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NEWS RELEASE 05-07

North American Palladium To Drill Gossan's Bird River Property

May 31, 2005 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr) is pleased to report that, Lac des Iles Mines Ltd. "LDI", a wholly-owned subsidiary of North American Palladium Ltd., has completed an airborne geophysical survey on the Bird River Property. Geotech Limited conducted the 750 line-km, high resolution, time domain, electromagnetic and magnetic survey using its helicopter-borne VTEM System, often referred to, colloquially, as the dream-catcher.

Preliminary interpretation of the survey has identified several priority targets at or near the base of the Bird River Sill along the length of the property from Ward's in the west to the Page Block in the east. In early May, LDI mobilized a crew to the property that has been engaged in geological mapping, prospecting and ground-truthing the priority airborne EM anomalies. A drill program is scheduled to begin in late June.

The Property, encompassing 6,870 hectares (16,975 acres), covers over 21 kilometres of the Bird River Sill Complex and it is comprised of the Western (Ward's) Extension and 4 separate faulted blocks of the Sill – the National Ledin, the Chrome and its Extension, the Peterson and the Page Blocks. Locally, about 500 to 600 meters thick, the Bird River Sill is a differentiated gabbroic complex, which trends east-west, dips steeply to the south and is subdivided into a basal ultramafic, a transitional and an upper mafic series. This complex carries significant concentrations of palladium and platinum along with nickel, copper, zinc and chromite. The Bird River Property is located about 40 km east of Lac Du Bonnet, Manitoba and, along the Sill, approximately 6 km west and northwest of Mustang Minerals' Maskwa Deposit.

North American Palladium Ltd. (PDL-TSX & PAL-Amex) is Canada's only primary producer of palladium and is the owner/operator of the Lac des Iles Mine located northwest of Thunder Bay, Ontario. Under the terms of an Option and Joint Venture Agreement, LDI can earn an undivided 50% interest in the Bird River Property by spending \$2.5 million on exploration and making cash payments of \$400,000 to Gossan by August 30, 2008. Thereafter, LDI can earn a further 15% interest by completing a bankable feasibility study and an additional 10% interest, to a total 75% interest, by arranging project financing.

The Qualified Person supervising the work being carried out on the Bird River Property by LDI is Bruce W. Mackie, Vice-President – Exploration of North American Palladium Ltd.

Additional information regarding the recent identification of high-grade nickel sulphides on the Bird River Sill, published as an extract of a Manitoba Geological Survey presentation, is available at www.gossan.ca/mgs.pdf. Previously in 2001, Manitoba Industry, Trade and Mines conducted a re-assaying program at the Page Property which identified a 4.6 metre section of drill core grading 1.38% copper, 1.43% nickel and 1.6 gpt palladium which included a rich 20-cm section running 3.61% nickel and 7.2 gpt platinum and palladium.

Gossan Resources Limited is engaged in mineral exploration 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 metals, tantalum, chromium, titanium and vanadium. The Company also has a large deposit of magnesium-rich dolomite and a silica sand prospect. Gossan trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges and has 17,418,124 shares outstanding (21,043,124 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.