

GOSSAN RESOURCES LIMITED

404 - 171 Donald Street
Winnipeg, Manitoba
Canada R3C 1M4
(GSS TSX-Venture)
(GSR Frankfurt/Freiverkehr)

Phone: (204) 943-1990
Toll Free: (800) 462-4283
Fax: (204) 942-3434
E-mail: info@gossan.ca
Website: www.gossan.ca

NEWS RELEASE 06-16

Gossan's Inwood Magnesium Property Hosts 34.7 Million Measured Tonnes of High-Purity Dolomite

November 3, 2006 – Gossan Resources Limited (GSS-TSX.V & GSR-Frankfurt/Freiverkehr) is in the process of finalizing a National Instrument 43-101 Report that establishes a resource of high purity dolomite at its Inwood Magnesium Project. The resource estimate focuses on the flat lying Fisher Branch dolomite formation which outcrops on the Inwood Property with little or no overburden and averages a true thickness of about 12 metres. The 1633-hectare Inwood Property is located in south-central Manitoba.

Watts, Griffis and McOuat Limited (WGM), consulting geologists, have calculated a number of Mineral Resource Estimates for high purity dolomite at the Inwood Property. WGM estimated Measured Mineral Resources based on results from 35 drill holes, of which 27 were conducted on 200m spacing within an 80-hectare area in May of 2006. The balance of the holes used in the estimate of Measured Resources were drilled in 1991 by the Manitoba Department of Mines and Energy.

WGM has also estimated an Inferred Mineral Resource for the Fisher Branch Formation based on 43 drill holes, 27 of which were from the 2006 drilling program and 16 from a 1991 drill program conducted by the Manitoba Department of Mines and Energy. The estimate of Inferred Resources covers an area of approximately 445 hectares.

WGM's resource estimates for the two zones are summarized in the table below.

<i>Formation and zone</i>	<i>Resource Classification</i>	<i>Tonnage</i>	<i>Grade MgO (wt%)</i>	<i>Grade CaO (wt%)</i>
Fisher Branch	Measured	34,783,000	21.18%	30.84%
Fisher Branch	Inferred	132,009,000	21.32%	30.78%

The Inwood Property hosts a very large deposit as the Measured Resource alone would be capable of sustaining a substantial production facility of 80,000 tonnes of magnesium per year for about 35 years (subject to a positive feasibility study).

The Inwood Magnesium Project is being advanced on the expectation of higher magnesium prices and the development of more efficient magnesium extraction

processes. Mintek of South Africa is currently developing a new magnesium extraction process and Gossan is examining other processes. Magnesium extraction technology will be the on-going focus of this project.

Donald Hains, P.Geo., of Watts, Griffis and McOuat is the Qualified Person who prepared the technical report on the Inwood Magnesium Property and has reviewed and approved the contents of this press release. The NI 43-101 Report will be filed with SEDAR upon the completion of a review by the Manitoba Securities Commission.

The US Geological Survey estimated world primary production of magnesium at 610,000 tonnes in 2005. Over the past 15 years, China has become the predominant supplier with production of 468,700 tonnes in 2005. Magnesium can be produced using a number of different processes and inputs. It is primarily used as an alloy with aluminum and as a structural metal with die casting for the auto industry being the fastest growing component. Magnesium is also used to remove sulfur in the production of iron and steel. Magnesium is the lightest of all the commonly used metals and may be substituted to some extent for aluminum and zinc in castings and wrought products. The price of magnesium has firmed during 2006 and is traded in Canada and Europe around US \$0.90 per pound and significantly higher in the USA due to varying tariff protection. The price is expected to continue to firm due to the substitution demand for historically high cost aluminum and due to demand from the auto industry where high gasoline prices are leading to the design of lighter more fuel efficient cars.

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).

- 30 -

For further information please contact: Douglas Reeson, Chairman & CEO
Gossan Resources Limited
Tel: (204) 943-1990

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.