



GLADIATOR RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN: 58 101 026 859

**Financial Report For The Year Ended
30 June 2021**

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

Directors are considered to be independent if they are not major shareholders, are independent of management, and are free from any business or other relationship that could materially interfere with their exercise of free and independent judgement. One out of three of the 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 2021, the full Board met 8 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 current 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, ensure 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

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 the 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 5 to the financial statements. It is a requirement 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, purchase and payments, financial reporting, capital expenditure requests, project appraisal, environment, health and safety, IT security, compliance, and other risk management issues. There is a systematic review and monitoring of key business operational risks by management which reports on current and future risks and mitigation activities to the Board.

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

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



Continuous disclosure and shareholder communication

The 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 requires 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:

| | 2021 | | 2020 | |
|----------------------------------|------|---|------|---|
| | 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 met by a "No" and an accompanying note explaining the reasons why the Company has not met the recommendation.

| Principles and Recommendations | Complied | Note |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|
| Principle 1: Lay solid foundations for management and oversight | | |
| <p>Recommendation 1.1</p> <p>A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> (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 |
| <p>Recommendation 1.2</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; 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 | |
| <p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | Yes | |
| <p>Recommendation 1.4</p> <p>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.</p> | Yes | |
| <p>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) 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 | |
| <p>Recommendation 1.6</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. | No | 2 |
| <p>Recommendation 1.7</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. | No | 3 |



| Principle 2: Structure the Board to be effective and add value | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---|
| <p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of that committee; (4) the members of the committee; and (5) 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 <p>(b) if it does not have a nomination committee, disclose that fact and the processes 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.</p> | No | 4 |
| <p>Recommendations 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p> | Yes | |
| <p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not comprise the independence of the director, the nature of the interest, position 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 | |
| <p>Recommendations 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p> | No | 5 |
| <p>Recommendations 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | No | 6 |
| <p>Recommendations 2.6</p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p> | Yes | |
| Principle 3 - Instil a culture of acting lawfully, ethically and responsibly | | |
| <p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p> | Yes | |
| <p>Recommendation 3.2</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (c) any other material breaches of that code that call into question the culture of the organisation. | Yes | |
| <p>Recommendation 3.3</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a whistle-blower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | Yes | |



| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---|
| <p>Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p> | No | |
| Principle 4 - Safeguard the integrity of corporate reports | | |
| <p>Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, a majority of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of that committee; (4) the relevant qualifications and experience of the members of the committee; and (5) 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 process 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.</p> | No | 7 |
| <p>Recommendations 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.</p> | Yes | |
| <p>Recommendations 4.3 A listed entity should disclose its processes to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> | Yes | |
| Principle 5 - Make timely and balanced disclosure | | |
| <p>Recommendations 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclose obligations under listing rule 3.1</p> | Yes | |
| <p>Recommendations 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p> | Yes | |
| <p>Recommendations 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p> | Yes | |
| Principle 6 - Respect the rights of security holders | | |
| <p>Recommendations 6.1 A listed entity should provide information about itself and its governance to investors via its website.</p> | Yes | |



| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------|
| <p>Recommendations 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p> | <p>Yes</p> | |
| <p>Recommendations 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p> | <p>Yes</p> | |
| <p>Recommendations 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p> | <p>Yes</p> | |
| <p>Recommendations 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p> | <p>Yes</p> | |
| <p>Principle 7 - Recognise and manage risk</p> | | |
| <p>Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of that committee; (4) the members of the committee; and (5) 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 a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>No</p> | <p>8</p> |
| <p>Recommendation 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 that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>Yes</p> | |
| <p>Recommendation 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 any internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> | <p>No</p> | <p>9</p> |
| <p>Recommendations 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> | <p>Yes</p> | |



| Principle 8 - Remunerate fairly and responsibly | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of that committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(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.</p> | No | 10 |
| <p>Recommendations 8.2</p> <p>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.</p> | Yes | |
| <p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p> | No | 11 |

Note 1

The Company has adopted a Board Charter which sets out the specific responsibilities of the Board, the requirements as to the Board's 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 fully 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 Report. No evaluation has taken place to the date of this report.

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 Mr Ian Richer is the only independent directors. 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

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 9

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 10

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 11

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 2021.

General Information

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.

Ian Hastings

Executive Chairman
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 40 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

None

Andrew Draffin

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 Chartered Accountants Australia and New Zealand. 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 20 years experience.

Other current directorships of listed companies

Global Petroleum Limited - appointed 10 June 2016

Former directorships of listed companies in last three years

None

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 Chase, Societe 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

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 Chartered Accountants Australia and New Zealand. 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 20 years experience.

Shareholdings of directors and other key management personnel

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

| | Ordinary Shares | Share Options |
|-----------------------------|-----------------|---------------|
| Andrew Draffin ¹ | 21,316,586 | 2,000,000 |
| Ian Hastings ² | 20,305,734 | 2,000,000 |
| Ian Richer | 3,000,000 | 2,000,000 |

¹Shares are held under the name of DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder.

²Shares 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 9 for further details of wholly owned subsidiaries under the Company's control.

Principal Activities and Significant Changes in Nature of Activities

The Company continues to engage in exploration activities, focussing on under-explored mineral properties.

Dividends

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

Operating and Financial Review

Review of Operations

During the financial year the Company has undertaken various exploration activities over its three Gold Project in Australia whilst also pursuing other complementary projects, which culminated shortly after the end of the year in the Company acquiring a promising African Uranium project which is also prospective for gold.

During the year the Company completed an underwritten Rights Issue and a share consolidation which sets the Company up to build on its current Projects and new acquisition.

Rutherglen Gold Project (Option to acquire 100% EL6331)

During the year the Company announced an initial Exploration Target for its Rutherglen Gold Project located 30km west of Albury and covering ~377km² over the historic Chiltern and Rutherglen goldfields during the reporting period.

The Exploration Target is based on proposed exploration of deep lead mineralization and consists of a total gold potential of between 260,000oz and 529,000oz within three lead sections (see ASX Announcement 28 September 2020 for detailed information). The Exploration Target is identified within some 16.8km of the main lead system, demonstrating significant potential of this project. An Exploration Target is not a Mineral Resource and the potential quantity and grade of an Exploration Target is conceptual in nature with insufficient exploration to estimate a Mineral Resource and uncertainty whether future exploration will result in the estimation of a Mineral Resource.

During the year the Company also completed the high-resolution airborne survey and aero magnetics at Rutherglen.

The aero magnetics component of the overall geophysics survey of exploration license EL006331 commenced in late June with completion of a reconnaissance flight which established a nominal flying height of 30 metres, together with an initial 104 km of the proposed total flying distance of 2,779 km.

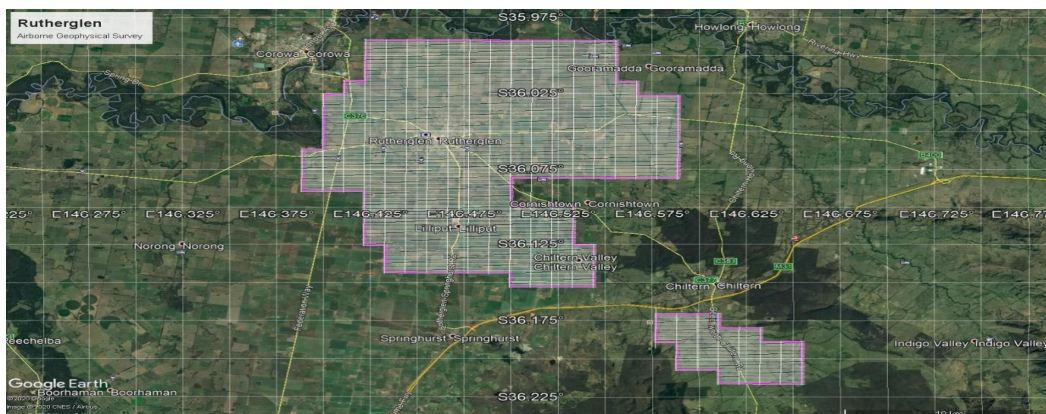


Figure 1: Survey area

The Company is reviewing the data generated to identify targets for follow up magnetics and drill testing and to determine the next steps in progressing the project. The Company expects to undertake further access discussions in order to potentially broaden the scope of any potential work program over this large and exciting opportunity.

In February 2021 the Company extended its option over the Rutherglen Project for a further 12 months in consideration of payment of \$25,000 in cash with the extension consideration to be deducted from any acquisition price.

Bendoc Gold Project (wholly owned EL006187)

The Company exercised its option to acquire the Bendoc Project in February on the following terms:

1. Payment of \$50,000 in cash;
2. On registration of the transfer the Company will issue 5 million fully paid Ordinary shares;
3. A deferred payment of \$125,000 on defining a 100,000oz JORC Resource or proceeding to apply for a Mining Tenement within Exploration License 6187; and
4. A Royalty of 2% NSR on all production from each License area.

The Company completed all preparations and received permits to commence drilling on the Bendoc Gold Project during the financial year but encountered delays in contracting a suitable driller. However, subsequent to the reporting period the Company completed the planned resource drill program at the Victoria Star prospect.

The program was originally planned to complete 12 holes totalling 1230m of RC drilling with the last drill hole intersecting a stope at 44m and as it was a low priority hole (not being a resource validation hole) drilling was abandoned.

Final surveys have been completed and samples have been delivered to the laboratory for testing with results expected early in the December Quarter with further work programs to be determined by the results received.

Corporate Activities

During the year the Company convened and held a General Meeting to seek shareholder approval and consent for a consolidation of capital to reduce shares on issue. Following the company's consolidation of capital, the company undertook a fully underwritten entitlements issue which closed in early January and raised approximately \$1 million before costs.

Events Subsequent to Balance Date

In August the Company announce it entered into a binding MOU to acquire Tanzanian company Zeus Resources (T) Limited (Zeus Resources) which had applications over 1,170km2 of highly prospective exploration tenements (Tanzania Project) located in Tanzania, East Africa.

In September the Company was pleased to announced that it had satisfactorily completed due diligence and exchanged contracts to acquire Zeus Resources with a further announcement confirming announce that all seven exploration licenses applied for by Zeus Resources (T) Limited have been granted by the Tanzanian Mining Commission with an additional two tenements granted.

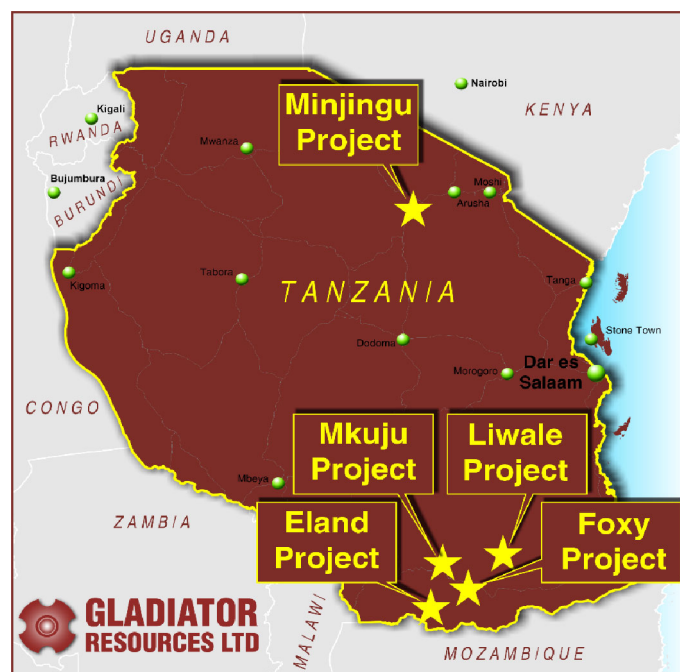


Figure 2: Zeus project locations in Tanzania

The Tenements, which are prospective for several commodities including Gold and Uranium, have previously been owned by Uranium One, Uranex, Mantra Resources, Western Metals and Uranium Resources and substantial data is believed to exist in respect to most of the tenements based on historical work completed by previous owners. Work is now underway to secure and analyse the data and draft appropriate work plans.



Also, in August the Company announced it has completed a capital raise of \$1.0m (before costs) via share placement which was strongly supported by existing and several new high net worth investors.

The Company is now fully funded with a range of Projects to exploit. The coming year will see further development of its portfolio with the immediate focus on Tanzania.

Financial Overview

Operating results for the year

The loss for the Group is \$309,910 (2020: loss of \$1,122,346) which is largely consistent with expectations associated with the Group's activities.

Review of financial position

The net assets of the Group have increased by \$1,458,887 from a net deficit of \$177,176 to a net surplus of \$1,281,711

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, there are a total of 37,250,000 unlisted options on issue.

| Expiry Date | Exercise Price | Number of Options |
|--------------------|-----------------------|--------------------------|
| 24 July 2022 | \$0.050 | 6,000,000 |
| 17 November 2023 | \$0.015 | 31,250,000 |
| | | <u>37,250,000</u> |

Events after the reporting period

Capital Structure

The Company raised \$1,000,000 before cost in August via the issue 80,000,000 shares at \$0.0125 utilising the Company's placement capacity in accordance with ASX Listing Rules 7.1 & 7.1A.

In August 2021, the Company raised a total of \$58,125 as a result of the exercise of 3,875,000 unlisted options that has an exercise price of \$0.015.

In September 2021, the Company raised a further \$95,000 as a result of the exercise of 5,000,000 unlisted options. 3,000,000 unlisted options have an exercise price of \$0.015 and 2,000,000 unlisted options have an exercise price of \$0.025.

Exploration

On 9 July 2021, the Company announced it had completed the airborne survey and aero magnetics for its Rutherglen Gold Project. The Company will review the data generated once available to identify targets for follow up magnetics and drilling testing and to determine the next steps in progressing the project.

On 6 August 2021, the Company announced it had commenced the resource drill program for its Bendoc Gold Project. As at the date of this report, the resource drill program has been completed.

Acquisitions

On 2 September 2021, the Company announced it has agreed to acquire Tanzanian company, Zeus Resources which holds five applications to highly prospective exploration tenements in Tanzania, East Africa, subject to due diligence. The Company has appointed lawyers in Tanzania to assist it with its due diligence and is on track to complete the acquisition within the coming weeks subject to any Tanzanian regulatory approvals which might be required. The Company is making arrangements to complete outstanding payments to finalise the grant of the licenses and to take control of Zeus Resources so that work on the licenses can commence as soon as possible.

On 13 September 2021, the Company announced it has satisfactorily completed due diligence and exchanged contracts to acquire Tanzanian company, Zeus Resources (T) Limited which holds 1,764km² of highly prospective exploration tenements located in Tanzania, East Africa. Licenses applied for by Zeus will be granted on payment of relevant application fees and the proposed acquisition of Zeus by the Company is now subject to regulatory approvals which are underway.

Share Purchase and Key Personnel Services Agreements have been finalised and exchanged with milestones as follows:

- 6,000,000 fully paid ordinary shares in the Company to be issued on completion of binding acquisition agreements;
- 12,000,000 fully paid ordinary shares in the Company to be issued on formal grant of applications (noting that the proposed capital raising has already been successfully completed);
- 6,000,000 fully paid ordinary shares in the Company to be issued on completion of a positive desktop study including evaluation of all available Tenement Information from all former owners of the tenements;
- 6,000,000 fully paid ordinary shares in the Company to be issued on identification of drill targets in each tenement based on the results of pitting, trenching and sampling.

The above milestones are subject to completion of the acquisition which is conditional on the Company obtaining all necessary regulatory approvals (including any necessary shareholder approvals).

Pursuant to the terms of the Share Purchase Agreements executed, the Company will appoint three Directors to the Board of Zeus Resources with the existing two Zeus Resources Directors remaining.



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, 8 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 | 8 | 8 |
| Ian Hastings | 8 | 8 |
| Ian Richer | 8 | 8 |

Indemnifying Officers or Auditor

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

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

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

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

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

Proceedings on Behalf of Company

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

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

Non-audit Services

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 19 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 2021. 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:

| | |
|----------------|------------------------|
| Ian Hastings | Executive Chairman |
| Andrew Draffin | Executive Director |
| Ian Richer | Non-Executive Director |

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 2021 are detailed in the following table:

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | - | - | - | - | - |
| Net loss before tax | (309,910) | (1,122,346) | (755,659) | (432,387) | (4,282,029) |
| Net loss after tax | (309,910) | (1,122,346) | (755,659) | (432,387) | (4,282,029) |
| Share price at start of year | \$0.001 | \$0.001 | \$0.005 | \$0.003 | \$0.002 |
| Share price at end of year | \$0.015 | \$0.001 | \$0.001 | \$0.005 | \$0.003 |
| Dividends paid | - | - | - | - | - |
| Basic losses per share | (0.107) | (0.067) | (0.063) | (0.060) | (0.837) |

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 2020 and ending 30 June 2021 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.

Two Executive Directors were engaged 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 2021 and since the end of the financial year | Contract details (duration & termination) |
|------------------|--------------------------------------------------------------------------|-------------------------------------------|
| Group KMP | | |
| Ian Hastings | Executive Director | No fixed term |
| Andrew Draffin | 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 2021

| 2021 | Short-term Benefits Salaries, fees and leave | Post employment Superannuation | Share based payment shares | Total | Share based payments | Amount owing as at 30 June 2021 |
|----------------|----------------------------------------------------|-----------------------------------|-------------------------------|---------|----------------------------|---------------------------------------|
| Group KMP | \$ | \$ | \$ | \$ | \$ | \$ |
| Andrew Draffin | 36,000 | | | 36,000 | - | 20,020 |
| Ian Hastings | 96,000 | | | 96,000 | - | 26,400 |
| Ian Richer | 24,000 | | | 24,000 | - | 8,000 |
| | 156,000 | - | - | 156,000 | - | 54,420 |
| 2020 | Short-term Benefits Salaries, fees and leave | Post employment Superannuation | Share based payment shares | Total | Share based payments | Amount owing as at 30 June 2020 |
| Group KMP | \$ | \$ | \$ | \$ | \$ | \$ |
| Andrew Draffin | 27,750 | - | - | 27,750 | - | 186,958 |
| Ian Hastings | 74,000 | - | - | 74,000 | - | 187,738 |
| Ian Richer | 18,500 | - | - | 18,500 | - | 43,304 |
| | 120,250 | - | - | 120,250 | - | 418,000 |

Shares options granted to directors and executives

No options were granted to directors and executives during the financial year. (2020: nil)

Table below shows the unlisted options held by directors and executives. All options have an expiry date of 24 July 2022 and exercise price of \$0.05.

| Group KMP | Options Granted |
|-----------------------------|------------------|
| Andrew Draffin ¹ | 2,000,000 |
| Ian Hastings ² | 2,000,000 |
| Ian Richer | 2,000,000 |
| | <u>6,000,000</u> |

¹Options are held under DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder.

²Options 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:

| | 2021 \$ | 2020 \$ |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| i. Director related entities | | |
| Directors' fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder. | 36,000 | 27,750 |
| Directors' fees payable to Tomik Nominees Pty Ltd, of which Mr Ian Hastings is a director and shareholder. | 96,000 | 74,000 |
| Directors' fees payable to Anycall Pty Ltd, of which Mr Ian Richer is a director and shareholder. | 24,000 | 18,500 |
| Company Secretarial fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder | 20,000 | 15,417 |
| Accounting fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder | 40,000 | 30,833 |
| | 2021 \$ | 2020 \$ |
| ii. Reimbursement Transactions with related parties | | |
| 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. | 22,717 | 27,051 |
| Reimbursement of business expenses incurred by the Company and initially settled by Ian Hastings. All expenses were incurred on an arm's length basis. | - | 3,647 |



| | 2021 | 2020 |
|------------------------------------------------|---------------|----------------|
| | \$ | \$ |
| iii. Amounts payable to related parties | | |
| DW Accounting & Advisory Pty Ltd | 20,020 | 186,958 |
| Tomik Nominees Pty Ltd | 26,400 | 187,738 |
| Anycall Pty Ltd | 8,000 | 43,304 |
| Wilde Geoscience (resigned 12 July 2019) | - | 12,000 |
| | <u>54,420</u> | <u>430,000</u> |

This concludes the remuneration report, which has been audited

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

A blue ink signature of Andrew Draffin, consisting of a stylized cursive script.

Andrew Draffin
Director
30 September 2021



Level 13, Freshwater Place, 2 Southbank Boulevard,
Southbank VIC 3006

Phone: 03 9690 5700
Facsimile: 03 9690 6509
Website: www.morrows.com.au

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

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

MORROWS AUDIT PTY LTD

I.L. JENKINS
Director

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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 YEAR ENDED 30 JUNE 2021



| | Note | Consolidated Group | |
|----------------------------------------------|------|--------------------|--------------------|
| | | 2021 \$ | 2020 \$ |
| Continuing operations | | | |
| Other income | | 106,420 | - |
| Audit expenses | | (21,700) | (21,000) |
| Accounting expenses | | (40,875) | 30,984 |
| Company secretarial fees | | (20,000) | 16,016 |
| Consultancy fees | | (30,000) | (29,320) |
| Directors' benefits expense | | (156,000) | (40,977) |
| Exploration expenditure written off | | (9,053) | (946,177) |
| Fees and permits | | (6,762) | (5,854) |
| Insurance | | (22,408) | (25,193) |
| Legal costs | | (11,980) | (24,678) |
| Rent and outgoings | | (1,500) | (12,000) |
| Share registry maintenance fees | | (21,626) | (5,767) |
| Travel and accommodation | | - | (27,211) |
| Other expenses | | (74,426) | (31,169) |
| Loss before income tax | | (309,910) | (1,122,346) |
| Tax expense | 3 | - | - |
| Net loss for the year | | (309,910) | (1,122,346) |
| Earnings per share | | | |
| From continuing and discontinued operations: | | | |
| Basic and diluted loss per share (cents) | 6 | (0.11) | (0.07) |

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 2021



| | | Consolidated Group | |
|-------------|----------------------------------|--------------------|------------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| Note | | | |
| | ASSETS | | |
| | CURRENT ASSETS | | |
| | Cash and cash equivalents | 7 941,733 | 212,799 |
| | Trade and other receivables | 8 15,172 | 5,006 |
| | Other assets | 11 227,289 | 150,232 |
| | TOTAL CURRENT ASSETS | <u>1,184,194</u> | <u>368,037</u> |
| | NON-CURRENT ASSETS | | |
| | Exploration expenditure | 10 244,031 | 72,259 |
| | TOTAL NON-CURRENT ASSETS | <u>244,031</u> | <u>72,259</u> |
| | TOTAL ASSETS | <u>1,428,225</u> | <u>440,296</u> |
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| | Trade and other payables | 12 146,514 | 617,472 |
| | TOTAL CURRENT LIABILITIES | <u>146,514</u> | <u>617,472</u> |
| | TOTAL LIABILITIES | <u>146,514</u> | <u>617,472</u> |
| | NET ASSETS | <u>1,281,711</u> | <u>(177,176)</u> |
| | EQUITY | | |
| | Issued capital | 13 23,349,800 | 21,581,003 |
| | Retained earnings | (22,068,089) | (21,758,179) |
| | TOTAL EQUITY | <u>1,281,711</u> | <u>(177,176)</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 YEAR ENDED 30 JUNE 2021



| | Note | Ordinary | Retained Earnings | Total |
|-----------------------------------------------------------------------------------|------|------------|-------------------|-------------|
| | | \$ | \$ | \$ |
| Consolidated Group | | | | |
| Balance at 1 July 2019 | | 21,105,603 | (20,635,833) | 469,770 |
| Comprehensive income | | | | |
| Loss for the year | | - | (1,122,346) | (1,122,346) |
| Total comprehensive income for the year | | - | (1,122,346) | (1,122,346) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | |
| Shares issued during the year | | 500,000 | - | 500,000 |
| Transaction costs, net of tax | | (24,600) | - | (24,600) |
| Total transactions with owners and other transfers | | 475,400 | - | 475,400 |
| Balance at 30 June 2020 | | 21,581,003 | (21,758,179) | (177,176) |
| Balance at 1 July 2020 | | 21,581,003 | (21,758,179) | (177,176) |
| Comprehensive income | | | | |
| Loss for the year | | - | (309,910) | (309,910) |
| Total comprehensive income for the year | | - | (309,910) | (309,910) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | |
| Shares issued during the year | | 1,900,275 | - | 1,900,275 |
| Transaction costs, net of tax | | (131,478) | - | (131,478) |
| Total transactions with owners and other transfers | | 1,768,797 | - | 1,768,797 |
| Balance at 30 June 2021 | | 23,349,800 | (22,068,089) | 1,281,711 |

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 2021



| | Note | Consolidated Group | |
|-------------------------------------------------------------|------|-----------------------|-----------------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments to suppliers and employees | | (769,850) | (186,175) |
| Net cash used in operating activities | 16a | <u>(769,850)</u> | <u>(186,175)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for exploration expenditure | | (195,014) | (70,850) |
| Payments for exclusive option to purchase tenement licences | | (75,000) | (100,000) |
| Net cash used in investing activities | | <u>(270,014)</u> | <u>(170,850)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of shares | | 1,900,276 | 500,000 |
| Transaction costs | | (131,478) | (27,060) |
| Net cash provided by financing activities | | <u>1,768,798</u> | <u>472,940</u> |
| Net increase in cash held | | 728,934 | 115,915 |
| Cash and cash equivalents at beginning of financial year | | 212,799 | 96,884 |
| Cash and cash equivalents at end of financial year | 7 | <u><u>941,733</u></u> | <u><u>212,799</u></u> |

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 2021. 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 30 September 2021 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) 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 2021 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 9 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.

(b) 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 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.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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.

(c) 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. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) 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 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. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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

(d) 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 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.

(e) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) Financial Instruments

Recognition and Initial Measurement

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

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

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

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The *effective interest method* is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc.).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Group measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;

- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

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

(g) Impairment of Assets

At the end of each reporting period, the company 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 (e.g. 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 entity 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Investments in Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the company's share of net assets of the associate. In addition, the Company's share of the profit or loss and other comprehensive income is included in the financial statements.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Company's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's interest in the associate.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Company will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The requirements of AASB 128: Investments in Associates and Joint Ventures and AASB 9: Financial Instruments are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136: Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

(i) 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.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits available on demand with banks.

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

(k) 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. The carrying amount of the investment in the associate must be decreased by the amount of dividends received or receivable from the associate.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Finance income 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.

(l) 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.

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

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(o) 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 statements is presented.

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

(p) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Judgements

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.

(q) 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 settlement of liabilities in the ordinary course of business.

The Group generated a loss of \$309,910 (2020: loss of \$1,122,346) and net cash outflows from the operating activities of \$769,850 (2020: outflows of \$186,175) for the year ended 30 June 2020. As of that date, the Group had net assets of \$1,281,711 (2020: net assets deficit of \$177,176). 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 cashflow 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 Parent Information

| | 2021 | 2020 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------|
| | \$ | \$ |
| The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards. | | |
| STATEMENT OF FINANCIAL POSITION | | |
| ASSETS | | |
| Current Assets | 1,008,774 | 364,231 |
| Non-current Assets | 406,390 | 60,160 |
| TOTAL ASSETS | 1,415,164 | 424,391 |
| LIABILITIES | | |
| Current Liabilities | 146,512 | 613,664 |
| Non-current Liabilities | - | - |
| TOTAL LIABILITIES | 146,512 | 613,664 |
| NET ASSETS | 1,268,652 | (189,273) |
| EQUITY | | |
| Issued Capital | 23,349,800 | 21,581,003 |
| Accumulated losses | (22,081,148) | (21,770,276) |
| TOTAL EQUITY | 1,268,652 | (189,273) |
| STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | |
| Loss for the year | (310,872) | (1,123,308) |
| Other comprehensive income | - | - |
| Total comprehensive income | (310,872) | (1,123,308) |

Contingent liabilities

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

Note 3 Tax Expense

| | | Consolidated Group | |
|----------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|-------------|
| | Note | 2021 | 2020 |
| | | \$ | \$ |
| (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 26% (2020: 27.5%) | | | |
| — consolidated group | | (80,577) | (308,645) |
| Add: | | | |
| Tax effect of: | | | |
| — Deferred tax not brought to account | | 80,577 | 308,645 |
| Income tax attributable to entity | | <u>-</u> | <u>-</u> |
| Balance of franking account at year end | | Nil | Nil |

| | | Consolidated Group | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|------------------|
| | Note | 2021 | 2020 |
| | | \$ | \$ |
| (c) Tax losses | | | |
| Unused tax losses for which no deferred tax asset has been recognised | | <u>2,364,010</u> | <u>2,238,772</u> |
| Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2021 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. | | | |

| | | Consolidated Group | |
|------------------------------------------------------------------------------------------------------------------|-------------|---------------------------|-------------|
| | Note | 2021 | 2020 |
| | | \$ | \$ |
| (c) Tax losses | | | |
| The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows: | | | |
| (Loss) from continuing operations | | (309,910) | (1,122,346) |
| Income tax (benefit) calculated at 26% | | (80,577) | (308,645) |
| Effect of non-deductible/(deductible) expenses | | (44,660) | 236,056 |
| Effect of unused tax losses and tax offsets not recognised as deferred tax | | 125,237 | 72,589 |
| Income tax attributable to entity | | <u>-</u> | <u>-</u> |

Note 4 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 2021.

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

| | 2021 | 2020 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 156,000 | 120,250 |
| Total KMP compensation | <u>156,000</u> | <u>120,250</u> |

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

Note 5 Auditor's Remuneration

| | Consolidated Group | |
|--------------------------------------------------|--------------------|---------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Remuneration of the auditor for: | | |
| — auditing or reviewing the financial statements | 21,700 | 21,000 |
| | <u>21,700</u> | <u>21,000</u> |

Note 6 Earnings per Share

| | Consolidated Group | |
|----------------------------------------------------------------------------------------------------------|--------------------|----------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| (a) Reconciliation of earnings to profit or loss | | |
| Loss | (309,910) | (1,122,346) |
| Losses used to calculate basic EPS | <u>(309,910)</u> | <u>(1,122,346)</u> |
| | No. | No. |
| (b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 290,822,296 | 1,669,665,455 |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS | <u>290,822,296</u> | <u>1,669,665,455</u> |

Note 7 Cash and Cash Equivalents

| | Consolidated Group | |
|--------------------------|--------------------|----------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Cash at bank and on hand | 941,733 | 212,799 |
| Short-term bank deposits | - | - |
| | <u>941,733</u> | <u>212,799</u> |

Reconciliation of cash

Cash and cash equivalents 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:

| | | |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | 941,733 | 212,799 |
| Bank overdrafts | - | - |
| | <u>941,733</u> | <u>212,799</u> |

Note 8 Trade and Other Receivables

| | Consolidated Group | |
|-------------------------------------------|--------------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| CURRENT | | |
| Other receivables | | |
| — GST receivables | 15,172 | 5,006 |
| Total current trade and other receivables | <u>15,172</u> | <u>5,006</u> |

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 8. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

| | | Consolidated Group | |
|--------------------------------------------------------|------|--------------------|--------------|
| | Note | 2021 | 2020 |
| | | \$ | \$ |
| (a) Financial Assets Measured at Amortised Cost | | | |
| Trade and other Receivables | | | |
| — Total current | | 15,172 | 5,006 |
| — Total non-current | | - | - |
| Total financial assets measured at amortised cost | 19 | <u>15,172</u> | <u>5,006</u> |

Note 9 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 | |
|---------------------------|-----------------------------|--------------------------------------|----------|
| | | 2021 (%) | 2020 (%) |
| Ecochar Pty Ltd | Australia | 100% | 100% |
| Ion Resources Pty Ltd | Australia | 100% | 100% |
| Ferrous Resources Pty Ltd | Australia | 100% | 100% |

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

(b) Significant Restrictions

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

Note 10 Exploration Expenditure

| | Consolidated Group | |
|-------------------------------------------------------|--------------------|---------------|
| | 2021 | 2020 |
| NON-CURRENT | \$ | \$ |
| Mineral exploration and evaluation expenditure | | |
| Balance at beginning of year | 72,259 | 930,646 |
| Current year expenditure capitalised | 171,772 | 76,789 |
| Exploration costs written off | - | (935,176) |
| Balance at end of year | <u>244,031</u> | <u>72,259</u> |
| Total Exploration Expenditure | | |
| Mineral exploration and evaluation expenditure | <u>244,031</u> | <u>72,259</u> |
| | <u>244,031</u> | <u>72,259</u> |

The \$171,772 capitalised exploration expenditure relates to the Marymia Project in Western Australia and the the two option agreements that granted the Company a 12 month window to assess more fully the potential of the Rutherglen Gold Project and the Bendoc Gold Project.

The value of the Company's interest in exploration expenditure is dependent upon the:

- continuance of the economic entity's right to tenure to the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Ultimate recovery of deferred exploration and evaluation costs is dependent upon the success of pre-feasibility studies, exploration and evaluation or sale or farm-out of the exploration interest. Broadly, the Company has three cost centres, Corporate, Pre-feasibility and Exploration. Where identifiable, costs associated with the Pre-feasibility and Exploration cost centres are capitalised. These costs are annual reviewed for impairment and a charge is made direct to the Statement of profit or loss and other comprehensive income of the Company where an impairment is identified.

The Group has reviewed all of its tenements and has only carried forward the expenses on the tenements that give rise to a potential economic benefit to the Company through development or exploration.

Impairment Indicators

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale;
- Evidence is available of obsolescence or physical damage of an asset;
- The net assets of the Group exceeds its market capitalisation.

Note 11 Other Assets

| | Consolidated Group | |
|-------------------------------------------------------------------|--------------------|----------------|
| | 2021 | 2020 |
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 24,401 | 22,344 |
| Deposits paid | 27,888 | 27,888 |
| Exclusive options to purchase Bendoc and Rutherglen licences paid | 175,000 | 100,000 |
| | <u>227,289</u> | <u>150,232</u> |
| Total Other Assets | | |
| Current | 227,289 | 150,232 |
| Non-Current | - | - |
| | <u>227,289</u> | <u>150,232</u> |

Note 12 Trade and Other Payables

| | Consolidated Group | |
|--------------------------------------|--------------------|----------------|
| | 2021 | 2020 |
| | \$ | \$ |
| CURRENT | | |
| Unsecured liabilities | | |
| Trade payables | 101,312 | 451,826 |
| Sundry payables and accrued expenses | 45,202 | 165,646 |
| | <u>146,514</u> | <u>617,472</u> |

| | Note | Consolidated Group | |
|------------------------------------------------------------------------------------|------|--------------------|----------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| (a) Financial liabilities at amortised cost classified as trade and other payables | | | |
| Trade and other payables | | | |
| — Total current | | 146,514 | 617,472 |
| — Total non-current | | - | - |
| Financial liabilities as trade and other payables | 19 | <u>146,514</u> | <u>617,472</u> |

Note 13 Issued Capital

| | Consolidated Group | |
|--------------------------------------------------------------|--------------------|-------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| 361,044,904 fully paid ordinary shares (2020: 2,001,834,171) | 23,349,800 | 21,581,003 |
| | <u>23,349,800</u> | <u>21,581,003</u> |

The Group has authorised share capital amounting to 361,044,904 ordinary shares.

| (a) Ordinary Shares | Consolidated Group | | | |
|-------------------------------------------------|--------------------|-------------------|----------------------|-------------------|
| | 2021 | | 2020 | |
| | No. | \$ | No. | \$ |
| At the beginning of the reporting period | 2,001,834,171 | 21,581,003 | 1,469,334,171 | 21,105,603 |
| Shares issued during the year | 661,261,226 | 1,900,276 | 532,500,000 | 500,000 |
| Shares consolidated during the reporting period | (2,302,050,493) | - | - | - |
| Less: Transaction costs | - | (131,478) | - | (24,600) |
| At the end of the reporting period | <u>361,044,904</u> | <u>23,349,800</u> | <u>2,001,834,171</u> | <u>21,581,003</u> |

On 18 August 2020, the Company issued 65,287,374 fully paid ordinary shares, raising \$81,609 before capital raising costs.

On 24 August 2020, the Company issued 260,712,626 fully paid ordinary shares, raising \$325,891 before capital raising costs.

On 17 November 2020, the Company issued 230,000,000 fully paid ordinary shares at \$0.001 per share as a debt conversion approved by shareholders at the General Meeting held on 17 November 2020.

On 27 November 2020, the Company completed its share consolidation. The shares on issue were consolidated on a 10 for 1 basis.

On 14 December 2020, the Company issued 20,000,000 fully paid ordinary shares, raising \$240,000 before capital raising costs.

On 18 January 2021, the Company issued 48,758,658 fully paid ordinary shares, raising \$534,745 before capital raising costs.

On 25 January 2021, the Company issued 36,502,568 fully paid ordinary shares, raising \$438,030.82 before capital raising costs.

Note 13: Issued Capital (continued)

(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 | |
|----------------------------------------------|---------------------------|---------------------|
| | 2021 | 2020 |
| | No. | No. |
| At the beginning of the reporting period | 95,000,000 | 130,000,000 |
| Issued during the financial year | 312,500,000 | - |
| Consolidated during the year | (335,250,000) | - |
| Expired during the financial year | <u>(35,000,000)</u> | <u>(35,000,000)</u> |
| Balance at the end of the financial year | <u>37,250,000</u> | <u>95,000,000</u> |
| Exercisable at the end of the financial year | <u>37,250,000</u> | <u>95,000,000</u> |

On 17 November 2020, the Company issued 312,500,000 unlisted options with an expiry date of 17 November 2023, exercise price of \$0.0015, following shareholders approval at its General Meeting held 17 November 2020.

On 27 November 2021, the Company completed its share consolidation, resulting in the Company's unlisted options being consolidation on a 10 for 1 basis.

Details of options on issue as at the date of this report are as follows:

| | Number | Issue Date | Expiry Date | Exercise Price |
|-------------------------|-------------------|-------------------|--------------------|-----------------------|
| | | | | \$ |
| Unlisted options issued | 6,000,000 | 25/07/2017 | 24/07/2022 | \$0.050 |
| Unlisted options issued | <u>31,250,000</u> | 17/11/2020 | 17/11/2023 | \$0.015 |
| | <u>37,250,000</u> | | | |

(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.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

| | Note | Consolidated Group | |
|--------------------------------|-------------|---------------------------|------------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| Total borrowings | | - | - |
| Less cash and cash equivalents | 7 | (941,733) | (212,799) |
| Net debt | | <u>(941,733)</u> | <u>(212,799)</u> |
| Total equity | | 1,281,711 | (177,176) |
| Total capital | | <u>339,978</u> | <u>(389,975)</u> |
| Gearing ratio | | N/A | N/A |

Note 14 Contingent Liabilities and Contingent Assets

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

Note 15 Operating Segments

General Information

Identification of reportable 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 reported to the Board of Directors, being the chief decision makers with respect to operation segments, which are determined in accordance with accounting policies that are consistent to those adapted in the annual financial statements of the consolidated entity.

Segment information

(i) **Segment performance**

30 June 2021

REVENUE

Other revenue

Interest revenue

Total segment revenue

Reconciliation of segment revenue to group revenue

Total group revenue

Expenses

Directors benefits expense

Consulting fees

Travel and accommodation

Exploration written off

Other expenses

Segment loss before tax

30 June 2020

REVENUE

Other revenue

Interest revenue

Total segment revenue

Reconciliation of segment revenue to group revenue

Total group revenue

Expenses

Directors benefits expense

Consulting fees

Travel and accommodation

Exploration written off

Other expenses

Segment loss before tax

| | Australia \$ | Total \$ |
|-----------------------------------------------------------|------------------|---------------------------|
| | 106,420 | 106,420 |
| | - | - |
| Total segment revenue | <u>106,420</u> | <u>106,420</u> |
| <i>Reconciliation of segment revenue to group revenue</i> | | |
| Total group revenue | | 106,420 |
| Expenses | | |
| Directors benefits expense | 156,000 | 156,000 |
| Consulting fees | 30,000 | 30,000 |
| Travel and accommodation | - | - |
| Exploration written off | 9,053 | 9,053 |
| Other expenses | 221,277 | 221,277 |
| | <u>416,330</u> | <u>416,330</u> |
| Segment loss before tax | | <u><u>(309,910)</u></u> |
| | \$ | \$ |
| | - | - |
| | - | - |
| Total segment revenue | <u>-</u> | <u>-</u> |
| <i>Reconciliation of segment revenue to group revenue</i> | | |
| Total group revenue | | - |
| Expenses | | |
| Directors benefits expense | 40,977 | 40,977 |
| Consulting fees | (1,664) | (1,664) |
| Travel and accommodation | 27,211 | 27,211 |
| Exploration written off | 946,177 | 946,177 |
| Other expenses | 109,645 | 109,645 |
| | <u>1,122,346</u> | <u>1,122,346</u> |
| Segment loss before tax | | <u><u>(1,122,346)</u></u> |

(ii) **Segment assets**

30 June 2021

Segment assets

Segment assets

Reconciliation of segment assets to group assets

Intersegment eliminations

Total group assets

| | Australia \$ | Total \$ |
|---------------------------|------------------|------------------|
| | 1,428,225 | 1,428,225 |
| | - | - |
| Total group assets | <u>1,428,225</u> | <u>1,428,225</u> |

Note 15: Operating Segments (cont'd)

| | Australia \$ | Total \$ |
|------------------------------------------------------------|-----------------|----------------|
| 30 June 2020 | | |
| Segment assets | | |
| Segment assets | 440,296 | 440,296 |
| Reconciliation of segment assets to group assets | | |
| Intersegment eliminations | - | - |
| Total group assets | <u>440,296</u> | <u>440,296</u> |
| (iii) Segment liabilities | | |
| 30 June 2021 | | |
| Segment liabilities | | |
| Segment liabilities | 146,514 | 146,514 |
| Reconciliation of segment liabilities to group liabilities | | |
| Intersegment eliminations | - | - |
| Total group liabilities | <u>146,514</u> | <u>146,514</u> |
| 30 June 2020 | | |
| Segment liabilities | | |
| Segment liabilities | 617,472 | 617,472 |
| Reconciliation of segment liabilities to group liabilities | - | - |
| Intersegment eliminations | - | - |
| Total group liabilities | <u>617,472</u> | <u>617,472</u> |

Note 16 Cash Flow Information

| | Consolidated Group | |
|-------------------------------------------------------------------------------------------------|--------------------|------------------|
| | 2021 \$ | 2020 \$ |
| (a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax | | |
| Loss after income tax | (309,910) | (1,122,346) |
| Non-cash flows in profit | | |
| Write-off of capitalised exploration expenditure | 9,053 | 931,697 |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries: | | |
| (Increase)/decrease in trade and term receivables | (10,166) | 2,599 |
| (Increase)/decrease in prepayments | (2,057) | (1,841) |
| Increase/(decrease) in trade payables and accruals | (456,770) | 3,716 |
| Net cash generated by operating activities | <u>(769,850)</u> | <u>(186,175)</u> |

Note 17 Events After the Reporting Period

Capital Structure

The Company raised \$1,000,000 before cost in August via the issue 80,000,000 shares at \$0.0125 utilising the Company's placement capacity in accordance with ASX Listing Rules 7.1 & 7.1A.

In August 2021, the Company raised a total of \$58,125 as a result of the exercise of 3,875,000 unlisted options that has an exercise price of \$0.015.

In September 2021, the Company raised a further \$95,000 as a result of the exercise of 5,000,000 unlisted options. 3,000,000 unlisted options have an exercise price of \$0.015 and 2,000,000 unlisted options have an exercise price of \$0.025.

Exploration

On 9 July 2021, the Company announced it had completed the airborne survey and aero magnetics for its Rutherglen Gold Project. The Company will review the data generated once available to identify targets for follow up magnetics and drilling testing and to determine the next steps in progressing the project.

On 6 August 2021, the Company announced it had commenced the resource drill program for its Bendoc Gold Project. As at the date of this report, the resource drill program has been completed.

Note 17: Events After the Reporting Period (Continued)

Acquisitions

On 2 September 2021, the Company announced it has agreed to acquire Tanzanian company, Zeus Resources which holds five applications to highly prospective exploration tenements in Tanzania, East Africa, subject to due diligence. The Company has appointed lawyers in Tanzania to assist it with its due diligence and is on track to complete the acquisition within the coming weeks subject to any Tanzanian regulatory approvals which might be required. The Company is making arrangements to complete outstanding payments to finalise the grant of the licenses and to take control of Zeus Resources so that work on the licenses can commence as soon as possible.

On 13 September 2021, the Company announced it has satisfactorily completed due diligence and exchanged contracts to acquire Tanzanian company, Zeus Resources (T) Limited which holds 1,764km² of highly prospective exploration tenements located in Tanzania, East Africa. Licenses applied for by Zeus will be granted on payment of relevant application fees and the proposed acquisition of Zeus by the Company is now subject to regulatory approvals which are underway.

Share Purchase and Key Personnel Services Agreements have been finalised and exchanged with milestones as follows:

- 6,000,000 fully paid ordinary shares in the Company to be issued on completion of binding acquisition agreements;
- 12,000,000 fully paid ordinary shares in the Company to be issued on formal grant of applications (noting that the proposed capital raising has already been successfully completed);
- 6,000,000 fully paid ordinary shares in the Company to be issued on completion of a positive desktop study including evaluation of all available Tenement Information from all former owners of the tenements;
- 6,000,000 fully paid ordinary shares in the Company to be issued on identification of drill targets in each tenement based on the results of pitting, trenching and sampling.

The above milestones are subject to completion of the acquisition which is conditional on the Company obtaining all necessary regulatory approvals (including any necessary shareholder approvals).

Pursuant to the terms of the Share Purchase Agreements executed, the Company will appoint three Directors to the Board of Zeus Resources with the existing two Zeus Resources Directors remaining.

Note 18 Related Party Transactions

Related Parties

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

i. Key Management Personnel:

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

For details of disclosures relating to key management personnel, refer to Note 4.

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 | |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------|
| | 2021 | 2020 |
| | \$ | \$ |
| i. Director related entities | | |
| Directors' fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder | 36,000 | 27,750 |
| Directors' fees payable to Tomik Nominees Pty Ltd, of which Mr Ian Hastings is a director and shareholder | 96,000 | 74,000 |
| Directors' fees payable to Anycall Pty Ltd, of which Mr Ian Richer is a director and shareholder | 24,000 | 18,500 |
| Company Secretarial fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder | 20,000 | 15,417 |
| Accounting fees payable to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin is a director and shareholder | 40,000 | 30,833 |

Note 18: Related Party Transactions (cont'd)

(c) Reimbursement Transactions with related parties

| | Consolidated Group | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------|
| | 2021 | 2020 |
| | \$ | \$ |
| 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. | 22,717 | 27,051 |
| Reimbursement of business expenses incurred by the Company and initially settled by Ian Hastings. All expenses were incurred on an arm's length basis. | - | 3,647 |

(d) Amounts payable to related parties

| | Consolidated Group | |
|------------------------------------------|---------------------------|-------------|
| | 2021 | 2020 |
| | \$ | \$ |
| DW Accounting & Advisory Pty Ltd | 20,020 | 186,958 |
| Tomik Nominees Pty Ltd | 26,400 | 187,738 |
| Anycall Pty Ltd | 8,000 | 43,304 |
| Wilde Geoscience (resigned 12 July 2019) | - | 12,000 |
| | 54,420 | 430,000 |

Note 19 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

| | | Consolidated Group | |
|-----------------------------------------|-------------|---------------------------|-------------|
| | Note | 2021 | 2020 |
| | | \$ | \$ |
| Financial Assets | | | |
| Financial assets at amortised cost | | | |
| — cash and cash equivalents | 7 | 941,733 | 212,799 |
| — trade and other receivables | 8 | 15,172 | 5,006 |
| Total Financial Assets | | 956,905 | 217,805 |
| Financial Liabilities | | | |
| Financial liabilities at amortised cost | | | |
| — trade and other payables | 12 | 146,514 | 617,472 |
| Total Financial Liabilities | | 146,514 | 617,472 |

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;
- 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

Note 19: Financial Risk Management (cont'd)

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

Financial liability and financial asset maturity analysis

| Consolidated Group | Within 1 Year | | 1 to 5 years | | Over 5 years | | Total | |
|-------------------------------------------------|---------------|-----------|--------------|------|--------------|------|---------|-----------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial liabilities due for payment | | | | | | | | |
| Trade and other payables | 146,514 | 617,472 | - | - | - | - | 146,514 | 617,472 |
| Total expected outflows | 146,514 | 617,472 | - | - | - | - | 146,514 | 617,472 |
| Consolidated Group | Within 1 Year | | 1 to 5 years | | Over 5 years | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial Assets - cash flows realisable | | | | | | | | |
| Cash and cash equivalents | 941,733 | 212,799 | - | - | - | - | 941,733 | 212,799 |
| Trade, term and loan receivables | 15,172 | 5,006 | - | - | - | - | 15,172 | 5,006 |
| Total anticipated inflows | 956,905 | 217,805 | - | - | - | - | 956,905 | 217,805 |
| Net (outflow) / inflow on financial instruments | 810,391 | (399,667) | - | - | - | - | 810,391 | (399,667) |

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.

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.

| Year ended 30 June 2021 | Consolidated Group | |
|-----------------------------|--------------------|--------|
| | Profit | Equity |
| | \$ | \$ |
| +/- 0.75% in interest rates | 7,063 | 7,063 |
| Year ended 30 June 2020 | Consolidated Group | |
| | Profit | Equity |
| | \$ | \$ |
| +/- 0.75% in interest rates | 1,596 | 1,596 |

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

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information 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.

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 19: Financial Risk Management (cont'd)

| | Note | 2021 | | 2020 | |
|------------------------------------------------|------|-----------------|----------------|-----------------|----------------|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| | | \$ | \$ | \$ | \$ |
| Consolidated Group | | | | | |
| Financial assets | | | | | |
| Financial assets at amortised cost: | | | | | |
| Cash and cash equivalents | 7 | 941,733 | 941,733 | 212,799 | 212,799 |
| Trade and other receivables | 8 | 15,172 | 15,172 | 5,006 | 5,006 |
| Total financial assets | | 956,905 | 956,905 | 217,805 | 217,805 |
| Financial liabilities at amortised cost | | | | | |
| Trade and other payables | 12 | 146,514 | 146,514 | 617,472 | 617,472 |
| Total financial liabilities | | 146,514 | 146,514 | 617,472 | 617,472 |

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

- (i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Note 20 Economic Dependency

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

Note 21 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



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 20 to 43, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards applicable to the entity, 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 2021 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

A handwritten signature in blue ink, appearing to read "Andrew Draffin", is written over a faint blue line.

Mr Andrew Draffin

Dated this 30 September 2021



Level 13, Freshwater Place, 2 Southbank Boulevard,
Southbank VIC 3006

Phone: 03 9690 5700
Facsimile: 03 9690 6509
Website: www.morrrows.com.au

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

Report on 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 2021, 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 statements, 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 2021 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 auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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.

| Key audit matter | How our audit addressed the key audit matter |
|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1) Carrying value of capitalised Exploration Expenditure Refer to Note 10 (\$244,031)</p> | <p>Capitalised Exploration Expenditure of \$244,031 relate to costs incurred in relation to the various tenements.</p> <p>For the financial year ended 30 June 2021, the Directors have assessed and determined that no further write-off or impairment is required.</p> <p>The auditor's procedures included:</p> <ul style="list-style-type: none"> • obtaining a copy of the Directors' assessment of the carrying value of capitalised Exploration Expenditure and reviewing and challenging assertions made by the Directors. • discussing with Directors the existence of any potential impairment indicators, including if: <ul style="list-style-type: none"> i. the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; ii. substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; iii. exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; iv. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; v. significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated; vi. the carrying amount of the net assets of the entity is more than its market capitalisation; and vii. evidence is available of obsolescence or physical damage of an asset. |





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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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.

The Directors are responsible for overseeing the Company's financial reporting process.





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

Auditor's Responsibility 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: https://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 in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Gladiator Resources Limited, for the year ended 30 June 2021, 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.

MORROWS AUDIT PTY LTD

I.L. JENKINS
Director
Melbourne:

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The following information is current as at 27 September 2021.

1. Shareholding

a. Distribution of Shareholders

| Category (size of holding) | No. of Holders | No. of Ordinary Shares |
|----------------------------|----------------|------------------------|
| 1 – 1,000 | 163 | 84,841 |
| 1,001 – 5,000 | 108 | 304,446 |
| 5,001 – 10,000 | 142 | 1,252,693 |
| 10,001 – 100,000 | 871 | 38,246,717 |
| 100,001 – and over | 477 | 410,031,207 |
| | 1,761 | 449,919,904 |

b. The number of shareholdings held in less than marketable parcels is 467. (2020: 570)

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 |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 34,065,031 | 7.57% |
| DW Accounting & Advisory Pty Ltd | 21,316,586 | 4.74% |
| Tomik Nominees Pty Ltd | 20,305,734 | 4.51% |

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders — Ordinary Shares

| Name | Number of Ordinary Fully Paid Shares Held | % Held of Issued Ordinary Capital |
|------------------------------------------------------------------|-------------------------------------------|-----------------------------------|
| 1. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 34,065,031 | 7.57% |
| 2. DW ACCOUNTING & ADVISORY PTY LTD | 21,316,586 | 4.74% |
| 3. TOMIK NOMINEES PTY LTD | 20,305,734 | 4.51% |
| 4. MR MATTHEW JOHN BOYSEN | 15,900,000 | 3.53% |
| 5. STONE INVESTMENTS & HOLDINGS PTY LIMITED | 11,300,000 | 2.51% |
| 6. DISTINGTON HOLDINGS PTY LIMITED | 11,000,000 | 2.44% |
| 7. RS CAPITAL INVESTMENTS PTY LIMITED | 10,100,000 | 2.24% |
| 8. MR FRANK POUILLAS | 10,000,000 | 2.22% |
| 9. CITICORP NOMINEES PTY LIMITED | 8,919,516 | 1.98% |
| 10. MR MICHAEL ZOLLO | 7,205,000 | 1.60% |
| 11. MR JONATHAN GEOFFERY DAVIS | 7,000,000 | 1.56% |
| 12. WEALTHYSTAR GROUP LIMITED | 5,975,028 | 1.33% |
| 13. COMSEC NOMINEES PTY LIMITED | 4,386,224 | 0.97% |
| 14. BIG BAGGERS INVESTORS CLUB PTY LTD | 3,648,945 | 0.81% |
| 15. MR PASQUALE DEL NIGRO | 3,300,000 | 0.73% |
| 16. MR BILL RONTZIOKOS & MISS GEORGINA VARDAKAS | 3,200,000 | 0.71% |
| 17. MR RICHARD PAUL HABEKOST | 3,000,000 | 0.67% |
| 18. ANYCALL PTY LTD <RICHER SUPERANNUATION FUND> | 3,000,000 | 0.67% |
| 19. MR VINCE STIVALA | 3,000,000 | 0.67% |
| 20. MR DYLAN DANTE CINCOTTA | 3,000,000 | 0.67% |
| | 189,622,064 | 42.13% |



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
Automatic Group
Level 2
267 St Georges Terrace
Perth WA 6000
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**