



# GLADIATOR RESOURCES LTD

ABN 58 101 026  
859

## QUARTERLY REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

### REVIEW OF OPERATIONS

#### ISLA CRISTALINA JOINT VENTURE (ZAPUCAY PROJECT) – URUGUAY



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

**ZAPUCAY PROJECT. Iron Ore.**

**ISLA CRISTALINA JOINT VENTURE, URUGUAY**

Interest: Gladiator Resources Limited 51 %  
Operator: Gladiator Resources Limited

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

**Corporate Activity**

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

Due diligence by both parties concluded during the reporting period together with the expiry of the notice period and the execution of a binding sale agreement was completed on 15 December 2016. The agreement is now subject to shareholder approval which will be sought at a meeting to be held on 6 February 2017.

The terms of the Sale Agreement results in the Company receiving a total cash consideration for its interest equal to the liabilities of the Company's Uruguay subsidiaries which includes a loan to the Company's subsidiary Ferrominas SA, provided under a loan agreement executed in September 2015, which is guaranteed by the Company.

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

The Company made no further drawdowns from its finance facility, the total amount advanced to date equates to approximately \$805,000 after allowing for exchange rate fluctuations.

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

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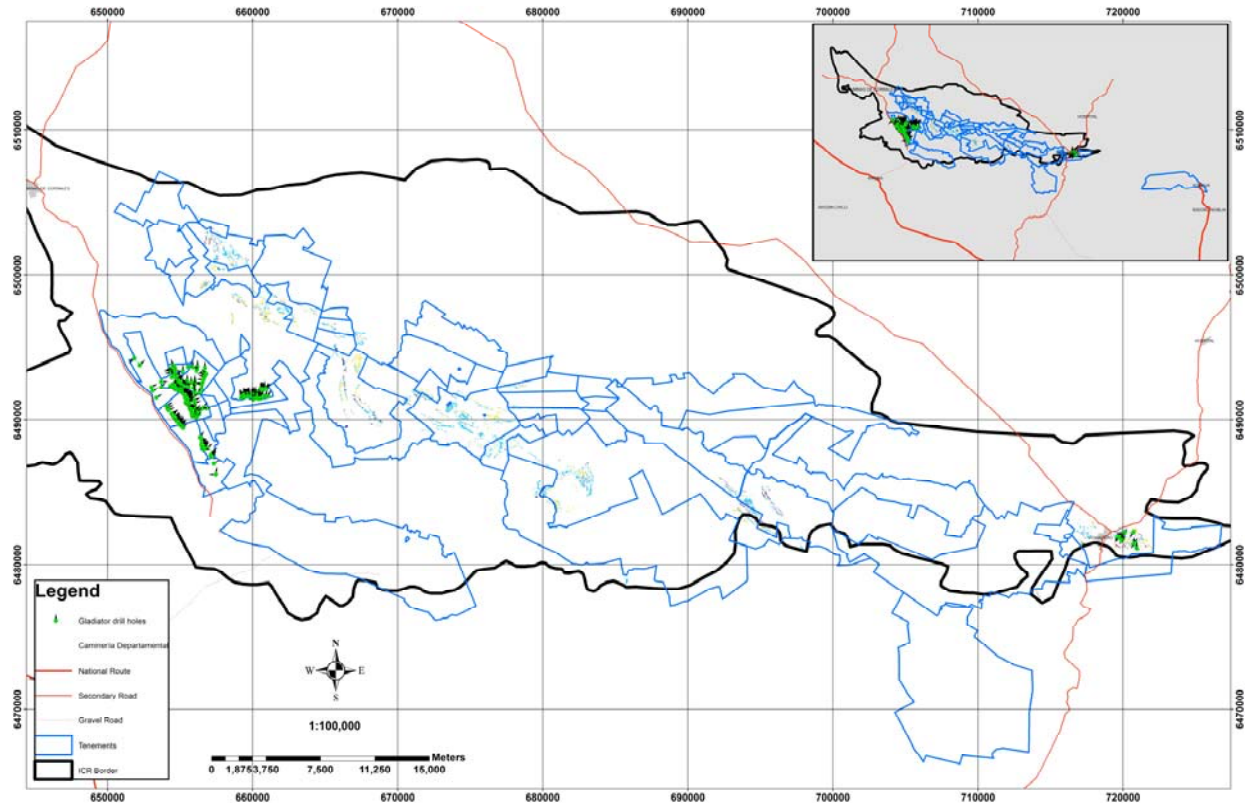


Figure 2: Location of Joint Venture & 100% GLA Tenements - Iron & Base Metal Projects

**Isla Cristalina Belt  
Tenement Summary**

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

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