GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN: 58 101 026 859

Financial Report For The Year Ended 30 June 2017

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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

- 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 responsibilities.

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 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 this 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 2017, the full Board met 9 times in 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 a 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 least 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.

Code of business conduct

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 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 systems 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 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.

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 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 benefitting 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 Group's workforce.

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

	2017		2016	
	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	Complied	Note
PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management	No	1
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a directors; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director	Yes	
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	
1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set out measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Yes	

1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No	2
1.7 A listed entity should: (a) have and disclose a process for periodically evaluation the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No	3
PRINCIPLE 2 - STRUCTURE THAT BOARD TO ADD VALUE		
2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as a the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the process it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	No	4
2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	
2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	
2.4 A majority of the board of a listed entity should be independent directors	No	5
2.5 The chair of the board of a listed entity should be an independent directors and, in particular, should not be the same person as the CEO of the entity.	No	6
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	
PRINCIPLE 3 - ACT ETHICALLY AND RESPONSIBLY		
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code of a summary of it.	Yes	
PRINCIPLE 4 - SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board. and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	No	7

4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	
4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	
PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE		
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	
PRINCIPLE 6 - RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	No	8
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	
PRINCIPLE 7 - RECOGNISE AND MANAGEMENT RISK		
7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	No	9
7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structure and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	10
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	
PRINCIPLE 8 - REMUENRATE FAIRLY AND RESPONSIBLY		
8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	No	11
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	
8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	No	12

ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES		
- *Alternative to Recommendation 1.1 for externally managed listed entities:* The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	N/A	
- *Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the	N/A	

Note 1

The Company has adopted a Board Charter which sets out the specific responsibilities of the Board, the requirements as to the Boards composition, the roles and responsibilities of the Chairman, Company Secretary and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. This policy is not however published on the Company's website however this will be rectified once the Company's new website becomes operational.

Note 2

The Board is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis, with the aid of an independent advisor, if deemed required. The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period with details of the performance evaluations conducted will be provided in the Company's Annual Reports. No evaluation has taken place to the date of this report given the fact that the majority of the Board is yet to serve a twelve month term as a Director.

Note 3

The Company has not undertaken a performance evaluation of its senior executives noting that the Company currently does not employ any executives. Performance reviews will take place once senior executive roles are occupied.

Note 4

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Nomination Committee. The full Board carries out the duties that would ordinarily be assigned to the Nomination Committee and the Board devotes time on an annual basis to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.

Note 5

The Board Charter requires that where practical, the majority of the Board will consist of independent Directors. Details of each Director's independence is provided within the Directors Report noting the only current independent Director is Mr Ian Richer. Mr Andrew Draffin and Mr Ian Hastings are not deemed to be independent due to the nature of their shareholding in the Company.

Note 6

The current Chairman of the Company, Mr Ian Hastings, is not deemed an independent director due to his shareholding in the Company.

Note 7

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have an Audit Committee. The full Board carries out the duties that would ordinarily be assigned to the Audit Committee under the written terms of reference for that committee and annually to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

Note 8

Information about the Company and its governance policies will be available within a dedicated Corporate Governance section on the Company's website which will be updated. The updated website is expected to be completed before the end of the calendar year 2017.

Note 9

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Risk Management Committee. The full Board carries out the duties that would ordinarily be assigned to the Risk Management Committee and devotes time annually to fulfilling the rules and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.

Note 10

Due to the magnitude of the Company's operations, the Company does not currently have an internal audit function. The full Board has reviewed the current internal controls in place and has deemed them sufficient after consultation with the Company's external auditors.

Note 11

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Remuneration Committee. The full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee and the Board has devoted time annually to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors, ensuring that such remuneration is appropriate and not excessive.

Note 12

The Company does not currently have any equity based remuneration schemes in place.

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 2017.

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.

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

Mr A Draffin is a director of the accounting firm DW Accounting & Advisory Pty Ltd. 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
Global Petroleum Limited - appointed 10 June 2016

Former directorships of listed companies in last three years

None

Ian Hastings
Non-Executive Director
Appointed 28 February 2017

Mr Hastings is a corporate advisor with many years' experience in the field of finance, investment, securities markets compliance and regulation and has almost 30 years experience in the finance industry and regulatory bodies. He is a former Member of the ASX and former Principal of several ASX Member Stock Brokers. Mr Hastings is a Practitioner Member (Master Stockbroking) of the Stockbrokers Association of Australia and holds a Bachelor of Commerce and Bachelor of Laws Degrees.

Other current directorships of listed companies

3D Resources Limited - appointed 23 July 2010

Former directorships of listed companies in last three years

Accent Resources NL (resigned June 2014)

Ian Richer
Non-Executive Director
Appointed 28 February 2017

Mr Richer is an Engineer with more than 30 years' experience in operations, project management and construction on a range of significant mining projects. He played a role in the Goldsworthy iron ore projects, laterite nickel projects in Indonesia and Queensland, mineral sands projects in New South Wales, titano-magnetite mining and processing in New Zealand and various domestic and offshore aluminium and copper - uranium projects. His technical and commercial expertise was gained in organisations including Consolidated Goldfields, INCO, Fluor International, Dravo Corporation and Minproc. Specific nickel sulphide experience was gained through active involvement at Widgiemooltha. Mr Richer has served more than 10 years as a director in banking and corporate finance, with Chas, Society Generale and as a consultant to the World Bank.

Other current directorships of listed companies

None

Former directorships of listed companies in last three years

None

Michael Neundlinger
Non-Executive Chairman
Resigned 28 February 2017

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.

Other current directorships of listed companies

None

Former directorships of listed companies in last three years

None

Donald Han Low
Non-Executive Director
Resigned 28 February 2017

Donald has worked in the corporate advisory and corporate finance sector with experience covering the whole business cycle, ranging from start-ups, business creation and exits via Initial Public Offerings (IPOs), Reverse Take Overs (RTO), Trade Sales, Mergers and Acquisitions (M&A). As part of all corporate restructurings, especially in distressed assets and business models, Donald takes a hands-on approach in the senior management of the companies.

He has served as Chief Executive Officer (CEO) and as director on boards of private and publicly listed companies in Asia, Australia and Europe with interests ranging from traditional businesses such as agriculture (oil palm plantations, etc.), logistics, finance, mining, manufacturing, food and service (A&W) to new economy businesses in TMT (Telecommunication, Media & Technology) space and the fast growing internet environment.

Other current directorships of listed companies

Fatfish Internet Group Limited

iCandy Interactive Limited

Former directorships of listed companies in last three years

None

Company Secretary

Andrew Draffin
Appointed 12 May 2014

Mr A Draffin is a director of the accounting firm DW Accounting & Advisory Pty Ltd. 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 personne

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
Andrew Draffin*	59,980,146	20,000,000
Ian Hastings**	49,821,420	20,000,000
Ian Richer	-	20,000,000
Michael Neundlinger	-	-
Donald Han Low	-	-

* Shares are held under the name of DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder.

**Shares are held under the name of Tomik Nominees Pty Ltd, of which Mr Ian Hastings is a director and shareholder.

Corporate Information

Corporate Structure

Gladiator Resources Limited is a company limited by shares that is incorporated and domiciled in Australia. Refer to Note 10 for further details of wholly owned subsidiaries under the Company's control.

Principal Activities and Significant Changes in Nature of Activities

The Company continued to engage in exploration activities, focussing on under-explored mineral properties. During pervious reporting periods, these activities had been largely focused in Norther Uruguay. However, the Company disposed it's interest in the project during the period period and has since been analysing a number of alternate exploration projects both in Australia and abroad.

Dividend

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

Operating and Financial Review

Review of Operations

As previously announced, the Company divested its main operating asset being the Zapucay Iron Ore Project in Northern Uruguay via the disposal of its Uruguay domiciled subsidiaries to a third party. The decision to divest was made after further funding for the project couldn't be raised. The sale was completed subsequent to shareholder approval which was granted on 6 February 2017 and realised approximately USD 1.3 million, which sum was applied against the Company's and its subsidiaries' outstanding liabilities as at completion. See Note 4 for further details.

The sale of the foreign subsidiaries resulted in a reduction in the Company's liabilities, together with the reduction in the Company's ongoing operating costs and associated expenses of maintaining the assets and subsidiaries and allowed the Company to evaluate and negotiate the acquisition of other under-developed exploration projects both in Australia and abroad.

On 19 June 2017, the Company executed a binding agreement to purchase Exploration Licence E52/3104 which is located 250km northeast of Meekatharra in the Murchison Goldfield. This prospect is an extension of the 60km long belt containing the Plutonic and Marymia Gold Mines. Previous work has identified gold targets from historical anomalous reconnaissance RAB drilling at Mulga Yard and identified shallow intersections of gold which require follow up drill testing. At the date of this report, the Company is awaiting ministerial consent from the Western Australia Department of Mines, no exploration will be undertaken until such consent has been granted.

The Company has completed two capital raisings (30 January 2017 & 24 February 2017) within the reporting period and one capital raising post 30 June 2017 (18 September 2017). In total, approximately $332,000 before costs has been raised which is being used for general working capital and the evaluation of further exploration projects.

Financial Overview

Operating results for the year

The loss for the Group is $4,282,029 (2016: loss of $1,187,883) 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 $3,886,371 from $3,498,291 as at 30 June 2016 to a net deficit of $388,080 as at 30 June

The Group's liabilities are represented solely by trade payables which will be settled on normal commercial terms.

Summary of options on issue

During the year under review, all options on issue had expired on 30 June 2017.

At the date of this report, a further 106,666,666 unlisted options were issued.

Grant Date	Date of expiry	Exercise Price	Number of Options
25 July 2017	20 February 2019	$0.005	46,666,666
25 July 2017	24 July 2022	$0.005	60,000,000
			106,666,666

Events after the Reporting Period

On 19 June 2017, the Company entered into a binding agreement with a junior exploration company, Flinders Resources Ltd, to purchases Exploration Licence E52/3104. At the date of this report, the formal tenement transfer has not been granted as the Company is awaiting ministerial consent from the Western Australia Department of Mines.

On 14 July 2017, the Company held a General Meeting of shareholders whereby resolutions were passed to refresh the Company's 10% placement capacity in accordance with ASX Listing Rule 7.1, issued 25 million placement shares at $0.004 (0.4cents) which have not been issued at the date of this report, confirm the election of Mr Ian Hastings and Mr Ian Richer as Directors of the Company after filling casual vacancies during the reporting period and to grant unlisted options to Directors with an exercise price of $0.005 (0.5cents) and an expiry date of 5 years from grant date. The options were subsequently issued on 25 July 2017.

On 18 September 2017, the Company completed a placement to sophisticated investors utilising the Company's 10% placement capacity in accordance with ASX Listing Rule 7.1 whereby approximately $150,000 was raised before costs resulting in 75,000,000 fully paid ordinary shares being issued. As part of the placement, it was also agreed to issue unlisted options, exercisable at $0.005 (0.5cents) and an expiry date of 19 February 2019 subject to shareholder approval which will be sought at the Company's upcoming AGM in November 2017.

The Company has continued to evaluate further exploration projects post reporting date however negotiations to date have not resulted in the executive of any binding agreements between parties.

Future Developments, Prospects and Business Strategies

The Board continues to focus on examining and evaluating exploration projects with a view to embarking on a new undertaking in order to provide further value to shareholders in the mining and exploration arena.

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, 9 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Andrew Draffin	9	9
Ian Hastings	5	5
Ian Richer	5	5
Michael Neundlinger	5	0
Donald Low	5	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

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 2017 has been received and can be found on page 16 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 2017. 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:

Andrew Draffin	Non-Executive Director
Ian Hastings	Non-Executive Director - Appointed 28 February 2017
Ian Richer	Non-Executive Director - Appointed 28 February 2017
Michael Neundlinger	Non-Executive Chairman - Resigned 28 February 2017
Donald Low	Non-Executive Director - Resigned 28 February 2017

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 effective 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 2017 are detailed in the following table:

	30 June 2017	30 June 2016	30 June 2015	30 June 2014	Restated 30 June 2013
	$	$	$	$	$
Revenue	-	1,296	11,802	28,262	348,758
Net loss before tax	(4,282,029)	(1,187,883)	(1,605,280)	(9,638,540)	(1,090,386)
Net loss after tax	(4,282,029)	(1,187,883)	(1,605,280)	(8,685,258)	(1,090,386)
Share price at start of year	$0.002	$0.003	$0.004	$0.010	$0.040
Share price at end of year	$0.003	$0.002	$0.003	$0.004	$0.010
Dividends paid	-	-	-	-	-
Basic losses per share	(0.837)	(0.003)	(0.003)	(0.032)	(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 2016 and ending 30 June 2017 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 from 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 2017 and since the end of the financial year	Contract details (duration & termination)
Group KMP		
Andrew Draffin	Non-Executive Director	No fixed term
Ian Hastings	Non-Executive Director	No fixed term
Ian Richer	Non-Executive Director	No fixed term

Remuneration of Directors and other Key Management Personnel (KMP) for the Year Ended 30 June 2017

2017	Short-term Benefits Salaries, fees	Post employment Superannuation	Share based payment shares	Total	Share based payments	Amount owing as at 30 June 2017
Group KMP	$	$	$	$	%	$
Andrew Draffin	27,750	-	-	27,750	-	59,000
Ian Hastings - appointed 28 February 2017	20,083	-	-	20,083	-	20,083
Ian Richer - appointed 28 February 2017	11,083	-	-	11,083	-	11,083
Michael Neundlinger - resigned 28 February 2017	-	-	-	-	-	-
Donald Low - resigned 28 February 2017	16,667	-	-	16,667	-	4,167
	75,583	-	-	75,583		94,333

2016	Short-term Benefits Salaries, fees	Post employment Superannuation	Share based payment shares	Total	Share based payments	Amount owing as at 30 June 2016
Group KMP	$	$	$	$	%	$
Michael Neundlinger	25,000	-	-	25,000	-	37,500
Andrew Draffin	25,000	-	-	25,000	-	31,250
Donald Low - appointed 16 March 2016	7,830	-	-	7,830	-	7,830
Malcolm Draffin - deceased 9 March 2016	17,170	-	-	17,170	-	23,420
	75,000	-	-	75,000		100,000

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

At the date of this report, a total of 60,000,000 unlisted options with an expiry date of 24 July 2022 and an exercise price of $0.005 were issued to the directors and their related parties.

Group KMP	Options Granted
Andrew Draffin*	20,000,000
Ian Hastings**	20,000,000
Ian Richer	20,000,000
	60,000,000

* Options are held under the name of DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder.

**Options are held under the name of Tomik Nominees Pty Ltd, of which Mr Ian Hastings is a director and shareholder.

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:

	2017 $	2016 $
i. **Director related entities**		
Directors' fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder.	27,750	-
Directors' fees payable to Draffin Walker Pty Ltd, of which Mr Andrew Draffin is a director and shareholder.	-	25,000
Directors' fees payable to Tomik Nominees Pty Ltd, of which Mr Ian Hastings is a director and shareholder.	20,083	-
Directors' fees payable to Anycall Pty Ltd, of which Mr Ian Richer is a director and shareholder.	11,083	-
Company Secretarial fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder	33,000	-
Directors' fees payable to Mr Michael Neundlinger	-	25,000
Directors' fees payable to DHL Corporate Advisory, of which Mr Donald Low is a director and shareholder.	16,667	7,830
Directors' fees payable to Draffin Walker Pty Ltd, of which Mr Malcolm Draffin is a director and	-	17,170
Company Secretarial fees payable to Draffin Walker Pty Ltd, of which Mr Andrew Draffin and Mr Malcolm Draffin are directors and shareholders	-	43,500

Reimbursement Transactions with related parties

	2017 $	2016 $
Reimbursement of business expenses incurred by the Company and initially settled by DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder. All expenses were incurred on an arm's length basis.	21,462	-
Reimbursement of business expenses incurred by the Company and initially settled by Ian Hastings. All expenses were incurred on an arm's length basis.	7,863	-
Reimbursement of business expenses incurred by the Company and initially settled by Draffin Walker Pty Ltd, of which Mr Andrew Draffin and Mr Malcolm Draffin are directors and shareholders. All expenses were incurred on an arm's length basis.	-	32,820

Amounts payable to related parties

	2017 $	2016 $
DW Accounting & Advisory Pty Ltd	223,233	-
Tomik Nominees Pty Ltd	20,083	-
Anycall Pty Ltd	11,083	-
Ian Hastings	7,863	-
Draffin Walker Pty Ltd	60,137	122,170
DHL Corporate Advisory	4,167	7,830
Mr Michael Neunlindger	-	37,500
Oscar Leon	-	9,272
	326,566	176,772

Amounts due to related parties waived

	2017 $	2016 $
Michael Neunlindger	37,500	-
Oscar Leon	9,272	-
	46,772	-

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, 28 September 2017

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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 2017, 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

Gareth Few
Partner

BDO East Coast Partnership

Sydney, 28 September 2017

GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN: 58 101 026 859
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated Group	
		2017	2016
	Note	$	$
Continuing operations			
Audit and tax expenses		(102,925)	(45,412)
Company secretarial fees		(33,000)	(43,850)
Consulting fees		-	(10,011)
Directors' benefits expense		(28,811)	(75,000)
Exploration expenditure (written off)		(12,169)	(6,652)
Fees and permits		(2,172)	(4,463)
Insurance		(18,595)	(20,999)
Legal costs		(35,924)	(34,325)
Rent and outgoings		(899)	(900)
Share registry maintenance fees		(6,586)	(5,133)
Travel and accommodation		(27,090)	(33,191)
Other expenses		(11,113)	(29,860)
Loss before income tax		(279,284)	(309,796)
Tax expense	3	-	-
Net Loss from continuing operations		(279,284)	(309,796)
Discontinued operations			
Loss from discontinued operations after tax	**4**	(4,002,745)	(878,087)
Net Loss for the year		(4,282,029)	(1,187,883)
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		224,753	(5,355)
Other comprehensive income for the year		224,753	(5,355)
Total comprehensive income for the year		(4,057,276)	(1,193,238)
Earnings per share			
From continuing and discontinued operations:			
Basic and diluted loss per share (cents)	7	(0.84)	(0.25)
From continuing operations:			
Basic and diluted loss per share (cents)	7	(0.05)	(0.07)
From discontinued operations:			
Basic and diluted loss per share (cents)	7	(0.78)	(0.19)

The accompanying notes form part of these financial statements.

GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN: 58 101 026 859
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		Consolidated Group	
		2017	2016
	Note	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	91,935	60,897
Trade and other receivables	9	3,767	78,994
TOTAL CURRENT ASSETS		95,702	139,891
NON-CURRENT ASSETS			
Property, plant and equipment	11	-	610
Exploration expenditure	12	-	5,467,000
TOTAL NON-CURRENT ASSETS		-	5,467,610
TOTAL ASSETS		95,702	5,607,501
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	483,782	1,291,435
Borrowings	14	-	817,775
TOTAL CURRENT LIABILITIES		483,782	2,109,210
TOTAL LIABILITIES		483,782	2,109,210
NET LIABILITIES		(388,080)	3,498,291
EQUITY			
Issued capital	15	19,059,707	18,888,802
Reserves	22	-	(224,753)
Retained earnings		(19,447,787)	(15,165,758)
Parent interest		(388,080)	3,498,291
TOTAL EQUITY		(388,080)	3,498,291

The accompanying notes form part of these financial statements.

GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN: 58 101 026 859
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Note	Issued Capital	Retained Earnings	Foreign Currency Translation Reserve	Total
		$	$	$	$
Consolidated Group					
Balance at 1 July 2015		18,888,802	(13,977,875)	(219,398)	4,691,529
Comprehensive income					
Loss for the year		-	(1,187,883)	-	-
Other comprehensive income for the year		-	-	(5,355)	(5,355)
Total comprehensive income for the year		-	(1,187,883)	(5,355)	(1,193,238)
Balance at 30 June 2016		18,888,802	(15,165,758)	(224,753)	3,498,291
Balance at 1 July 2016		18,888,802	(15,165,758)	(224,753)	3,498,291
Comprehensive income					
Loss for the year		-	(4,282,029)	-	(4,282,029)
Reclassification for foreign exchange to profit and loss		-	-	224,753	224,753
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	(4,282,029)	224,753	(4,057,276)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year		181,810	-	-	181,810
Transaction costs		(10,905)	-	-	(10,905)
Total transactions with owners and other transfers		170,905	-	-	170,905
Balance at 30 June 2017		19,059,707	(19,447,787)	-	(388,080)

The accompanying notes form part of these financial statements.

GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN: 58 101 026 859
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group 2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		-	1,296
Payments to suppliers and employees		(123,254)	(102,079)
Net cash provided by (used in) operating activities	18a	(123,254)	(100,783)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(386)
Purchase for exploration expenditure		(16,552)	(61,581)
Proceeds from sale of investments		-	1,008
Net cash provided by (used in) investing activities		(16,552)	(60,959)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		181,749	-
Transaction costs		(10,905)	-
Loans			
- proceeds from borrowings		-	100,996
Net cash provided by (used in) financing activities		170,844	100,996
Net increase in cash held		31,038	(60,746)
Cash and cash equivalents at beginning of financial year		60,897	121,643
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at end of financial year	8	91,935	60,897

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 2017. 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 the Parent information.

The financial statements were authorised for issue on 28 September 2017 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 Australian 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 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 financial statements also comply with the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of financial 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 accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities 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 $4,282,029 (2016: loss of $1,187,883) and net cash outflows from operating activities of $123,254 (2016: outflows of $100,783) for the year ended 30 June 2017. As of that date, the Group had net liabilities and a working capital deficit of $388,080 (2016: Net Assets: $3,498,291 and working capital deficit of $1,969,319). These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

To provide further certainty related party creditors representing $326,566 of current liabilities have agreed that they will not make a claim against the Company until such time that it has sufficient cash resources.

The Directors have prepared a cash flow forecast for the next 12 months based on best estimates of future inflows and outflows of cash to support the Group's ability as a going concern. The forecast is subject to recapitalising the Company through a capital raising as well as deferring/agreeing terms with remaining creditors as needed.

The Directors remain confident that they can raise capital as required as evidenced with the capital raising of $181,810 during the year and $150,000 post year end in July 2017 and have forecast further capital raisings to be conducted in conjunction with the acquisition of exploration assets.

On this basis the Directors are of the opinion that the financial statements can be prepared on a going concern basis and that the Company will be able to pay its debts as and when they fall due and payable.

Should this not be achieved the Company may be required to realise its assets and discharge 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 the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(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 2017 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 10 to the financial statements.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from 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 investment retained together with any gain or loss in profit or loss.

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

(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 for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 or arising from a business combination.

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. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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: (i) a legally enforceable right of set-off exists; and (ii) 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.

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 leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group 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%

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

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.

(j) Exploration and Development Expenditure

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

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

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

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

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

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

(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 entity commits itself to either the purchase or sale of the asset (ie 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).

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

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

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.

(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 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.

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

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 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 within short-term borrowings in current liabilities in the statement of financial position.

(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.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

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(l) for further discussion on the determination of impairment losses.

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

(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)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO 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 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.

(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 assumptions 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.

Going concern

The Directors have prepared a cash flow forecast for the next 12 months based on the best estimates of further 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.

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 therefore 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.

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

(t) New Accounting Standards for Application in Future Periods

Accounting Standards 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:

— AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

— AASB 2014-10: *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2 Parent Information

	2017 $	2016 $
The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.		
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	91,995	48,513
Non-current Assets	12,136	24,218
TOTAL ASSETS	104,131	72,731
LIABILITIES		
Current Liabilities	500,713	343,363
Non-current Liabilities	-	32,966
TOTAL LIABILITIES	500,713	376,329
NET LIABILITIES	(396,582)	(303,598)
EQUITY		
Issued Capital	19,059,707	18,888,802
Reserves		-
Accumulated losses	(19,456,289)	(19,192,400)
TOTAL EQUITY	(396,582)	(303,598)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Loss for the year	(263,889)	(201,361)
Other comprehensive income	-	-
Total comprehensive income	(263,889)	(201,361)

Contingent liabilities

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

Note 3 Tax Expense

	Consolidated Group 2017 $	Consolidated Group 2016 $
(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2016: 30%)		
— consolidated group	(1,177,558)	(356,365)
Add:		
Tax effect of:		
— Deferred tax not brought to accounts	1,177,558	356,365
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.	6,025,793	5,953,156

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2017 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 expenditure.

(Note 3: Tax expense (Cont'd))

	Consolidated Group 2017 $	2016 $
(c) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax		
(Loss) from continuing operations	(279,284)	(356,365)
Income tax expense (benefit) calculated at 27.5%/30%	(76,803)	(106,909)
Effect of non-deductible expenses	-	(10,431)
Effect of unused tax losses and tax offsets not recognised as deferred tax	76,803	117,340
Income tax expense	-	-

Note 4 Discontinued Operations

On 15 December 2016, the Company announced a Binding Agreement was executed for the disposal of the Group's six Uruguayan subsidiaries, subject to shareholder approval, which was granted on 6 February 2017.

On 21 February 2017, the Company announced the completion of the sale of all its Uruguayan subsidiaries and their underlying assets to Metamila Limited.

The financial performance of the discontinued operations up to 21 February 2017, which is included in loss from discontinued operations per the statement of comprehensive income, is as follows:

	2017 $	**2016 $**
Revenue	26,523	49,308
Expenses	(64,731)	(927,395)
Impairment of exploration assets	(3,667,460)	-
Foreign exchange losses	(297,077)	-
Loss before income tax	(4,002,745)	(878,087)
Income tax expense	-	-
Loss attributable to members of the parent entity	(4,002,745)	(878,087)
Tax loss after tax attributable to the discontinued operations	(4,002,745)	(878,087)

The table below shows a break down of the current assets and current liabilities held for sale.

	2017 $	**2016 $**
Assets	-	88,402
Liabilities	-	1,762,260
Net assets	-	1,850,662

The net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:

	2017	2016
Net cash inflow/(outflow) from operating activities	(55,440)	(24,923)
Net cash inflow/(outflow) from investing activities	-	100,997
Net cash inflow/(outflow) from financing activities	-	-
Net decrease in cash by discontinued operations	(55,440)	76,074

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 2017.

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

	2017 $	2016 $
Short-term employee benefits	75,583	75,000
Total KMP compensation	75,583	75,000

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

Note 6 Auditor's Remuneration

	Consolidated Group 2017 $	2016 $
Remuneration of the auditor for:		
— BDO Sydney	22,250	21,412
— BDO Uruguay	-	8,238
	22,250	29,650

Note 7 Earnings per Share

	Consolidated Group 2017	2016
	$	$
(a) Reconciliation of earnings to profit or loss		
Loss	(4,282,029)	(1,187,883)
Losses used to calculate basic EPS	(4,282,029)	(1,187,883)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	511,382,134	465,970,476
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	511,382,134	465,970,476

Note 8 Cash and Cash Equivalents

	Note	Consolidated Group 2017 $	2016 $
Cash at bank and on hand		91,935	58,084
Short-term bank deposits		-	2,813
	21	91,935	60,897

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:

	2017 $	2016 $
Cash and cash equivalents	91,935	60,897
	91,935	60,897

Note 9 Trade and Other Receivables

	Consolidated Group 2017 $	2016 $
CURRENT		
Other receivables		
— Sundry receivables	61	-
— GST and VAT refundable	3,706	13,020
— Guarantees	-	65,974
Total current trade and other receivables	3,767	78,994

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 within 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.

(Note 9: Trade and Other Receivables (Cont'd))

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	
2017	$	$	$	$	$	$	$
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	3,767	-	-	-	-		3,767
Total	3,767	-	-	-	-	-	3,767

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	
2016	$	$	$	$	$	$	$
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	78,994	-	13,020	-	-	65,974	78,994
Total	78,994	-	13,020	-	-	65,974	78,994

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 2017 (%)	2016 (%)
Ecochar Pty Ltd	Australia	100	100
Ion Resources Pty Ltd	Australia	100	100
Ferrous Resources Pty Ltd	Australia	100	100
Ferrominas Sociedad Anonima	Uruguay	-	100
Floniler Sociedad Anonima	Uruguay	-	100
Joutes Sociedad Anonima	Uruguay	-	100
Hamfu Sociedad Anonima	Uruguay	-	100
Kyntu Sociedad Anonima	Uruguay	-	100
Rolben Sociedad Anonima	Uruguay	-	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 2017 $	Consolidated Group 2016 $
LAND AND BUILDINGS		
Freehold land at:		
— at cost	-	-
Total land	-	-
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	-	142,452
Accumulated depreciation	-	(141,842)
	-	610
Total plant and equipment	-	610
Total property, plant and equipment	-	610

(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 2015	22,848	5,252	28,100
Additions	-	386	386
Disposals	(22,848)	-	(22,848)
Depreciation expense	-	(5,028)	(5,028)
Balance at 30 June 2016	-	610	610
Disposals of assets on sale of subsidiary		(200)	(200)
Depreciation expense		(410)	(410)
Balance at 30 June 2017	-	-	-

Note 12 Exploration Expenditure

	Consolidated Group 2017 $	Consolidated Group 2016 $
NON-CURRENT		
Acquisition of 51% of Orosur Mining Joint Ventur		
Balance at beginning of year	5,467,000	5,467,000
Exploration expenditure incurred during the year	-	-
Exploration expenditure written off during the year	-	-
Impairment of carrying value of capitalised exploration expenditure	(3,667,460)	
Disposed during the year	(1,799,540)	-
Balance at end of year	-	5,467,000
Mineral exploration and evaluation expenditure		
Balance at beginning of year	-	-
Exploration expenditure incurred during the year	16,552	61,581
Exploration expenditure written off during the year	(16,552)	(61,581)
Balance at end of year	-	-

(Note 12: Exploration Expenditure (Cont'd))

	Consolidated Group 2017 $	2016 $
Total Exploration Expenditure		
Acquisition of 51% Orosur Mining Joint Venture		5,467,000
Mineral exploration and evaluation expenditure		-
	-	5,467,000

On 21 February 2017, the Company announced it had completed the sale of all its Uruguayan subsidiaries, and their underlying assets, to Metamila Limited, a company incorporated in Beliza.

The total value of the consideration received of $1.7 million, was applied against the Company's and its subsidiaries' outstanding liabilities as at date of completion. This was determined in accordance with the share sale agreement between the Company and Metamila Limited.

Please refer to Note 10: Interest in subsidiaries for a list of subsidiaries disposed of.

Note 13 Trade and Other Payables

	Consolidated Group 2017 $	2016 $
CURRENT		
Unsecured liabilities		
Trade payables	232,356	1,118,680
Sundry payables and accrued expenses	251,426	172,755
	483,782	1,291,435

	Consolidated Group 2017 $	2016 $
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total current	483,782	1,291,435
— Total non-current	-	-
	483,782	1,291,435

Related party creditors of $326,566 of current liabilities have agreed that they will not make a claim against the Company until such time that is has sufficient cash resources.

Note 14 Borrowings

	Note	Consolidated Group 2017 $	2016 $
CURRENT			
Loan - third party		-	817,775
Total current borrowings		-	817,775
Total borrowings	21	-	817,775

Note 15 Issued Capital

	Consolidated Group 2017 $	2016 $
582,396,672 fully paid ordinary shares (2016: 465,970,476)	19,059,707	18,888,802
	19,059,707	18,888,802

The company has authorised share capital amounting to 582,386,562 fully paid ordinary shares.

(a) **Ordinary Shares**	Consolidated Group 2017 No.	2016 No.
At the beginning of the reporting period	465,970,476	465,970,476
Shares issued during the year	116,426,196	-
At the end of the reporting period	582,396,672	465,970,476

During the reporting period, a total of 116,426,196 fully paid ordinary shares were issued, raising $170,905, net of capital raising costs.

(Note 15: Issued Capital (Cont'd))

(b) **Options**

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

	Consolidated Group	
	2017	2016
	No.	No.
Balance at the beginning of the financial year	232,985,238	232,985,238
Exercised during the financial year	(10,110)	-
Lapsed during the financial year	(232,975,128)	-
Balance at the end of the financial year	-	232,985,238
Exercisable at the end of the financial year	-	232,985,238

All options expired on 30 June 2017.

(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 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	
		2017	2016
	Note	$	$
Total borrowings	13, 14	-	817,775
Less cash and cash equivalents	8	91,935	60,897
Net debt		91,935	878,672
Total equity		(388,080)	3,498,291
Total capital		(296,145)	4,376,963
Gearing ratio		N/A	20%

Note 16 Contingent Liabilities and Contingent Assets

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 board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

Unless stated otherwise, all accounts are reporting 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**

	Australia	Uruguay (discontinued)	Total
30 June 2017	**$**	**$**	**$**
REVENUE			
Other income	-	26,522	26,522
Interest revenue	-	-	-
Total segment revenue	-	26,522	26,522
Reconciliation of segment revenue to group revenue			
Total consolidated revenue:			-
Expenses			
Employee benefits expense	-	-	-
Depreciation	-	410	410
Directors benefits expense	28,811	-	28,811
Rent and outgoings	-	-	-
Consulting fees	-	-	-
Travel and accommodation	27,090	-	27,090
Exploration written off	12,169	3,678,447	3,690,616
Other expenses	211,214	350,410	561,624
	279,284	4,029,267	4,308,551
Segment loss before tax	(279,284)	(4,002,745)	(4,282,029)

	Australia	Uruguay (discontinued)	Total
30 June 2016	**$**	**$**	**$**
REVENUE			
Other income	-	38,495	38,495
Interest revenue	-	1,296	1,296
Total segment revenue	-	39,791	39,791
Reconciliation of segment revenue to group revenue			
Total consolidated revenue:			39,791
Expenses			
Employee benefits expense	-	677,558	677,558
Depreciation	-	5,028	5,028
Directors benefits expense	75,000	-	75,000
Rent and outgoings	899	44,772	45,671
Consulting fees	10,011	73,218	83,229
Travel and accommodation	33,191	-	33,191
Exploration written off	6,652	54,929	61,581
Other expenses	184,041	62,375	246,416
	309,794	917,880	1,227,674
Segment loss before tax	(309,794)	(878,089)	(1,187,883)

(ii) **Segment assets**

	Australia	Uruguay (discontinued)	Total
30 June 2017	**$**	**$**	**$**
Segment assets	95,702	-	95,702
Reconciliation of segment assets to group assets			
Intersegment eliminations			-
Total group assets			95,702

(Note 17: Operating Segments (Cont'd))

	Australia	Uruguay (discontinued)	Total
30 June 2016	**$**	**$**	**$**
Segment assets	89,378	5,555,402	5,644,780
Segment assets include:			
Reconciliation of segment assets to group assets			
Intersegment eliminations			(37,279)
Total group assets			5,607,501

(iii) **Segment liabilities**

	Australia	Uruguay (discontinued)	Total
30 June 2017	**$**	**$**	**$**
Segment liabilities	483,782	-	483,782
Reconciliation of segment liabilities to group liabilities			
Intersegment eliminations			-
Total group liabilities			483,782

	Australia	Uruguay (discontinued)	Total
30 June 2016	**$**	**$**	**$**
Segment liabilities	417,892	11,944,373	12,362,265
Reconciliation of segment liabilities to group liabilities			
Intersegment eliminations			(10,253,055)
Total group liabilities			2,109,210

Note 18 Cash Flow Information

	Consolidated Group 2017 $	Consolidated Group 2016 $
(a) **Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax**		
Profit after income tax	(4,282,029)	(1,187,883)
Non-cash flows in profit		
Depreciation	410	5,028
Write-off of capitalised expenditure	3,667,460	61,581
Unrealised foreign exchange movements	-	88,201
Realised foreign exchange movements	335,478	(48,010)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Decrease in trade and term receivables	75,227	71,509
Increase/(decrease) in trade payables and accruals	80,200	908,791
Cash flows from operating activities	(123,254)	(100,783)

Note 19 Events After the Reporting Period

On 19 June 2017, the Company entered into a binding agreement with a junior exploration company, Flinders Resources Ltd, to purchases Exploration Licence E52/3104. At the date of this report, the formal tenement transfer has not been granted as the Company is awaiting ministerial consent from the Western Australia Department of Mines.

On 14 July 2017, the Company held a General Meeting of shareholders whereby resolutions were passed to refresh the Company's 10% placement capacity in accordance with ASX Listing Rule 7.1, issued 25 million placement shares at $0.004 (0.4cents) which have not been issued at the date of this report, confirm the election of Mr Ian Hastings and Mr Ian Richer as Directors of the Company after filling casual vacancies during the reporting period and to grant unlisted options to Directors with an exercise price of $0.005 (0.5cents) and an expiry date of 5 years from grant date. The options were subsequently issued on 25 July 2017.

On 18 September 2017, the Company completed a placement to sophisticated investors utilising the Company's 10% placement capacity in accordance with ASX Listing Rule 7.1 whereby approximately $150,000 was raised before costs resulting in 75,000,000 fully paid ordinary shares being issued. As part of the placement, it was also agreed to issue unlisted options on a 1 for 4 basis (1 option for every 4 shares subscribed), exercisable at $0.005 (0.5cents) and an expiry date of 19 February 2019 subject to shareholder approval which will be sought at the Company's upcoming AGM in November 2017.

The Company has continued to evaluate further exploration projects post reporting date however negotiations to date have not resulted in the executive of any binding agreements between parties.

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.

	2017	2016
	$	$
Short-term employee benefits	75,583	75,000
Total KMP compensation	75,583	75,000

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	
	2017	2016
	$	$
i. **Director related entities**		
Directors' fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder.	27,750	-
Directors' fees payable to Draffin Walker Pty Ltd, of which Mr Andrew Draffin is a director and shareholder.	-	25,000
Directors' fees payable to Tomik Nominees Pty Ltd, of which Mr Ian Hastings is a director and shareholder.	20,083	-
Directors' fees payable to Anycall Pty Ltd, of which Mr Ian Richer is a director and shareholder.	11,083	-
Company Secretarial fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder	33,000	-
Directors' fees payable to Mr Michael Neundlinger	-	25,000
Directors' fees payable to DHL Corporate Advisory, of which Mr Donald Low is a director and shareholder.	16,667	7,830
Directors' fees payable to Draffin Walker Pty Ltd, of which Mr Malcolm Draffin is a director and shareholder.	-	17,170
Company Secretarial fees payable to Draffin Walker Pty Ltd, of which Mr Andrew Draffin and Mr Malcolm Draffin are directors and shareholders	-	43,500

(Note 20: Related Party Transactions (Cont'd))

(c) Reimbursement Transactions with related parties

	Consolidated Group	
	2017	2016
	$	$
Reimbursement of business expenses incurred by the Company and initially settled by DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder. All expenses were incurred on an arm's length basis.	21,462	-
Reimbursement of business expenses incurred by the Company and initially settled by Ian Hastings. All expenses were incurred on an arm's length basis.	7,863	-
Reimbursement of business expenses incurred by the Company and initially settled by Draffin Walker Pty Ltd, of which Mr Andrew Draffin and Mr Malcolm Draffin are directors and shareholders. All expenses were incurred on an arm's length basis.	-	32,820

(d) Amounts payable to related parties

	Consolidated Group	
	2017	2016
	$	$
DW Accounting & Advisory Pty Ltd	223,233	-
Tomik Nominees Pty Ltd	20,083	-
Anycall Pty Ltd	11,083	-
Ian Hastings	7,863	-
Draffin Walker Pty Ltd	60,137	122,170
DHL Corporate Advisory	4,167	7,830
Mr Michael Neunlindger	-	37,500
Oscar Leon	-	9,272
	326,566	176,772

Amounts due to related parties waived

Michael Neunlindger	37,500	-
Oscar Leon	9,272	-
	46,772	-

Note 21 Financial Risk Management

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

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

		Consolidated Group	
		2017	2016
	Note	$	$
Financial Assets			
Cash and cash equivalents	8	91,935	60,897
Loans and receivables	9	3,767	78,994
Total Financial Assets		95,702	139,891
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	13	483,782	1,291,435
— Borrowings	14	-	817,775
Total Financial Liabilities		483,782	2,109,210

Financial Risk Management Policies

The Board is responsible for managing financial risk exposures of the Group.

(Note 21: Financial Management (Cont'd))

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 characteristics. The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are banks 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;
- monitoring undrawn credit facilities;
- 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	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables	483,782	1,291,435	-	-	-	-	483,782	1,291,435
Borrowings	-	817,775	-	-	-	-	-	817,775
Total contractual outflows	483,782	2,109,210	-	-	-	-	483,782	2,109,210
Less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	483,782	2,109,210	-	-	-	-	483,782	2,109,210

	Within 1 Year		**1 to 5 years**		**Over 5 years**		**Total**	
Consolidated Group	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Financial Assets - cash flows realisable								
Cash and cash equivalents	91,935	60,897	-	-	-	-	91,935	60,897
Trade, term and loans receivables	3,767	78,994	-	-	-	-	3,767	78,994
Total anticipated inflows	95,702	139,891	-	-	-	-	95,702	139,891
Net (outflow) / inflow on financial	(388,080)	(1,969,319)	-	-	-	-	(388,080)	(1,969,319)

(Note 21: Financial Management (Cont'd))

c. Market Risk

i. Interest rate risk

The Group's exposure to market risk primarily consists of financial risks associated 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.

ii. Foreign currency risk

Exposure to foreign currency 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 following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial and is therefore not shown.

	Consolidated Group	
	2017	2016
	$	$
Cash and cash equivalents	-	12,384
Current trade and other receivables	-	75,409
Non-current assets	-	5,467,610
Current trade and other payables	-	(944,484)
Non-current liabilities	-	(10,999,889)
	-	(6,388,970)

The following significant exchange rates were applied during the year.

	Average Rate		Spot Rate	
	2017	2016	2017	2016
$1 AUD	-	1.3730	-	1.3466

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.

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

	Consolidated Group	
	Profit	Equity
Year ended 30 June 2017	$	$
+/- 0.75% in interest rates	690	690

	Consolidated Group	
	Profit	Equity
Year ended 30 June 2016	$	$
+/- 0.75% in interest rates	457	457

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 in accordance with generally accepted pricing models.

- 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. Refer to Note 39 for detailed disclosures regarding the fair value measurement of the group's financial assets and financial liabilities.

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 form the market, with more reliable information from markets that are actively traded. In this regard, fair values for listed 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.

(Note 21: Financial Management (Cont'd))

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	2017		2016	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		$	$	$	$
Financial assets					
Cash and cash equivalents	8	91,935	91,935	60,897	60,897
Trade and other receivables:		3,767	3,767	78,994	78,994
Total financial assets		95,702	95,702	139,891	139,891
Financial liabilities					
Trade and other payables	13	483,782	483,782	1,291,435	1,291,435
Borrowings	14	-	-	817,775	817,775
Total financial liabilities		483,782	483,782	2,109,210	2,109,210

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 investments 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.

	Consolidated Group	
	2017	2016
	$	$
Balance at beginning of the year	-	-
Options exercised	-	-
Expiry of options	-	-
	-	-

b. **Foreign Currency Translation Reserve**

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

	Consolidated Group	
	2017	2016
	$	$
Balance at beginning of the year	(224,754)	(219,399)
Foreign currency movements during the year	-	(5,355)
Realised on sale of subsidiaries	224,754	
	-	(224,754)

Total Reserves

	Consolidated Group	
	2017	2016
	$	$
Option Reserve	-	-
Foreign currency translation reserve	-	(224,754)
	-	(224,754)

Note 24 Economic Dependency

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

Note 25 Company Details

The registered office of the company is:

Gladiator Resources Limited
Level 4
91 William Street
Melbourne Vic 3000

The principal places of business are:

Gladiator Resources Limited
Level 4
91 William Street
Melbourne Vic 3000

GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES
ABN: 58 101 026 850
DIRECTORS' DECLARATION

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

1. the financial statements and notes, as set out on pages 17 to 41, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Director

Mr Andrew Draffin

Dated this 28 September 2017

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Gladiator Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gladiator Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

BDO

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for disposal of subsidiaries

Key audit matter	***How the matter was addressed in our audit***
As disclosed in Note 4 of the financial statements, the Group disposed of the Uruguayan subsidiaries, which includes the only exploration asset held by the Group. The accounting treatment applied to this disposal is a key audit matter due to the complexity and significance associated with the determination of the fair value of the sale consideration which comprises all outstanding debts and liabilities of the subsidiaries at date of disposal.	In assessing the accounting treatment applied to this disposal, our audit procedures included, among others: • Reviewed the sale and purchase agreement to understand the subsidiaries being disposed and to determine the sales consideration to be received. • Assessed the carrying amount of the disposed assets, debts and liabilities of the subsidiaries at date of disposal and recalculated the loss to be recognised from disposal. • Reviewed the revenue, expenses and loss of discontinued operations up to date of disposal and determined whether items are classified in accordance with *AASB 5 Non-Current Assets Held for Sale and Discontinued Operations*. • Assessed whether exchange differences from translating foreign operations are reclassified in accordance with *AASB 121 The Effects of Changes in Foreign Exchange Rates*.

	• Assessed the adequacy and appropriateness of the Group's disclosure in respect of this disposal in light of the requirements of Australian Accounting Standards

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 11 to 14 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Gladiator Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO East Coast Partnership

BDO

Gareth Few

Gareth Few
Partner

Sydney, 28 September 2017

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

The following information is current as at 27 September 2017:

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	No. of Holders	No. or Ordinary Shares
1 – 1,000	37	3,990
1,001 – 5,000	32	105,129
5,001 – 10,000	90	826,395
10,001 – 100,000	154	6,573,999
100,001 – and over	183	666,553,825
	496	674,063,338

b. The number of shareholdings held in less than marketable parcels is 314. (2016: 291)

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

Shareholder	Number No. of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
JP Morgan Nom Pty Ltd	136,074,004	20.19%
DW Accounting & Advisory Pty Ltd	59,980,146	8.90%
Wealthystar Grp LTd	59,750,279	8.86%
Tomik Nominees Pty Ltd	49,821,420	7.39%
BNP Paribas Nom Pty Ltd <IB AU NOMS RETAILC>	40,673,970	6.03%
Liu Bin	37,664,458	5.59%

d. **Voting Rights**
Articles 15 on the Constitution specify that on a show of hands, every member present in persent, 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.	JP Morgan Nom Pty Ltd	136074004	20.19%
2.	DW Accounting & Advisory Pty Ltd	59980146	8.90%
3.	Wealthystar Grp LTd	59750279	8.86%
4.	Tomik Nominees Pty Ltd	49821420	7.39%
5.	BNP Paribas Nom Pty Ltd <IB AU NOMS	40673970	6.03%
6.	Liu Bin	37664458	5.59%
7.	Joyce Asset Corp	23,251,927	3.45%
8.	Cuthbert Prods Inc	23,251,927	3.45%
9.	Kassets Pty Ltd	19,928,000	2.96%
10.	Citicorp Nom Pty Ltd	18,790,550	2.79%
11.	Kollins Pty Ltd <Kollins A/C>	10,000,000	1.48%
12.	HSBC Custody Nom Aust Ltd	9,320,879	1.38%
13.	Tim Adams & Assoc PL <Adams Fam A/C>	7,730,000	1.15%
14.	Three Cats House PL <Three Cats House A/C>	7,500,000	1.11%
15.	Li Ge	7,500,000	1.11%
16.	SJ Cap PL	6,050,000	0.90%
17.	Giojaz Mgnt PL <Giojaz S/F No 1 A/C>	5,000,000	0.74%
18.	Casa Dolce PL <Todd Rapley Fam A/C>	5,000,000	0.74%
19.	Campbell Kitchener Hume <C K H S/F A/C>	5,000,000	0.74%
20.	Pershing Aust Nom PL <Accum A/C>	4,855,268	0.72%
		537,142,828	79.68%

f. Options on issue

There were no listed options on issue at the date of this report.

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

3. The address of the principal registered office in Australia is Level 4, 91 William Street, Melbourne Vic 3000. Telephone (03) 8611 5333.

4. Registers of securities are held at the following addresses
Security Transfer Australia
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**