



RIGHTS ISSUE PRESENTATION

MARCH 2014

**STRICTLY CONFIDENTIAL**

## EXECUTIVE SUMMARY

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- Non-renounceable rights issue of one fully paid ordinary share for each fully paid ordinary share.
- 232,985,238 new shares at an issue price of \$0.004 to raise \$931,941
- Subscribers in the rights issue will receive one free attaching option for every new share subscribed for, with an exercise price of \$0.006 and expiring on 30 June 2017
- The rights issue will be fully underwritten by Union Group International Holdings Limited, an existing substantial shareholder of Gladiator
- Shareholders who accept their full entitlement under the rights issue will have the opportunity to participate in a shortfall invitation and subscribe for additional new shares and new options
- Funds will be utilised to implement a 2,000m drilling exploration programme in the Zapucay project located in northern Uruguay.
- The drilling programme includes:
  - 2,000 meters inclined diamond drilling
  - Head assays of minerals samples
  - Metallurgical test work
  - DTR analysis

- ▶ The purpose of the rights issue offer is to raise up approximately \$840,000 net of the costs of the offer
- ▶ The proceeds from the offer are planned to be used in our Zapucay project in Uruguay to fund further drilling as part of the exploration programme
- We will drill 2,000m in the Zapucay project
- The planned drilling programme will allow us to prove the existence of new resources in the area

## Zapucay Project Uruguay



**\$840,000 from rights issue to fund 2,000m of exploration drilling in our Zapucay project in Uruguay**

## ZAPUCAY PROJECT - OVERVIEW

- The project is based on tenements in the Zapucay area to the east of the town of Minas de Corrales in northern Uruguay. These tenements are part of the Isla Cristina Belt joint venture between Gladiator Resources Limited and Orosur Mining Inc.
- Gladiator has a 51% interest in these tenements with the right to acquire an additional 29% upon the completion of a bankable feasibility study
- The joint venture tenements cover an area of approximately 750 km<sup>2</sup>. Additionally, Gladiator has two prospecting permit applications covering an additional 210 km<sup>2</sup>. The Isla Cristina Belt is considered to be prospective for a number of commodities in addition to iron ore such as nickel and copper.
- Zapucay area includes Papagayo, Iman and Buena Orden magnetite deposits



- A 27,264 m drill program at the Zapucay project was completed in December 2011 on a 100 m by 100 m grid. The program included 55 holes at Iman (3,634 m) and 243 holes (22,516 m) on the Papagayo ridgeline and Buena Orden ridge
- The majority of holes were angled with a dip to the north-east of 60° to 65° and the hole depths varied between 14 m to 230 m
- No further important work was done since then

*Summary of exploration drilling*

Deposit	RC Holes	RC (m)	DD Holes	Diamond (m)
Cerro Iman	37	2,935	18	699
Cerro Papagayo	60	5,633	21	1,613
Papagayo North	13	824	0	0
Cerro Bonito	37	4,177	17	1,904
Bonito South	30	2,780	5	395
Canada Bonito/South	18	1,485	7	520
Buena Orden	5	348	2	104
Buena Orden South	18	1,774	10	959
Sterilisation holes	18	1,114	0	0
<b>Total</b>	<b>236</b>	<b>21,070</b>	<b>80</b>	<b>6,194</b>

The SRK JORC compliant Mineral Resource statement<sup>1</sup> indicates a 69.4 million tonnes of inferred resources, with 32.6% DTR and 69% Fe

The expected concentrate chemistry at Papagayo and Iman has very high quality with low phosphorous and sulphur levels

Despite the high quality of the inferred resources the quantity is not large enough to make the project feasible and therefore further drilling is necessary to prove the existence of new potential resources and make a new estimation

Deposit	Resource Classification	Tonnes Million	DTR (%)	Assay (%)					
				Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	Mn	P	LOI
<b>Iman</b> {0 - 150m depth from surface}	Inferred	15.2	38.3	29.2	37.8	3.4	5.3	0.10	0.7
<b>Papagayo and Buena Orden</b> {0 - 190m depth from surface}	Indicated	5.4	29.1	25.8	38.8	4.1	6.4	0.09	1.2
	Inferred	43.9	31.0	25.9	38.8	3.9	5.6	0.09	1.5
<b>Buena Orden South</b> {0 - 190m depth from surface}	Inferred	4.9	33.3	23.8	40.5	4.5	5.6	0.09	2.4
<b>Total</b>		<b>69.4</b>	<b>32.6</b>	<b>26.5</b>	<b>38.7</b>	<b>3.8</b>	<b>5.6</b>	<b>0.09</b>	<b>1.4</b>

Constituent	Papagayo Low Mn (%)	Papagayo High Mn (%)	Iman Low Mn (%)	Iman High Mn (%)
Fe	69.238	66.664	69.876	67.198
SiO <sub>2</sub>	1.220	1.145	0.854	1.569
Al <sub>2</sub> O <sub>3</sub>	0.128	0.186	0.247	0.291
Na <sub>2</sub> O	<0.001	<0.001	0.001	<0.001
K <sub>2</sub> O	0.010	0.007	0.008	0.004
V <sub>2</sub> O <sub>5</sub>	0.011	0.010	0.010	0.009
TiO <sub>2</sub>	0.111	0.105	0.292	0.278
Mn	1.449	3.831	0.963	2.966
S	0.002	<0.001	0.009	0.001
P	0.002	0.002	0.003	0.001

**Further drilling is essential to determine the economic feasibility of the project**

<sup>1</sup>. Please refer to the announcement made by Gladiator on 7 September 2012 titled 'Jorc Resource Update' in relation to the competent person requirements under the ASX Listing Rules. Gladiator confirms that it is not aware of any information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

- We will perform a 2,000m drilling campaign in the second half of 2014 to prove the existence of new resources in the Zapucay area
- The exploration works will be done between July and November 2014
- We will conduct metallurgical tests of the samples

ACTIVITY	BUDGET (\$)	%
Diamond drilling 2,000 m	445,000	53%
Operating costs (site preparation, facilities, lab assays, downhole surveys, oriented cores)	111,000	14%
Working costs	167,000	20%
Consultants	27,800	3%
Metallurgical tests / DTR	55,600	7%
Contingency	27,800	3%
<b>TOTAL</b>	<b>834,200</b>	<b>100%</b>

## Planned diamond drilling campaign

- The drilling campaign was designed to prove the existence of further resources in the area that will allow us to make a new estimation of potential resources that would support the development of the project
- 2,000 meters will be drilled in 9 holes in the Zapucay area: 8 holes will be drilled at the Cerro Papagayo target and 1 in the Cerro Iman target
- Hole depths will range from 175m to 300m
- All holes will be sampled and assayed by XRF and David Tube to assess the magnetic recoverable iron
- Metallurgical test work on samples







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