

14 October 2009

ASX ANNOUNCEMENT



**GLADIATOR
RESOURCES LTD**

(ABN 58 101 026 859)

Corporate Summary

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OPTION AGREEMENT

Gladiator Resources Limited (Gladiator) (ASX: GLA) wishes to advise that it has entered into an Option Agreement for licensing rights to a technology dealing with biomass pyrolysis carbonisation processes. The technology has been developed in Brazil and is known as the DPC process.

Subject to a satisfactory due diligence to be conducted over a period of 90 days, the Company will be granted the exclusive right to commercialise, use and sub-license the DPC process worldwide excluding Brazil for an initial period of three years with automatic renewal for a further three years.

The Agreement provides for milestones to be achieved and licensing fees to be paid together with provisions for sub-licensing arrangements, assignments and termination. The full agreement is to be executed within 60 days of exercising the licensing option.

The Company has agreed to pay the sum of USD\$100,000 to the licensors upon achieving Milestone 1 which is defined as the execution of the License Agreement. Milestone 2 will be achieved once the grant of patents in PCT USA and various other territories is completed.

The Company has also agreed to pay a fee to the licensors based on a rate per tonne of annual capacity of plant and equipment acquired and commissioned.

The Term Sheet is otherwise considered standard for agreements of this nature.

The grant of the rights to develop and commercialise the biomass pyrolysis carbonisation process is across all industry sectors and a multitude of input biomass sources. The rights do not include the carbonisation of tyres.

The DPC process involves the combination of controlled drying, pyrolysis and cooling of biomass to produce a carbonised product.

The first commercial plant using the technology is soon to be commissioned in Brazil and is intended to produce charcoal for pig iron manufacture. Up to 11.0 million tonnes of pig iron is produced each year in Brazil using charcoal as the reductant (rather than coke made from coking coal). This charcoal is produced using eucalypt and other timbers as the biomass.

There is the potential for similar industries to develop elsewhere in the world that would provide a sustainable and carbon neutral production of pig iron. If plantation timber is used as the biomass source, a net carbon benefit may be achieved.

The technology may also be used for the production of biochar. The addition of biochar appears to offer potential to improve soil productivities and reduce fertiliser consumption, as well as providing an opportunity for carbon sequestration.

Apart from timber, other biomass which may be used to produce biochar includes bagass and other organic wastes and by-products.

Of particular interest to GLA is the opportunity to develop sustainable and economic uses for eucalyptus and other plantation timbers in Australia and elsewhere apart from their use as woodchips.

The most attractive benefit of the DPC process is that it is far less labour intensive and better controlled with higher productivity and efficiency than traditional carbonisation processes, with significantly better environmental impact. It is the intention of GLA to investigate and use the DPC technology to further advance these applications.

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