GLADIATOR RESOURCES LTD

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JORC RESOURCE UPDATE

Isla Cristalina Belt JV – Uruguay
Zapucay Pig Iron Project

Gladiator Resources Limited (Gladiator or the Company) is pleased to announce an updated JORC compliant Indicated and Inferred Mineral Resource of 69.4 million tonnes at an average grade of 26.5% Fe at the Company's Zapucay Project located in Northern Uruguay. The resource update has been completed by SRK Consulting (UK) Ltd (SRK) and is based on the results received from a program of over 26,000 metres of Reverse Circulation and Diamond drilling completed during the period from August 2010 to December 2011. This follows on from a previous estimate by Coffey Mining Pty Ltd (Brazil) announced in June 2011.

Highlights of the updated Mineral Resource estimate are:

- The first Indicated Mineral Resource at Cerro Papagayo.
- An increase in the Inferred Mineral Resource at the Zapucay Project.
- Confirmation of the Resource within potential areas for mining.
- Mineral Resource estimate covers a combined strike length of approximately 7 kilometres.

The Zapucay Project

The Project area is located in the Isla Cristalina Belt. The Belt is a geological inlier of Palaeoproterozoic age rocks in the northern part of Uruguay which extends approximately 100kms east-west and is 30kms wide at its widest point. Magnetite mineralisation outcrops as prominent northwest-southeast trending ridges of Banded Iron Formation (BIF). Figure 1 shows the distribution of the mineralised outcrops, and the area of drilling and geological modelling used in the Resource Estimate superimposed on an aeromagnetic image.

The Zapucay project comprises three principal occurrences namely Cerro Iman, Buena Orden and Papagayo. The Papagayo and Buena Orden ridges are known to have a combined strike length of approximately 12 kilometres and dip steeply to the southwest whilst Cerro Iman strikes east-west for 2 kilometres and dips steeply to the south. The mineralisation in all deposits is open down dip. Typically the deposits are comprised of lenticular bodies of magnetite BIF that form discreet blocks as illustrated in Figure 2.

The magnetite mineralisation at Zapucay has similar characteristics to BIF in Quadrilátero Ferrífero, the well-known Iron Belt located in the Brazilian State of Minas Gerais to the north of the Zapucay Project area. The Quadrilátero Ferrífero district is recognized for its high quality iron ore production.

The largest known iron reserves are composed of Banded Iron Formations (BIFs), which are altered sedimentary deposits with laminated rocks formed by alternating layers of silica and hematite-magnetite, as well as carbonates and iron silicates. The grade of iron found in BIFs typically varies from 20% to 35%.

Resource Estimate

Gladiator has completed a 26,147m drill program at the Zapucay deposits on a 100m x 100m grid. The progam included 55 holes (3,634m) at Iman and 240 holes (22,513m) at the Papagayo and Buena Orden ridges. The drill holes were logged and sampled at one metre intervals and sample preparation was carried out by laboratory staff at the nearby Orosur Minesite. Nagrom laboratory in Perth, Western Australia completed X-ray fluorescence (XRF) assay and DTR determinations on all drill samples.

Based on the drill results, SRK plotted a series of cross sections at an approximate spacing of 100m to create geological models for Papagayo-Buena Orden and Iman. SRK defined a block model for each of these three mineralised areas,with a block size of 50 x 50 x 10, and the block model was estimated using Ordinary Kriging for all variables. No grade capping was applied during the grade estimation process. Average rock densities of 3.28 t/m^3 and 3.24 t/m^3 were derived by SRK for Iman and Papagayo-Buena Orden respectively based on 2,256 drill core density measurements.

The SRK JORC compliant Mineral Resource statement is summarised in Table 1. A lower cut-off of 15% Fe was applied however the mineralised boundaries are very sharp. In addition, the Mineral Resource Statement is reported inside an optimised pit shell, based on anticipated mining costs and recoveries generated by Gladiator. Significantly, within the optimised pit shell some 5.4 million tonnes grading 25.8% Fe at Cerro Papagayo are now classified as Indicated Mineral Resources, with the remainder of the modelled mineralisation being classified as Inferred Mineral Resources.

Table 1
Mineral Resource statement
(using a 15% Fe lower cut off and constrained by depth in main project areas)

Deposit	Resource classification	Tonnes (Mt)	DTR %	Assay % Fe	SiO2	Al2O3	Mn	P	LOI
Iman	Inferred	15.2	38.3	29.2	37.8	3.4	5.3	0.10	0.7
(0 - 150m depth from surface)									
Papagayo	Indicated	5.4	29.1	25.8	38.8	4.1	6.4	0.09	1.2
(0 - 190m depth from surface)	Inferred	43.9	31.0	25.9	38.8	3.9	5.6	0.09	1.5
Buena Orden	Inferred	4.9	33.3	23.8	40.5	4.5	5.6	0.09	2.4
(0 - 190m depth from surface)									
Total		**69.4**	**32.6**	**26.5**	**38.7**	**3.8**	**5.6**	**0.09**	**1.4**

Table 2 shows the resource converted into magnetically recoverable fractions and resultant concentrate grades using the DTR determinations.

Table 2
Zapucay Project
Mineral Resource DTR magnetic fraction, August 2012
Mineral Resource statement
(no lower cut applied, inside the optimised pit shell)

Deposit	Tonnes	Assays % (estimated from DTR composites)				
	Million	Fe	SiO_2	Al_2O_3	Mn	P
Cerro Iman	5.8	63.8	3.9	0.4	2.3	0.01
Papagayo Ridge	15.2	62.9	4.8	0.6	1.6	0.01
Buena Orden Ridge	1.6	60.2	7.4	0.9	1.9	0.01
Total	**22.6**	**63.0**	**4.7**	**0.6**	**1.8**	**0.01**

This represents a 15% tonnage increase over the previous estimate.

SRK considers that the Mineral Resources meet the criteria of having reasonable prospects for eventual economic extraction, as defined by the JORC code, through the derivation of an optimised pit shell, and the application of a cut-off grade.

A Preliminary Feasibility Study is underway that contemplates Stage 1 project development initially designed to mine 3.6 million tonnes per year and produce 1.2 million tonnes of concentrate per year. The Papagayo and Buena Orden ridges represent the main Resource base at Zapucay and will be the main focus of activity as the Project develops.

Background

During August 2010 the Company entered into and Option and Joint Venture Agreement with Orosur Mining Inc. ("OMI") whereby the Company can earn up to an 80% interest in the iron ore, manganese ore and base metals in OMI's project area at the Isla Cristalina Belt ("ICB") in Uruguay. The Company has earned a 51% interest in the Isla Cristalina Joint Venture by expending in excess of $5 million which was the required expenditure for earning a 51% interest. The Company can earn an additional 29% to take the Company's interest to 80% by preparing a Bankable Feasibility Study.

Qualified Person

The information in this report which relates to Mineral Resources is based upon information compiled by Dr. Lucy Roberts, a geologist with 8 years relevant experience, who is a member of the Australasian Institute of Mining and Metallurgy. Dr. Roberts is a full-time employee of SRK Consulting (UK) Ltd, an independent Consultancy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr. Lucy Roberts consents to the inclusion in the report of a summary based upon her information in the form and context in which it appears.

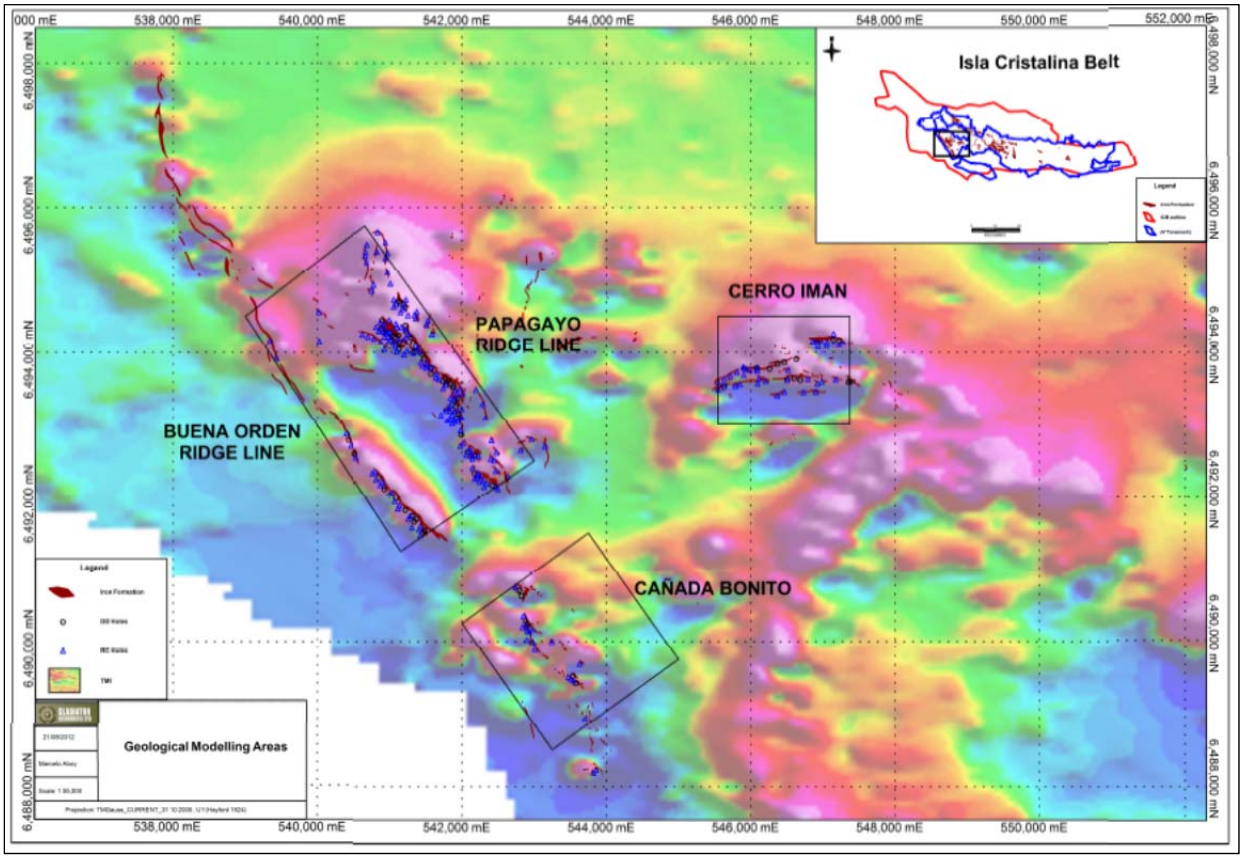

Figure 1. Zapucay magnetite deposits, drill and geological modelling areas.

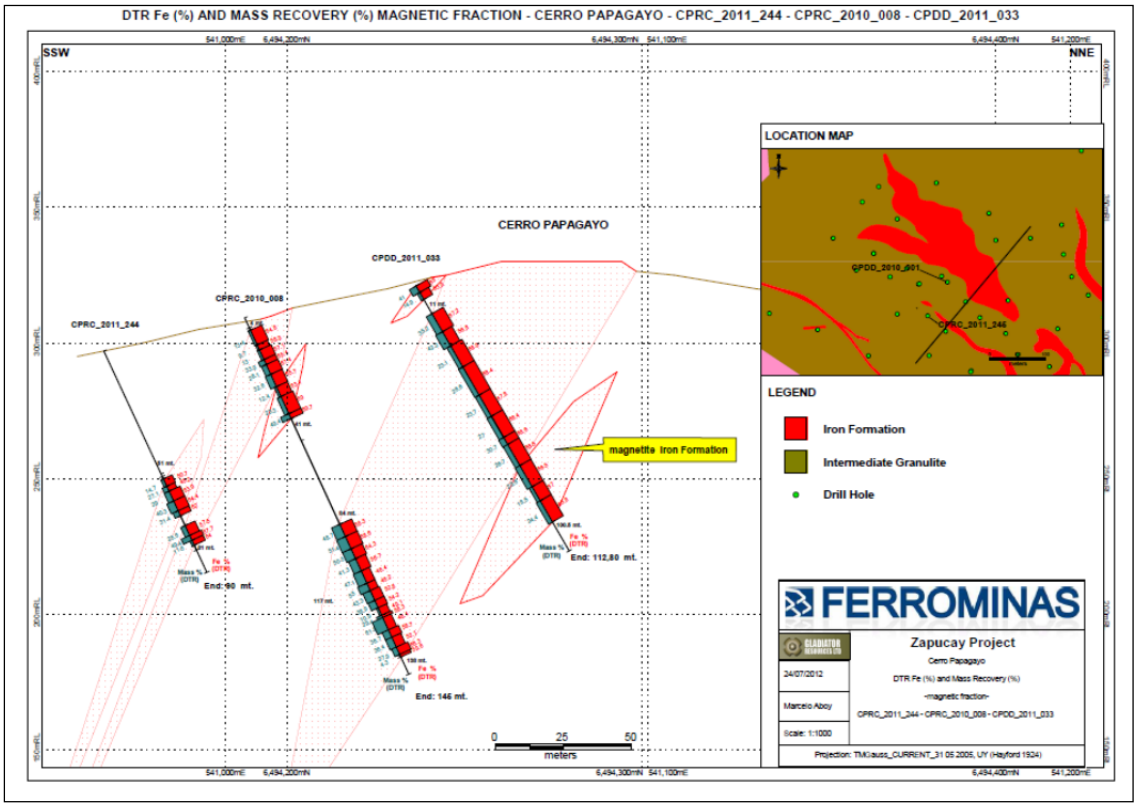

Figure 2. Cerro Papagayo - lenticular bodies of magnetite mineralisation.

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