

ACQUISITION OF HIGHGATE VANADIUM PROJECT

HIGHLIGHTS

- **Gladiator Resources Limited to acquire a 100% interest in the Highgate Vanadium Project from Vecco Group Pty Ltd (“Proposed Transaction”).**
- **Located 60km North West of Julia Creek in the renowned Mt. Isa minerals province, the Highgate Vanadium Project is a near-term project with a large and shallow vanadium exploration targets.**
- **The acquisition provides GLA exposure to the battery storage and renewable energy sectors.**
- **The Company is to complete a further drill program focussing on battery metal grade vanadium.**

Gladiator Resources Limited (“Company” or “GLA”) is pleased to announce that it has entered into a binding Share Sale Agreement (“SSA”) with Vecco Group Pty Ltd (“Vecco”) to acquire all of the issued share capital in NQ Utah Pty Ltd (“NQ Utah”), which holds the rights to 100% of the Highgate Vanadium Project (“Project”) by way of Exploration Permit for Minerals 25968 (“Licence”).

The Project is located in the renowned Mt. Isa minerals province in North West Queensland and is expected to provide significant near-term commercial potential to the Company.

Vanadium in the Renewable Energy Sector

Vanadium is a key mineral in the rapidly growing renewable energy storage sector. Vanadium flow batteries are increasingly being used as the preferred battery technology to capture large-scale energy generated through intermittent renewable sources.

The vanadium battery sector facilitates long-life, durable and recyclable battery storage technology, allowing renewable energy to be used continually.

Vanadium is also being trialled as a cathode in lithium batteries, offering the potential for additional valuable uses in other power-centric battery technologies.

Highgate Vanadium Project

The Project is located approximately 60km North West of Julia Creek in the Mt. Isa mining province, in close proximity to the large scale Debella and Arizona Vanadium projects and Rio Tinto Exploration tenements. The Project comprises the Licence which was granted on 14 March 2016 for an initial 5-year term and covers an area of 220km².

Previous drilling on the Licence site has focused on the formation which hosts the vanadium mineralisation and has established a large vanadium exploration target.



Figure 1 – Project location

The Project area has excellent infrastructure with high quality roads, airport and rail facilities nearby. Power and water are readily available and there are no known sensitive environment or community issues near the Project.

Previous exploration has been undertaken on the Project including 18 drill holes for a total of 1,268m of drilling, including 269m of diamond drill core. Existing exploration drill holes are spaced 2 – 3 km apart, providing reasonable stratigraphic definition of the host formation across the Project. Vanadium oxide (V_2O_5) and Molybdenum (Mo) grade definition across the Project is limited, being based on assay results from one hole within the Project and a regional assay dataset.

Modelling of the drill hole dataset by John T Boyd Company (consulting geologists) estimated an exploration target of 2,000 – 2,500 Mt at 0.26 – 0.50% V_2O_5 and an estimated depth of 42 to 65 m and thickness of 6.7 to 12.2 m with grades targeting an average of 0.45% V_2O_5 and 500 g/t Mo. Aluminium oxides within the formation are a potential High Purity Alumina by-product. The quantities and grades estimated are conceptual in nature and estimates only; there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

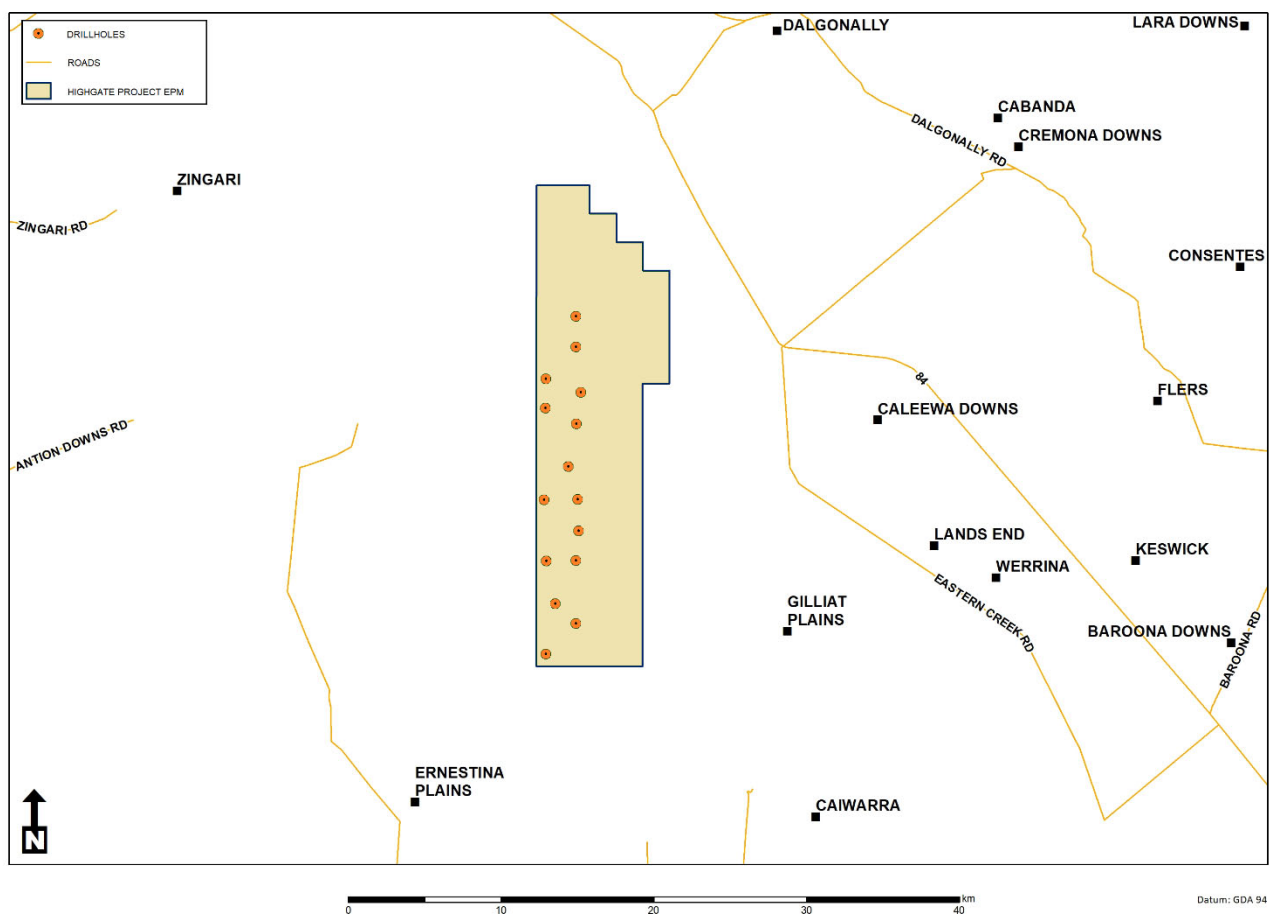


Figure 2 – Location of boreholes within the Project

Regional and Project Geology

The Project is a sedimentary deposit with the resource hosted in Cretaceous Toolebuc Formation and the majority of the ore body contained within the shallow fresh shale zone.

Primary vanadium enrichment occurs in the shale portion of the formation which consists of a roof ply, two ore body plies and an inferior floor ply. The Toolebuc Formation in this area is 10 to 15m thick, gently dipping and has minimal structural disturbance.

Processing Vanadium

Sedimentary hosted vanadium and the production of by-products utilises a low-cost process of flotation, atmospheric acid leaching and solvent extraction. This process allows for a smaller mining operation and the ability to scale up over time.

Planned Drilling and Work Programs

GLA intends to complete a further 15 to 17 drill holes to further define vanadium, molybdenum, aluminium and other battery metals potential ("Drilling Program").

Following the Drilling Program, the Company will:

- update the geological model and report any JORC Resources defined by the Drilling Program;
- undertake metallurgical testing (beneficiation and leaching) testing to complete a flowsheet methodology and expected recoveries; and
- commence desktop environmental assessments, preliminary mine planning and metallurgy flowsheet development to support economic project development potential.

The Company expects that the above work can be achieved within the next six months given the existing infrastructure present at the Project.

Key Acquisition Terms and Consideration

Pursuant to the SSA, GLA shall acquire ownership of all the issued capital of NQ Utah resulting in GLA obtaining a 100% indirect interest in the Project and Licence.

The SSA is subject to certain conditions which must be satisfied or waived for the Proposed Transaction to proceed, including:

- completion of satisfactory legal and technical due diligence by the Company;
- the Company obtaining all necessary ASX, shareholder, regulatory or Board approvals and consents (if required); and
- the Directors of GLA completing a capitalisation of outstanding Directors' Fees on the same terms and conditions as the Completion Shares (see below).

Under the terms of the SSA, the Company has agreed to pay Vecco the following milestone consideration:

1. On approval by the Company's shareholders of the Proposed Transaction and capitalisation of outstanding Directors Fees, the Company is to issue 200,000,000 fully paid ordinary shares in GLA to Vecco (or its nominee) at a deemed issue price of \$0.001 per share (representing a total value of \$200,000) ("Completion Shares").
2. On commencement of any activity contained within the approved work program for the Licence, GLA shall issue a further 200,000,000 fully paid ordinary shares in GLA to Vecco (or its nominee) at a deemed issue price of \$0.001 (representing a total value of \$200,000).
3. On completion of an Inferred JORC Resource (which will include consideration of the Project's economics) for the Project of not less than 50MT at 0.30% grade V2O5, GLA shall issue to Vecco (or its nominee) fully paid ordinary shares in GLA to the value of \$250,000, calculated based on the 30-day VWAP immediately prior to the date of the proposed issue, plus \$50,000 in cash.

4. On completion of an Indicated JORC Resource (which will include consideration of the Project's economics) for the Project of not less than 50MT at 0.30% grade V2O5, GLA shall issue to Vecco (or its nominee) fully paid ordinary shares in GLA to the value of \$250,000, calculated based on the 30-day VWAP immediately prior to the date of the proposed issue, plus \$50,000 in cash.
5. On completion of a positive feasibility study for the Project assessed as commercial, the issue of fully paid ordinary shares in GLA to the value of \$250,000, calculated based on the 30-day VWAP immediately prior to the date of the proposed issue.

On completion of the Proposed Transaction, Mr. Luke Robinson will join the Company's Board of Directors as a nominee of NQ Utah.

Funding

The Company is currently assessing funding strategies that will provide the capital required for it to:

- progress the Highgate Vanadium and Marymia Gold projects; and
- ensure that the Company has sufficient working capital to fund ongoing commitments.

The Company is confident that it will be able to raise additional capital as required, subject to general market conditions and investor sentiment. The Company will provide further details about its funding plans as its due diligence with respect to the Proposed Transaction progresses and once the funding strategies are finalised.

As outlined above, subject to shareholder approval, the directors of the Company have also agreed to convert outstanding fees into shares in the Company at \$0.001 per share in order to free up capital to advance exploration. The amount to be converted represents outstanding invoices to date for directors' fees, accounting, company secretarial services and corporate advisory services provided by the directors to the Company, which have been accrued over a period of time pending identification of a suitable project to advance the Company.

Next Steps

The Company has already commenced its legal and technical due diligence regarding the Proposed Transaction and has previously met with representatives of the Highgate Vanadium Project. The Company will convene a general meeting of shareholders seeking shareholder approval for the proposed issues of shares in connection with the Proposed Transaction. Further details of the general meeting will be disclosed by the Company at a later stage.

For further information, please contact:

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Competent Persons Statement

The information in this release that relates to Exploration Results and Mineral Resource Estimates is based on information prepared by Adrian Buck, a competent person who is a member of the Australasian Institute of Mining and Metallurgy (No. 316668). Mr Buck is employed by John T Boyd Company, who are consultants to Gladiator Resources Limited. Mr Buck has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Buck consents to the inclusion in the release of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

This announcement may contain certain "forward looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to

risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to Resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we operate, and government regulation and judicial outcomes. For more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.