

# GOSSAN RESOURCES LIMITED

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## NEWS RELEASE 05-13

### North American Palladium Moves Forward With Gossan's Bird River Property

August 23, 2005 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr) announces that North American Palladium Ltd.'s wholly owned subsidiary, Lac des Iles Mines Ltd. "LDI", has satisfied the current terms of an Option and Joint Venture Agreement on Gossan's Bird River Property by making the second cash payment of \$50,000 and confirming that LDI has incurred in excess of \$400,000 of exploration expenditures on the property, prior to August 30, 2005.

LDI intends to follow-up on its recently completed exploration program on Gossan's Bird River Property that included an 8-hole diamond drill program, totaling 934 metres. Drilling tested seven of the airborne electromagnetic conductors, identified from the helicopter-borne VTEM "dream catcher" survey flown earlier this year by LDI, along the inferred base of the Bird River Sill. Four of the eight holes encountered significant sulphide mineralization highlighted by hole BR-05-02, located on the Page Block, that intersected 13.75 meters of 1.077% nickel and 0.501% copper including 4.75 meters grading 2.143% nickel and 0.440% copper. The results from the drill program were announced on August 8, 2005 in news release NR-05-11.

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. Under the terms of the Agreement, LDI must incur an aggregate of \$1,000,000 of exploration expenditures (including expenditures incurred to date) by August 30, 2005 and continue to make semi-annual cash payments of \$50,000.

The Property, encompassing 6,870 hectares (16,975 acres), covers over 21 kilometres of the Bird River Sill Complex. 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 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. Bruce W. Mackie, Vice President – Exploration of North American Palladium Ltd. is LDI's Qualified Person supervising the work being carried out on the Bird River Property

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 17,493,124 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.