

11 January 2010

ASX ANNOUNCEMENT



**GLADIATOR
RESOURCES LTD**

(ABN 58 101 026 859)

Corporate Summary

ASX Code: GLA

Issued Capital: 72 Million

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**OPTION AGREEMENT - OROSUR MINING INC.
(URUGUAY)**

Gladiator Resources Ltd ("GLA") advises that it has entered into an Exclusive Option Agreement ("Option") with Orosur Mining Inc. ("OMI")(TSX: Venture OMI) (LSE: OMI) to explore and develop the iron ore, manganese ore and base metals potential in OMI's project area in the Isla Cristalina Belt ("ICB") in Uruguay.

The Agreement provides for GLA to earn up to an 80% interest in iron ore, manganese and base metal potential in the project area.

During the Option period GLA is committed to expend USD 150,000 and produce a report to OMI covering the iron ore and manganese ore exploration resource potential at the Isla Cristalina project area together with a conceptual development plan or before 30 April 2010. GLA may exercise the Option to proceed on or before 30 April 2010 by entering into a Definitive Agreement detailing the Farm-in Joint Venture arrangements.

Upon execution of the Definitive Agreement and GLA exercising its option to proceed with the Joint Venture Farm-in, GLA will issue to OMI AUD\$100,000 in fully paid shares in GLA at market value calculated over the preceding five (5) days trading period.

Following the election to proceed, GLA will be entitled to earn a 20% interest by expending USD 1,000,000 on work programs. GLA may, at its discretion, earn a further 31% by expending a further USD 4,000,000 taking its interest to 51%.

GLA may elect to earn a further 29% taking its interest to 80% by producing a Bankable Feasibility Study on or before 31 December 2014.

The Agreement is otherwise considered standard for agreements of this nature.

The project area has been explored by OMI for gold and precious metals to date. OMI retains the rights to gold, silver and diamonds over the project area. OMI will provide GLA with relevant airborne and ground geophysics, geological maps, drilling and other data relevant to iron ore exploration in the project area.

The project area comprises 750 km² in the ICB district of Uruguay (see map below). It is located some 400 km north of the Montevideo, the capital of Uruguay, and some 50 km from the Brazilian border.

The ICB is a geological inlier of Proterozoic age rocks in the northern part of Uruguay. The inlier extends approximately 100 kms east- west and is 30 kms wide at its widest point. The ICB is considered to be prospective for a number of commodities and is known to contain areas with good iron ore potential. OMI's tenements extend over the most prospective areas of the ICB. The rocks consist of a package of basement gneisses, quartzites, schists and metamorphic sedimentary and volcanic rocks.



Historic reports viewed by the Company indicate that the project area is prospective for iron ore, manganese ore and base metals.

Iron ore mineralisation occurs in Banded Iron Formations which is a package of metamorphosed sediments consisting of alternating bands of magnetite and quartz and forms prominent ridges with topography of 70 to 100 metres above the surrounding plains. These outcrops extend east-west for approximately 60 kms from Zapucay through Curtume to Vichadero, striking NW-SE and dipping steeply west at 70° to 80°. The zone containing the BIF outcrops varies in width from 5 to 10 kms.

In 1966 two engineers, R.Tschoepke and E.Therkauf, were sent from Germany by Krupp to review the iron ore potential of the ISB and assess the viability of future mining and processing. Their report considered the Zapucay and Curtume deposits only and they identified a potential iron ore resource of approximately 105 million tonnes down to a shallow depth of 55m based on field observations and rudimentary exploration.¹

A particularly interesting feature of the ICB is the presence of manganese ore. The manganese content is variable and the ore is irregularly distributed along the joints and in small pockets, 10% to 15% Mn is reported in many assays. GLA understands that some manganese ore was produced many years ago, but no detailed records are available.

Based on Gladiator's initial understanding of the resource potential of the Project area, a number of development possibilities are expected to be considered:

1. Production of iron ore concentrates
2. Production of maganiferrous iron ore concentrates
3. Production of iron ore pellets
4. Production of pig iron and ferro alloys

In the assessment of the production of pig iron, Gladiator understands that the region about the ICB also hosts extensive areas of eucalypt plantations. Accordingly there is the potential for the development of a charcoal based pig iron project incorporating the DPC pyrolysis technology.

GLA has an exclusive option on this technology (ASX Release 14 October 2009) and is currently undertaking due diligence. 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 has been commissioned in Brazil and is producing charcoal for pig iron manufacture. Approximately 11.0 million tonnes of pig iron has been 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.

GLA has previously identified the potential for similar industries to develop elsewhere in the world that may provide cost competitive production of charcoal based pig iron. 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. It also has a significantly better environmental impact.

GLA will commence its investigations into the ICB project immediately.

¹ *This historical resource estimate is not reported in accordance with the JORC code (2004) and it is uncertain that following evaluation and/or further exploration the resource will ever be reported in accordance with the JORC code (2004).*

The information in this report that relates to exploration results is based on information compiled by Stuart Hall who is Fellow of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a competent person as defined in the 2004 Edition of the Australian Code for reporting Exploration Results, Mineral Resources and Ore Reserves. Stuart Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.