

# GOSSAN RESOURCES LIMITED

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NEWS RELEASE 04-05

## Gossan Initiates Magnesium Studies

March 31, 2004 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/ Freiverkehr) has entered into an agreement with Hatch of Montreal for the first in a series of studies which collectively would embody a Preliminary Feasibility Study of its Inwood Magnesium Project. Currently, an initial economic assessment utilizing Mintek of South Africa's new atmospheric silicothermic magnesium extraction process is underway. Gossan's President Patrick Holden and Director Richard Stefanyshyn along with the Deputy Minister Diane Gray from the Manitoba Government's Trade and Investment office will meet this week with Mintek and Hatch executives in Johannesburg and tour the magnesium pilot plant facility. Last fall, Mintek commented favourably in a characterization study of a 75-kg bulk sample of Gossan's high-purity Inwood Dolomite.

Mintek is developing an advanced thermal magnesium extraction process based on silicothermic reduction of calcined dolomite. The Mintek technology is potentially superior to both the Pidgeon and the Magnetherm conventional vacuum processes as it operates at atmospheric pressure and at slightly higher temperatures for better recoveries and throughputs. This new continuous process technology will likely provide for substantially larger production units than the Magnetherm process, with expected improvements to capital and operating costs. Manitoba Hydro's low-cost industrial electricity rates could also provide this energy intensive project with a significant cost advantage. For additional information refer to the prior News Releases 03-10, dated August 12, 2003 and 03-16, dated December 2, 2003.

Gossan's Patrick Holden and Richard Stefanyshyn were, this past week, part of a contingent of delegates from Manitoba attending the Invest North West Conference which is dedicated to the promotion of investment and trade in the Northwest Province of South Africa. Representatives from the Manitoba Government's Trade and Investment office led the delegation.

Gossan Resources Limited is engaged in mineral exploration in Manitoba and northwestern Ontario. In addition to the Company's extensive dolomite deposits, Gossan holds a well-diversified portfolio of mineral properties hosting gold and platinum group metals, as well as the specialty metals and minerals, tantalum, chromium, titanium, vanadium and silica sands. Gossan trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges and has 14,516,124 shares outstanding (19,116,124 shares fully diluted).

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.