffin, for approximately 24 months. The Board presently proposes to continue to accrue but not pay the Directors their entitlements until such time as the Company's cash position improves, with available cash reserves being prioritized for immediate working capital requirements.

The Directors' current fixed annual entitlements for the financial year ending 30 June 2017 are:

Director	Total fixed entitlement for financial year ending 30 June 2017
Ian Hastings (Chairman)	\$60,000
Ian Richer (Non-executive Director)	\$35,000
Andrew Draffin (Executive Director)	\$35,000

In addition to the entitlements set out in the table above, the Company obtains company secretarial and accounting services from the firm DW Accounting and Advisory Pty Ltd which is associated with Mr Andrew

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Draffin. Accordingly, Mr Andrew Draffin will be entitled to receive compensation on account of fees charged by DW Accounting and Advisory Pty Ltd to the Company on a time basis for the provision of those services. The total amount of that compensation is estimated by the Company to be in the range of \$40,000 to \$50,000 for the financial year ending 30 June 2017.

The number of Director Options to be issued to each Director has been determined based on their contribution to advancing the Company's projects to date, the retention of their knowledge of the Company and to provide ongoing equity incentive to advance the Company and its assets and align the interests of the Directors to the Company by providing a further equity holding opportunity.

The Directors and the Company are not aware of any further information not contained in this Notice of Meeting and Explanatory Memorandum which they consider may be relevant to Shareholders' decision as to how to vote on any of Resolutions 7, 8 or 9.

6.4. Corporations Act Section 195(4)

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Company notes that the Directors do not have a material personal interest in the issue of Director Options to a Director (or their nominee(s)) other than to himself. However, given that it is proposed that all Directors are issued Director Options pursuant to Resolutions 7, 8 and 9 on the same terms, each Director may be considered to have a material personal interest in the outcome of those Resolutions 7, 8 and 9 which do not relate to themselves, in which case the Directors would be unable to form a quorum. This is particularly relevant in respect of the Directors' consideration and determination of the application of Chapter 2E of the Corporations Act to the proposed issue and the exemptions to the requirement to obtain shareholder approval under sections 211 to 217 of the Corporations Act.

Accordingly, whilst the Director Options proposed to be issued on approval of Resolutions 7, 8 and 9 are proposed for the purposes of remunerating those Directors, the Board has determined not to make a determination on the reasonableness of that remuneration and considers it prudent to exercise their right under section 195(4) of the Corporations Act and put the matter to Shareholders to resolve the proposed issue at the General Meeting.

6.5. Voting Exclusion Statement

A voting exclusion statement as required by Listing Rule 10.13 and in accordance with section 224 of the Corporations Act is set out in respect of each of Resolution

7 to 9 regarding the issue of Director Options in the Notice of Meeting which this Explanatory Memorandum accompanies.

7. Resolution 10 – Issue of unlisted Options

7.1. General

On 23 February 2017, the Company issued a total of 46,666,666 fully paid ordinary shares to professional and sophisticated investors at an issue price of \$0.0024 (0.24 cents) per share as a private placement undertaken without shareholder approval in accordance with Listing Rule 7.1A. Under the terms of that placement the Company agreed, subject to shareholder approval at the next General Meeting of the Company, to issue one (1) free-attaching unlisted option exercisable at \$0.005 (0.5 cents) each on or before 20 February 2019 for every one (1) share subscribed for and issued.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of the issue, without prior approval of members of the Company at a general meeting.

Pursuant to Listing Rule 7.1, Resolution 10 seeks Shareholder approval for the issue of 46,666,666 unlisted options, at an exercise price of \$0.005 (0.5 cents) per option with an expiry date of 20 February 2019, and any ordinary shares issued on the exercise thereof.

None of the subscribers to the issue of any unlisted options are related parties of the Company.

The effect of Resolution 10, if approved by Shareholders, will be to allow the Company to issue the unlisted Options to subscribers in accordance with the Company's agreement on 23 February 2017, which options shall be issued within 3 months following this meeting (or longer period if allowed by ASX), without utilising the Company's 15% or 10% annual placement capacity.

Any shares issued pursuant to the exercise of any unlisted options the subject of Resolution 10 will rank pari passu with the existing ordinary shares of the Company on issue.

7.2. Information required by Listing Rule 7.3

Pursuant to Listing Rule 7.3, the Company provides the following information in relation to the proposed issue of the unlisted options:

- (a) The maximum number of options to be issued is 46,666,666 options;
- (b) The options will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by ASX pursuant to any waiver or modification of the Listing Rules);
- (c) The options have an exercise price of \$0.005 (0.5 cents), an expiry date of 20 February 2019, and are otherwise on the terms set out in Annexure C to this Explanatory Memorandum;

- (d) The options shall be issued to those professional and sophisticated investors which subscribed for shares under the placement undertaken by the Company on 23 February 2017.
- (e) The Directors note that the recipients of the options are not related parties of the Company or to any persons to whom an issue of securities would require shareholder approval for the purposes of Section 606 of the Corporations Act; and
- (f) The options are being issued for no consideration and therefore the Company will receive no funds for the issue. In the event that all of the options were exercised, the Company will receive up to \$233,333 which funds the Company would apply for general working capital requirements.

8. GLOSSARY

The capitalised following terms appearing in this Explanatory Memorandum have the meaning ascribed below, unless the context expressly requires otherwise:

- (a) **AEST** means Australian Eastern Standard Time;
- (b) **ASIC** means the Australian Securities and Investments Commission;
- (c) **ASX** means ASX Limited or the Australian Securities Exchange, as the context requires;
- (d) **Board** means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;
- (e) **Company** or **GLA** means Gladiator Resources Limited (ACN 143 526 096);
- (f) **Corporations Act** means the *Corporations Act 2001* (Cth);
- (g) **Director** means a Director of the Company;
- (h) **Listing Rules** means the operating rules of the ASX, in force from time to time, as published by the ASX and having effect pursuant to section 793B of the Corporations Act;
- (i) **Notice** means the Notice of General Meeting dated 7 June 2017, together with the accompanying Explanatory Memorandum and Proxy Form;
- (j) **Resolution** means the resolution to be put to the meeting as set out in the Notice of Meeting
- (k) **Shareholder** means a holder of fully paid ordinary shares in the Company;

Annexure A - Summary of Terms and Conditions of Director Options

1. Each option shall be issued for no consideration.
2. Each Director Option will entitle the holder to subscribe for one ordinary share in the Company upon exercise of the Director Option.
3. The exercise price payable upon exercise of each Director Option will be \$0.005.
4. A Director Option will be exercisable on or before the date that is 5 years after the issue date of the Director Option (*Expiry Date*).
5. Each Director Option will entitle the holder to subscribe for (1) ordinary share in the Company which will be issued by the Company within 5 business days of receiving written notice of exercise, together with payment the exercise price for the Director Option.
6. The Director Options will be exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of Director Options, accompanied by an option certificate or holding statement, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Director Options held does not affect the holder's right to exercise the balance of any Director Options remaining.
7. The Company will not apply to ASX for official quotation of any Director Options.
8. All shares issued upon exercise of the Director Options will rank pari passu in all respects with the Company's then issued ordinary shares.
9. If the Company's ordinary shares are quoted on ASX, the Company will apply to ASX for official quotation of all shares issued upon exercise of the Director Option.
10. There are no participating rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues, or issues of rights to subscribe for additional shares, or any other securities to be issued by the Company, during the currency of the Director Options. However, the Company will ensure that, for the purposes of determining entitlements to any issue, Director Option holders will be notified of the proposed issue at least five (5) business days before the record date of any proposed issue. This will give Director Option holders the opportunity to exercise the Director Options prior to the date for determining entitlements to participate in any such issue.
11. If there is a bonus to holders of shares (other than an issue in lieu or satisfaction of dividends or by way of dividend redistribution), on the exercise of any Director Options, the number of shares which must be issued on the exercise of a Director Option will be exercised will be increased by the number of bonus shares that would have been received if the Director Options had been exercised prior to the date for the bonus issue, and no change will be made to the exercise price of the Director Options.
12. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital in the Company, the Director Options and/or their exercise price will be reconstructed in the manner required by the Listing Rules.

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13. In the event that there is a pro rata issue (except a bonus issue) to the Company's Shareholders, the exercise price of a Director Option will be reduced according to the following formula:

$$O^n = O - \frac{E[(P-(S + D)] N + 1}{N + 1}$$

Where:

- O^n = the new exercise price of the Director Option;
- O = the old exercise price of the Director Option;
- E = the number of underlying securities into which one Director Option is exercisable;
- P = the average market price of Shares (weighted by reference to volume) sold in the ordinary course of trading on ASX during the five trading days ending on the day before the ex rights date or the ex entitlements date;
- S = the subscription price for new Shares issued under the pro rata issue;
- D = any dividends due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.
14. A certificate may be issued for Director Options. If there is more than one (1) Director Option on a certificate and prior to the expiry date those options are exercised in part, the Company will issue another certificate for the balance of the Director Options held and not yet exercised.
15. The Director Options are not transferable except that the option holder may at any time transfer all or any of the options to a spouse, family trust, or to a proprietary limited company, all of the issued shares in which are beneficially owned by the option holder or the spouse of the option holder

Annexure B - Calculation methodology and assumptions in valuing Director Options

The indicative value attributed to the Director Options has been determined using the Black & Scholes Pricing Model, adopting the assumptions set out below. Shareholders should note that where any of those assumptions are not correct or current at the time of exercise of the Director Options, the value attributed thereto may be materially different.

The Company also notes that the Black & Scholes Pricing Model assumes that the options the subject of the valuation can be sold on a secondary market. The terms and conditions of the proposed options state that the options shall not be listed for official quotation on the ASX and, further, that the options are not transferable. Notwithstanding that the Director Options are unable to be sold without exercising those options, the Board notes that the indicative value has been determined without application of any discount associated with the effect of that restriction of the value of the options.

The assumptions and variables adopted in calculating the indicative value of the Director Option pursuant to the Black & Scholes Pricing Model, are as follows:

- (i) A valuation date of 18 May 2017.
- (ii) An exercise price of \$0.005 (0.5 cents).
- (iii) An option term of 5 years from the date of issue.
- (iv) The quoted share price of issued shares in the Company as at the valuation date of \$0.003 (0.3 cents) per share.
- (v) The risk free interest rate being 1.5% (based on the cash rate as published by the Reserve Bank of Australia on the valuation date).
- (vi) A volume weighted average volatility factor of 50%, determined for the period from 21 February 2017 until the valuation date.

The volatility factor applied in the above calculation has been determined using a volume weighted average of the daily closing prices of the Company's shares for the period commencing on completion of the divestment of the Company's main undertaking on 21 February 2017 until the valuation date. The Board considers that the limitation of the period for calculation of price volatility in the Company's shares to trading post-divestment of the Company's main undertaking is appropriate in the circumstances, due to:

- the impact of the impending divestment and other external factors associated with the Company's previous undertaking on the share price prior to 21 February 2017; and
- the ongoing effect on the changed nature of the Company's assets and undertaking (and the trading in the Company's shares) since that event.

Based on the above assumptions and variables, the Director Options have been ascribed a value of \$0.001 per Director Option.

The valuation ascribed to the Director Options may not necessarily represent the market price of the Director Options at the date of valuation and such value is subject to change from time to time due to internal and external forces impacting upon the Company's undertakings and the trading in the Company's securities.

Annexure C - Summary of Terms and Conditions of Unlisted Options

1. Each Unlisted Option shall be issued for no consideration.
2. Each Unlisted Option will entitle the holder to subscribe for one ordinary share in the Company upon exercise of the Unlisted Option.
3. The exercise price payable upon exercise of each Unlisted Option will be \$0.005.
4. An Unlisted Option will be exercisable on or before 20 February 2019 (*Expiry Date*).
5. Each Unlisted Option will entitle the holder to subscribe for (1) ordinary share in the Company which will be issued by the Company within 5 business days of receiving written notice of exercise, together with payment of the exercise price for the Unlisted Option.
6. The Unlisted Options will be exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of Unlisted Options, accompanied by an option certificate or holding statement, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Unlisted Options held does not affect the holder's right to exercise the balance of any Unlisted Options remaining.
7. The Company will not apply to ASX for official quotation of any Unlisted Options.
8. All shares issued upon exercise of the Unlisted Options will rank pari passu in all respects with the Company's then issued ordinary shares.
9. If the Company's ordinary shares are quoted on ASX, the Company will apply to ASX for official quotation of all shares issued upon exercise of the Unlisted Options.
10. There are no participating rights or entitlements inherent in the Unlisted Options and holders will not be entitled to participate in new issues, or issues of rights to subscribe for additional shares, or any other securities to be issued by the Company, during the currency of the Unlisted Options. However, the Company will ensure that, for the purposes of determining entitlements to any issue, Unlisted Option holders will be notified of the proposed issue at least five (5) business days before the record date of any proposed issue. This will give Unlisted Option holders the opportunity to exercise the Unlisted Options prior to the date for determining entitlements to participate in any such issue.
11. If there is a bonus to holders of shares (other than an issue in lieu or satisfaction of dividends or by way of dividend redistribution), on the exercise of any Unlisted Options, the number of shares which must be issued on the exercise of an Unlisted Option will be increased by the number of bonus shares that would have been received if the Unlisted Options had been exercised prior to the date for the bonus issue, and no change will be made to the exercise price of the Unlisted Options.
12. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital in the Company, the Unlisted Options and/or their exercise price will be reconstructed in the manner required by the Listing Rules.

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13. In the event that there is a pro rata issue (except a bonus issue) to the Company's Shareholders, the exercise price of an Unlisted Option will be reduced according to the following formula:

$$O^n = O - \frac{E[(P-(S + D)] N + 1}{N + 1}$$

Where:

- O^n = the new exercise price of the Unlisted Option;
- O = the old exercise price of the Unlisted Option;
- E = the number of underlying securities into which one Unlisted Option is exercisable;
- P = the average market price of Shares (weighted by reference to volume) sold in the ordinary course of trading on ASX during the five trading days ending on the day before the ex rights date or the ex entitlements date;
- S = the subscription price for new Shares issued under the pro rata issue;
- D = any dividends due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.
14. A certificate may be issued for Unlisted Options. If there is more than one (1) Unlisted Option on a certificate and prior to the expiry date those options are exercised in part, the Company will issue another certificate for the balance of the Unlisted Options held and not yet exercised.
15. The Unlisted Options are not transferable except that the option holder may at any time transfer all or any of the options to a spouse, family trust, or to a proprietary limited company, all of the issued shares in which are beneficially owned by the option holder or the spouse of the option holder

Proxy Form

Proxy, representative and voting entitlement instructions

Proxies and representatives

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below**, before 11 am (AEST) Wednesday, 12 July 2017, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Gladiator Resources Limited
Level 4, 91 William Street, Melbourne Victoria 3000
Facsimile No: (+61 3) 9620 0070.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7 p.m. (AEST) 13 July 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Proxy Form

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

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Proxy Form

I / We _____

of _____

being shareholder(s) of Gladiator Resource Limited ABN 58 101 026 859 (**Company**)

hereby appoint:

of: _____

or failing him/her:

of: _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the general meeting of the Company to be held at Level 4, 91 William Street, Melbourne, on Friday, 14 July 2017, commencing at 11 a.m. (AEST) and at any adjournment thereof in respect of all of my/our shares in the Company unless otherwise specified below.

Use of Proxy

Direction on how to vote

If you wish to direct the Proxy how to vote, **please place a mark in the appropriate boxes below.**

Please note: If you mark the Abstain box for a resolution, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
Resolution 1 – Ratification of share issue to Kassets Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of share issue to Tomik Nominees Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Re-election of director – Mr Ian Hastings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Re-election of director – Mr Ian Richer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of shares to related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Director Options to Mr Ian Hastings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Issue of Director Options to Mr Ian Richer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Issue of Director Options to Mr Andrew Draffin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Issue of Options to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Proxy Form

Chairman's Voting intention

The Chair intends on voting all undirected proxies in favour of the Resolution.

In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

No Direction on how to vote - General

If you do **not** direct your proxy on how to vote as your proxy in respect of the resolution/s, the Proxy may cast your vote as the Proxy thinks fit or may abstain from voting. By signing this appointment you acknowledge that, subject to the *Corporations Act 2001* (Cth), the Proxy may exercise your proxy even if he/she has an interest in the outcome of the resolution/s and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

Apportionment - Multiple Proxies

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is %. (An additional proxy form will be supplied by the Company on request)

Apportionment - Multiple Shares

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares. (Note: proxy will be over all shares if left blank)

Individual or Security holder
1

Sole Director and
Sole Company Secretary (If
appointed)

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date