

# GOSSAN RESOURCES LIMITED

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NEWS RELEASE 06-16

## **Drilling Program Underway at Gossan's Manigotagan Silica Property**

November 17, 2006 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr) has initiated a drill program at its high-purity Manigotagan Silica Property. The drill program will test portions of an area of interest which runs along a low ridge for approximately 2300 metres.

At the eastern end of the Manigotagan Property, the silica sands of the Winnipeg Formation are exposed on surface at a small quarry on the Seymourville Road. Previously, 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 for a significant high-purity silica deposit.

The Manigotagan Silica Property is comprised of six Quarry Leases covering a silica sand prospect on the east shore of Lake Winnipeg. This property is directly across from Black Island where silica sand was extensively quarried prior to the island becoming a Provincial Park. Gossan's 274-hectare (677-acre) property is located 170-km northeast of Winnipeg. All properties held by Gossan within a 50 km radius of Manigotagan are subject to a net smelter royalty of 0.5 % on all silica sand production.

The silica sand has potential uses in foundries and smelters; in the production of float or container glass; and in the oil & gas industry as frac sand. Silica sand from the property has 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% with-out 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 may lead to a scoping study giving initial consideration to markets and logistics.

G. Ryan Cooke, P.Geo., Gossan's Qualified Person supervising the work on the Manigotagan Silica Property, has reviewed the contents of this news release.

On November 16, 2006, the Company granted 40,000 incentive stock options to Swiss Am (Swiss American) Consult GmbH, a Swiss-based investor relations and business consulting firm who has acted for the Company since 2003. The stock options to purchase common shares are exercisable at a price of \$ 0.30 per share for a period ending March 31, 2008. The stock option which vests in four quarter-yearly stages is subject to the approval of the TSX Venture Exchange.

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 20,920,901 shares outstanding (26,990,677 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.**