



RESOURCES LIMITED

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More Positive Results for Gossan's Zuliani Magnesium Process

September 29, 2009 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr & Xetra) continues to receive encouraging results from its ongoing investigation of the Zuliani Process for extraction of magnesium metal from dolomite. Phase II bench scale testing at Process Ortech (PRO) which was comprised of five tests has now been completed and Dr. Arthur Pelton of THERMFACT has been retained to assist in data analysis. Phase III bench scale tests at Process Ortech are in the design and procurement stage with initial testing expected to be underway by the end of October.

The latest Phase II bench scale testing by Process Research Ortech (PRO) confirms the earlier conclusions from FactSage modeling that the Zuliani Process (the "Process") will produce magnesium metal under atmospheric conditions thereby avoiding the complexities and added costs associated with operating under vacuum as is required by the Pidgeon and Magnetherm processes. In addition, the Process is being configured to enable either a batch or a continuous operating mode to maximize productivity and efficiency.

The most recent experimental and modeling results confirm that the Process will produce magnesium metal at high raw materials efficiency by industry standards. In the PRO bench scale tests, magnesium was produced with a silicon to calcined dolomite reduction efficiency of 98.1%. This result is in excellent agreement (within 0.5%) of the efficiency predicted by the FactSage thermodynamic modeling reported by Dr Pelton of Ecole Polytechnique Montreal.

Dr. R. Sridhar, Ph.D., and Dr. V. I. Lakshmanan, Ph.D., of Process Research Ortech (PRO) supervised the Phase II Technical Report on the Zuliani Process and have reviewed and approved the contents of this press release.

Based on the current FactSage modeling work, the Zuliani Process has demonstrated calcined dolomite and silicon efficiencies both over 92%. At these efficiencies, raw material consumption is about 20% and 30% lower than for a typical Pidgeon plant operating in China. With about 80% of global production, China is by far the world's dominant producer of magnesium.

These higher raw material efficiencies coupled with the use of hydro electricity would lower the environmental impact of magnesium production dramatically. Gossan has contracted Process Ortech to undertake a Carbon Emission Study for the Zuliani Process. Cap and Trade legislation pertaining to Green House Gas emissions in North America is widely anticipated to be introduced and mandated in the near future. This legislation may have a material effect on the project's economics.

Gossan Resources Limited is engaged in mineral exploration and development in Manitoba and northwestern Ontario. It has a well-diversified portfolio of properties hosting gold, platinum group and base metals, as well as the specialty and minor metals, tantalum, lithium, chromium, titanium and vanadium. The Company also has a large deposit of magnesium-rich dolomite, the world-wide rights to the Zuliani magnesium production process, and a silica sand deposit. Gossan trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges and has 29,117,900 common shares outstanding.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

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