



RESOURCES LIMITED

NEWS RELEASE 10-05

## **Gossan Initiates Shareholder Rights Plan**

September 7, 2010 – The Directors of **Gossan Resources Limited** (GSS-TSX.V & Frankfurt/Freiverkehr & Xetra – WKN 904435) have approved the adoption of a shareholder rights plan (the “Plan”) dated August 27, 2010. The purpose of the Plan is to provide both shareholders and the Board sufficient time to adequately consider a take-over bid and to allow for competing and alternative proposals to emerge during the period between the announcement of a proposed take-over bid and the period of review allowed within the Plan. The Plan is similar to those adopted by other Canadian public companies. Gossan is currently unaware of any party contemplating or preparing a proposal to acquire control of the Company.

Douglas Reeson, President of Gossan, stated, "A number of Gossan's assets are sufficiently advanced to show their potential and given normal commodity price cycle movements, an environment may arise where an opportunistic takeover offer could be made for the Company. Such an offer may not be in the best interests of all shareholders. Consequently, the Board has taken a pro-active approach and implemented a shareholder rights plan. Should an offer be made for the Company, the Plan will protect our shareholders from a low bid price without adequate time to effectively evaluate such a bid and for an alternative bid to come forward."

At the close of business on August 27, 2010 existing shareholders of the Company were granted Rights to acquire one additional common share for each share currently held as at that date (a "Right") at a purchase price that is subject to certain future adjustments. The Rights were granted for no cash or non-cash consideration. These Rights are attached to each share as long as the Plan remains in effect. Each subsequent shareholder who invests in the Company's common shares will also be entitled to the Rights for no consideration.

The Right is triggered only if a party acquires or announces its intention to acquire 20% or more of the outstanding shares of the Company and this proposed acquisition does not meet the Permitted Bid requirements set forth within the Plan. Under the Plan, only bids that meet certain specific requirements intended to protect the interests of all shareholders will qualify as Permitted Bids. Permitted Bids must be made to all shareholders of the Company, must remain open for 60 days and must be made by way of a take-over bid circular prepared in compliance with applicable securities laws.

The Rights, once triggered, allow shareholders, other than the take-over bidder, to purchase one common share of the Company for each common share held at a 50% discount to the then current market price.

The Board's approval of the Plan is subject to the ratification by shareholders at the annual and special meeting of shareholders to be held on September 30, 2010 and the acceptance by the TSX Venture Exchange. Shareholders will also be required to ratify the Plan in three years time in order for the Plan to continue in effect. The Plan will be filed on SEDAR.

Gossan Resources Limited is engaged in mineral exploration and development 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, the world-wide rights to the Zuliani magnesium production process, and a silica sand deposit. Gossan trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges and has 29,117,900 common shares outstanding.

**Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.**

For further information, please bookmark [www.gossan.ca](http://www.gossan.ca) or contact:

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