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NEWS RELEASE 05-12

Gossan Acquires Additional Silica Leases and Provides Test Results

August 10, 2005 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr) has consolidated its land position at its Manigotagan Silica Property by acquiring two adjacent quarry leases and has also conducted a variety of tests that indicate the silica sand is of a high purity with few contaminants. The Manigotagan Silica property is located on the east shore of Lake Winnipeg, directly across from Black Island where silica sand was extensively quarried in the past.

The expanded property now encompasses 274-hectares. At the eastern end of the newly acquired ground, the silica sands of the Winnipeg Formation are exposed on surface at a small quarry on the Seymourville Road. To date, a total of 18 holes have been drilled on the property of which 8 holes have outlined an area of interest which runs westward from the quarry along a weak ridge for approximately 2300 metres. This limited amount of drilling indicates that the width of the formation may vary from about 100m to as much as 250m which provides the potential to be economically significant. The holes within this area encountered silica sand in thicknesses varying between 6.4m and 18.0m under overburden of 0.0m at the quarry to 8.6m on Gossan's original ground. An extensive drill program would be required to outline a resource.

Silica sand from the property has recently been subjected to a variety of tests that indicate it is of a high purity with few contaminants and that it is similar to the silica sands previously quarried at nearby Black Island. A composite of 19 samples returned a silica content of 94.2% without sizing or treatment. Sizing, washing or other simple treatments would significantly improve the purity. Tests to date indicate that these silica sands appear to meet metallurgical requirements and may potentially be of use as frac sand in shallow gas wells.

Further testing is underway and additional testing will be required which will lead to a scoping study giving initial consideration to markets and logistics. Methods of determining overburden thickness are currently being examined and a drilling program has been planned. Gossan has received several inquiries from potential purchasers of silica sand over the past year.

Gossan's Qualified Person for the Manigotagan Silica Property is Ryan Cooke, P.Geo. Testing of the silica sand was undertaken at the Saskatchewan Research Council.

Gossan acquired the two additional quarry leases from Claymore Kaolin Inc. in exchange for a cash payment reflecting their costs to date, including the drilling of two holes on the acquired ground, and a net smelter royalty of 0.5 % on all silica sand production from all properties held by Gossan within a 50 km radius.

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 (21,098,124 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.