

# **GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**

**ABN: 58 101 026 859**

**Financial Report For The Half Year Ended  
31 December 2017**

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# GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN: 58 101 026 859

## Financial Report For The Half Year Ended 31 December 2017

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The half-year financial report is prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2017 and any public announcements made by the Company since 30 June 2017 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

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

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of Gladiator Resources Limited and its controlled entities for the half year ended 31 December 2017.

**General Information**

**Directors**

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

Mr Andrew Draffin  
Mr Ian Hastings  
Mr Ian Richer

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

**DIRECTORS' REPORT**

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

**Review of Operations**

The consolidated loss for the six month period ended 31 December 2017 was \$180,323 (2016 loss: \$3,857,848)

The net liability position of the Group as at 31 December 2017 were \$263,403 (June 2017: net liability of \$388,080)

The Company continued to evaluate exploration projects both within Australia and overseas. Negotiations during the reporting period did not result in the execution of any binding agreements however subsequent to 31 December 2017 a binding Heads of Agreement with Thunder Bird Metals Pty Ltd was entered into, further details are disclosed within the Events After Reporting Period Note.

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 75million 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 a expiry date of 20 February 2019 which shareholders subsequently provided approval for at the Company's AGM held on 30 November 2017.

The funds raised during the reporting period will be used for general working capital and the evaluation of further exploration projects. The board continues to focus on examining and evaluating exploration projects with a view to embarking on new undertakings in order to provide value to shareholders in the mining and exploration arena.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2017 has been received and can be found on page 2 of the Financial Report.

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

On behalf of the Directors



Mr Andrew Draffin  
Director  
Dated: 16 March 2018

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



**MSI RAGG WEIR**  
Chartered Accountants



**L.S. WONG**  
Partner

Melbourne: 16 March 2018

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**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Consolidated Group	
	31 December 2017	31 December 2016
Note	\$	\$
<b>Continuing operations</b>		
Revenue	-	-
Audit, accounting and tax remuneration	(37,452)	(76,050)
Company Secretarial fees	(21,000)	(18,000)
Consultancy fees	(6,000)	-
Directors' benefits expense	(72,000)	(25,000)
Exploration expenditure written off	(6,229)	(17,115)
Insurance	-	(4,466)
Legal costs	(16,080)	(9,039)
Share registry maintenance fees	(3,727)	(1,948)
Taxes and licences	-	(1,938)
Other expenses	(17,835)	(4,292)
Realised foreign currency gain/(loss)	-	(32,128)
Depreciation and amortisation expense	-	(412)
Impairment of capitalised exploration expenditure	-	(3,667,460)
<b>Loss before income tax</b>	<b>(180,323)</b>	<b>(3,857,848)</b>
Tax expense	-	-
<b>Net loss from continuing operations</b>	<b>(180,323)</b>	<b>(3,857,848)</b>
<b>Net loss for the year</b>	<b>(180,323)</b>	<b>(3,857,848)</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified subsequently to profit or loss when specific conditions are met:</b>		
Exchange differences on translating foreign operations, net of tax	-	65,276
	-	65,276
<b>Total other comprehensive income/(loss) for the year</b>	<b>-</b>	<b>65,276</b>
<b>Total comprehensive income for the year</b>	<b>(180,323)</b>	<b>(3,792,572)</b>
<b>Earnings per share</b>		
From continuing and discontinued operations:		
Basic and diluted loss per share (cents)	(0.03)	(0.83)

The accompanying notes form part of these financial statements.

**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

		Consolidated Group	
		31 December 2017	30 June 2017
	Note	\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		198,882	91,935
Trade and other receivables		10,943	3,767
<b>TOTAL CURRENT ASSETS</b>		<u>209,825</u>	<u>95,702</u>
<b>NON-CURRENT ASSETS</b>			
Exploration expenditure	3	20,000	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>20,000</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u><u>229,825</u></u>	<u><u>95,702</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	493,228	483,782
<b>TOTAL CURRENT LIABILITIES</b>		<u>493,228</u>	<u>483,782</u>
<b>TOTAL LIABILITIES</b>		<u>493,228</u>	<u>483,782</u>
<b>NET ASSETS</b>		<u><u>(263,403)</u></u>	<u><u>(388,080)</u></u>
<b>EQUITY</b>			
Issued capital	6	19,364,707	19,059,707
Retained earnings		(19,628,110)	(19,447,787)
<b>TOTAL EQUITY</b>		<u><u>(263,403)</u></u>	<u><u>(388,080)</u></u>

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 HALF YEAR ENDED 31 DECEMBER 2017**

	Share Capital			Total
	Ordinary	Accumulated losses	Foreign Currency Translation Reserve	
	\$	\$	\$	\$
<b>Consolidated Group</b>				
<b>Balance at 1 July 2016</b>	18,888,802	(15,165,758)	(224,753)	3,498,291
<b>Comprehensive income</b>				
Loss for the period	-	(3,857,848)	-	(3,857,848)
Other comprehensive income for the year	-	-	(65,276)	(65,276)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(3,857,848)</u>	<u>(65,276)</u>	<u>(3,923,124)</u>
<b>Balance at 31 December 2016</b>	<u>18,888,802</u>	<u>(19,023,606)</u>	<u>(290,029)</u>	<u>(424,833)</u>
<b>Balance at 1 July 2017</b>	19,059,707	(19,447,787)	-	(388,080)
<b>Comprehensive income</b>				
Loss for the period	-	(180,323)	-	(180,323)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(180,323)</u>	<u>-</u>	<u>(180,323)</u>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>				
Shares issued during the year	320,000	-	-	320,000
Transaction costs	(15,000)	-	-	(15,000)
<b>Total transactions with owners and other transfers</b>	<u>305,000</u>	<u>-</u>	<u>-</u>	<u>305,000</u>
<b>Balance at 31 December 2017</b>	<u>19,364,707</u>	<u>(19,628,110)</u>	<u>-</u>	<u>(263,403)</u>

The accompanying notes form part of these financial statements.

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**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Consolidated Group	
	31 December 2017	31 December 2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(119,845)	(50,692)
Net cash provided by (used in) operating activities	<u>(119,845)</u>	<u>(50,692)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration expenditure	(6,769)	(8,537)
Net cash provided by (used in) investing activities	<u>(6,769)</u>	<u>(8,537)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	250,061	-
Transaction costs	(16,500)	-
Loans from related parties		
- proceeds from borrowings	-	25,000
Net cash provided by (used in) financing activities	<u>233,561</u>	<u>25,000</u>
Net increase in cash held	106,947	(34,229)
Cash and cash equivalents at beginning of financial year	91,935	60,897
Cash and cash equivalents reclassified to held for sale assets	-	(7,165)
Effect of exchange rates on cash holdings in foreign currencies	-	-
Cash and cash equivalents at end of financial year	<u><u>198,882</u></u>	<u><u>19,503</u></u>

The accompanying notes form part of these financial statements.

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**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

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

The financial statements were authorised for issue on 16 March 2018 by the directors of the company.

**Note 1 Summary of Significant Accounting Policies**

**Statement of compliance**

The half year financial report is prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2017 and any public announcements made by the Company since 30 June 2017 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

**Basis of Preparation**

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

**Accounting policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group's last reported annual financial statements at 30 June 2017, unless otherwise stated.

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

**(a) 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.

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.

**(b) 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.

**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**(Note 1: Summary of Significant Accounting Policies (Continued))**

**(d) Critical Accounting Estimates and Judgements**

The critical estimates and judgements are consistent with those applied and disclosed in the June 2017 annual report.

**Key Judgements**

**(a) Exploration and Evaluation expenditure**

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

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

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

**(e) 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 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Hedge accounting requirements are required to be prospectively applied.

- Further reduction in the carrying amount of trade receivables and investments in related parties as at 31 December 2017 due to additional loss allowances (measured as 12-month and life-time expected credit losses) provided for such instruments that are not yet past due and past due but not yet impaired. The assessment of financial impact on account of the above is still in progress;
- Listed and Unlisted investments that are classified as available-for-sale financial assets (not held for trading) will be continued to be measured at fair value through other comprehensive income through an irrevocable option as permitted by AASB 9. As such no financial impact is expected to arise from this reclassification.
- Unlisted investments at cost are not held for trading and as such will be measured at fair value through other comprehensive income through an irrevocable option as permitted by AASB 9. However Management believes that there is a wide range of possible fair value measurements for these instruments and their cost represents the best estimate of fair value within that range. Hence, as per the relevant principle in AASB 9, cost of these investments is regarded to be an appropriate estimate of their fair value. As such no financial impact is expected to arise due to the above mentioned reclassification.
- Government and fixed interest securities are held in a business model of collecting all contractual cash flows (principal and interest) and therefore will continue to be measured at amortised cost. Therefore there will be no financial impact.
- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).  
When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases and related Interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**(Note 1: Summary of Significant Accounting Policies (Continued))**

**(g) Going Concern**

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

The Group generated a loss of \$180,323 (2016: loss of \$3,857,848) and net cash outflows from operating activities of \$119,845 for the six months ending 31 December 2017 (31 December 2016: outflows of \$50,692), and as of that date, recorded a net liability position of \$263,403 (30 June 2017: net liabilities of \$388,080). These conditions indicate a material uncertainty that may cast significant doubt concerning the ability of the Group to continue as a going concern.

The Directors have prepared a 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 to continue as a going concern. The Directors are confident that they can raise capital when required as they have been successful in the past.

**Note 2 Operating Segments**

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

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

**OPERATING SEGMENTS**

**(i) Segment Information**

	Australia \$	Uruguay (discontinued) \$	Total \$
<b>6 months ended 31 December 2017</b>			
<b>Revenue</b>			
Interest received	-	-	-
<b>Total segment revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of segment revenue to consolidated entities revenue			
Total consolidated revenue:			
<b>Expenses</b>			
Directors benefits expense	72,000	-	72,000
Exploration written off	6,229	-	6,229
Other expenses	102,094	-	102,094
	<u>180,323</u>	<u>-</u>	<u>180,323</u>
Segment loss before tax	<u>(180,323)</u>	<u>-</u>	<u>(180,323)</u>
Amounts not included in segment result but reviewed by the Board:			
Income tax benefit			<u>-</u>
			<u>-</u>
Net loss before tax from continuing operations			<u>(180,323)</u>
	Australia \$	Uruguay (discontinued) \$	Total \$
<b>6 months ended 31 December 2016</b>			
<b>Revenue</b>			
Interest received	-	-	-
<b>Total segment revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of segment revenue to consolidated entities revenue			
Total consolidated revenue:			
<b>Expenses</b>			
Depreciation	-	412	412
Directors benefits expense	25,000	-	25,000
Travel and accommodation	-	-	-
Exploration written off	6,134	10,980	17,114
Impairment of capitalised exploration expenditure	-	3,682,610	3,682,610
Other expenses	98,847	33,865	132,712
	<u>129,981</u>	<u>3,727,867</u>	<u>3,857,848</u>
Segment loss before tax	<u>(129,981)</u>	<u>(3,727,867)</u>	<u>(3,857,848)</u>
Amounts not included in segment result but reviewed by the Board:			
Income tax benefit			<u>-</u>
			<u>-</u>
Net loss before tax from continuing operations			<u>(3,857,848)</u>

**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

(Note 2: Operating Segments (Continued))

**(ii) Segment Assets**

	Australia	Uruguay (discontinued)	Total
	\$	\$	\$
<b>As at 31 December 2017</b>			
Segment assets	229,825	-	229,825
Reconciliation of segment assets to group:			
Intersegment eliminations		-	-
<b>Total group assets</b>			<u>229,825</u>
	<b>Australia</b>	<b>Uruguay (discontinued)</b>	<b>Total</b>
	\$	\$	\$
<b>As at 30 June 2017</b>			
Segment assets	95,702	-	95,702
Reconciliation of segment assets to group:			
Intersegment eliminations		-	-
<b>Total group assets</b>			<u>95,702</u>

**(iii) Segment Liabilities**

	Australia	Uruguay (discontinued)	Total
	\$	\$	\$
<b>As at 31 December 2017</b>			
Segment liabilities	493,228	-	493,228
Reconciliation of segment liabilities to group:			
Intersegment eliminations		-	-
<b>Total group liabilities</b>			<u>493,228</u>
	<b>Australia</b>	<b>Uruguay (discontinued)</b>	<b>Total</b>
	\$	\$	\$
<b>As at 30 June 2017</b>			
Segment liabilities	483,782	-	483,782
Reconciliation of segment liabilities to group:			
Intersegment eliminations		-	-
<b>Total group liabilities</b>			<u>483,782</u>

**Note 3 Exploration Expenditure**

NON-CURRENT

**Acquisition of 51% of Orosur Mining Joint Venture and others**

Balance at 1 July 2016	5,467,000
Impairment of carrying value of capitalised exploration expenditure	(3,667,460)
Disposed during the year	(1,799,540)
Balance at 30 June 2017	<u>-</u>

**Acquisition of Tenements**

Balance at 1 July 2017	-
Acquisition costs	20,000
Exploration expenditure written off during the period	-
Balance at 31 December 2017	<u>20,000</u>

**Mineral exploration and evaluation expenditure**

Balance at 1 July 2016	-
Exploration expenditure incurred during the year	16,552
Exploration expenditure written off during the year	(16,552)
Balance at 30 June 2017	<u>-</u>
Balance at 1 July 2017	-
Exploration expenditure incurred during the year	6,229
Exploration expenditure written off during the year	(6,229)
Balance at 31 December 2017	<u>-</u>

**Exploration Expenditure capitalised:**

Acquisition of 51% Orosur Mining Joint Venture and Others	-
Acquisition of tenements	20,000
Mineral exploration and evaluation expenditure	-
	<u>20,000</u>

**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**Note 4 Trade and other payables**

	Consolidated Group	
	31 December 2017 \$	30 June 2017 \$
<b>CURRENT</b>		
Unsecured liabilities		
Trade payables	223,905	232,356
Sundry payables and accrued expenses	269,323	251,426
	493,228	483,782
<b>(a) Financial liabilities classified as trade and other payables</b>		
Trade and other payables		
- Total current	493,228	483,782
- Total non-current	-	-
	493,228	483,782
Financial liabilities as trade and other payables	493,228	483,782

**Note 5 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	Place of Incorporation	Ownership interest held by the Group	
		As at 31	As at 31
		December 2017	December 2016
Eochar 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%

As previously disclosed in the June 2017 annual report, the Company's wholly owned Uruguayan subsidiaries was disposed of on 21 February 2017.

**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**Note 6 Issued Capital**

**(a) Ordinary Shares**

	No.	\$
Balance at 1 July 2016	465,970,476	18,888,802
Shares issued during the year	116,426,196	170,905
Balance at 30 June 2017	<u>582,396,672</u>	<u>19,059,707</u>
Balance at 1 July 2017	582,396,672	19,059,707
Shares issued during the period	121,666,666	320,000
Less transaction costs arising from issue of shares	-	(15,000)
Balance at 31 December 2017	<u>704,063,338</u>	<u>19,364,707</u>

**(b) Options**

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

	No.
Balance at 1 July 2016	232,985,238
Exercised during the financial year	(10,110)
Lapsed during the financial year	<u>(232,975,128)</u>
Balance at 30 June 2017	-
Balance at 1 July 2017	-
Issued during the financial period	106,666,666
Lapsed during the financial period	-
Balance at 31 December 2017	<u>106,666,666</u>

Details of the options on issue are as follows:

	Number	Issue Date	Expiry Date	Exercise Price \$
Unlisted options issued	60,000,000	25 July 2017	24 July 2022	\$0.005
Unlisted options issued	46,666,666	25 July 2017	20 February 2019	\$0.005

**Note 7 Events After the Reporting Period**

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

On 20 February 2018 the Company announced that it had reached a Binding Heads of Agreement ("HoA") with Thunderbird Metals Pty Limited ("Thunderbird") under which Thunderbird will assign all of its rights under a North Arunta Joint Venture Agreement in relation to the North Arunta Project with ABM Resources NL (ASX:ABU) (the "Assignment"). Under the terms of the North Arunta Joint Venture Agreement between ABM Resources and Thunderbird, Thunderbird has the right to earn up to 70% of the North Arunta Project by sole funding \$6.5M of exploration expenditure over 4.5 years. The assignment of rights will be subject to shareholder approval at a meeting of shareholders proposed for mid April.

Consideration for the Thunderbird's rights will be settled by scrip to be issued on a milestone basis.

The terms of the HoA entered into and subsequently altered on 6 March are:

- Milestone 1 - Upon the completion of the Assignment and successful capital raising of \$500,000 Thunderbird will be issued 35 million Gladiator Shares and 35 million Gladiator Options (at an exercise price of \$0.005 and 2 years expiry period);
- Milestone 2 - Upon Gladiator completing a further capital raising of \$500,000 Thunderbird will be issued 20 million Gladiator Options (at an exercise price of \$0.01 and 2 years expiry period);
- Milestone 3 - Upon achieving a Combined JORC (2012) compliant Indicated Resource at the North Arunta Project of 200,000 ounces of gold at a minimum grade of 1.3g/t Au and minimum tonnage of 320,000 tonnes of ore, Thunderbird will be issued 50 million Gladiator Shares;
- Milestone 4 - Upon the Joint Venture achieving a Combined JORC (2012) compliant Indicated Resource on the North Arunta Project of 500,000 ounces of gold at a minimum grade of 1.1g/t Au and a minimum tonnage of 800,000 tonnes of ore, Thunderbird will be issued 50 million Gladiator Shares and 50 million Gladiator Options (at an exercise price representing a 15% discount to the 30 Day volume weighted average price (VWAP) immediately prior to the date of issue and 2 years expiry period);
- Milestone 5 - Upon completion of a Bankable Feasibility Study on the North Arunta Project, Thunderbird will be issued 50 million Gladiator Shares and 50 million Gladiator Options (at an exercise price representing a 15% discount to 30 Day VWAP immediately prior to the date of issue and 2 years expiry period); and
- Milestone 6 - Upon the Joint Venture achieving a Combined JORC (2012) compliant Indicated Resource on the North Arunta Project of 1 million ounces of gold at a minimum grade of 0.7g/t Au and a minimum tonnage of 1,600,000 tonnes of ore, Thunderbird will be issued 50 million Gladiator Shares and 50 million Gladiator Options (at an exercise price of a 15% discount to 30 Day VWAP immediately prior to the date of issue and 2 years expiry period).

On 7 March 2018, the company issued 16,937,000 fully paid ordinary shares subsequent to option holders exercising options held at \$0.005 (0.5cents) per option.

The Company is not aware of any other material event post balance date.

**GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES**  
**ABN: 58 101 026 859**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**Note 8      Financial Instruments**

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

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

The Group does not hold any trading financial assets up to the date of this report. (30 June 2017: nil)

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**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 3 to 13, 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 31 December 2017 and of the performance for the period 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

Director



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**Mr Andrew Draffin**

Dated this

16 March 2018

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Gladiator Resources Limited (the Entity), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Entity is not in accordance with the Corporations Act 2001 including:

- i. giving a true and fair view of the Entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**Emphasis of matter - Material Uncertainty Related to Going Concern**

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

Our opinion is not qualified in respect of this matter.

**Directors' Responsibility for the Half-Year Financial Report**

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

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

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



**MSI RAGG WEIR**  
Chartered Accountants



**L.S. WONG**  
Partner

A member of Melbourne: 16 March 2018