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NEWS RELEASE 07-11

## **Gossan's Manigotagan Silica Sand Meets the API's Minimum Standards for Frac Sand Proppant**

August 23, 2007 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr) has completed an initial series of tests on various sized sub-samples of Manigotagan silica sand and the results have exceeded all of the minimum standards for frac sand used by the oil and gas industry. This analysis, known as Proppant Testing, was conducted by PropTester Inc. of Cypress, Texas using the American Petroleum Institute's standards for the following tests: Sieve analysis (particle distribution and MPD), Crush test (crush resistance), Krumbein shape factors (roundness and sphericity), Densities (bulk and specific gravity), Photomicrographs, Acid Solubility (12:3 HCl:HF), Turbidity (silt and fine particulates), as well as, PropTester's PT Crush Profile.

A drill program consisting of 23 holes was conducted at the Manigotagan Silica Property in December 2006. The drill program was successful in outlining the edge of two zones of silica sand with a thickness exceeding 8 metres and an average thickness of 11.5 metres. The two zones, with lengths known to exceed 400m and 600m, are both open on two or more sides. The ratio of overburden above the two zones of silica sand is less than 1:1. However, the extent of the silica sand potentially of use as frac sand cannot be reliably determined. A drill rig capable of both core and auger drilling was utilized in anticipation of difficult conditions for sample recovery. Although the auger drilling method proved to be the better of the two methods, neither method provided good sample recoveries. A sonic drill, which should be capable of achieving NI 43-101 standards for sample recovery, will be utilized in the future.

In June of 2007, two shallow pits were excavated at the east end of the property to provide additional sample material. Further, more extensive, testing is currently underway. Additional analysis and a subsequent sonic drill program may lead to a scoping study giving initial consideration to markets and logistics. Gossan has received several inquiries from potential purchasers of silica sand over the past year.

Gossan is continuing to consolidate its land position covering its silica sand deposit at Manigotagan on the east shore of Lake Winnipeg. In July 2007, the Company was awarded the registration of two additional Quarry Leases. This property, which now

encompasses 297 hectares, is directly across from Black Island where silica sand was extensively quarried prior to the island becoming a Provincial Park.

Manigotagan 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 prior composite of 19 samples, returned a silica content of 94.2% without sizing or treatment. Sizing, washing or other simple treatments significantly improve the purity. Tests to date indicate that these silica sands appear to meet metallurgical requirements and may be of use as frac sand in shallow gas wells.

G. Ryan Cooke, P.Geo., Gossan's Qualified Person for the Manigotagan Silica Property, has reviewed and approved the contents of this news release.

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 and minor metals, tantalum, lithium, chromium, titanium and vanadium. The Company also has a large deposit of magnesium-rich dolomite and a silica sand prospect. Marathon PGM has recently optioned Gossan's nickel-PGM property on the Bird River Sill. Gossan trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges and has 28,882,900 common shares outstanding (37,366,788 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.**