



RESOURCES LIMITED

NEWS RELEASE 12-06

**Gossan to Present Paper on Proprietary Magnesium Technology
at Global Automotive Lightweight Materials Conference**

April 25, 2012 – Gossan Resources Limited’s (GSS-TSX.V & GSR-Frankfurt/Freiverkehr & Xetra – WKN 904435) Technical Advisor, Dr. Zuliani, will be delivering a paper entitled, “Making Magnesium A More Cost & Environmentally Competitive Lightweighting Option” at the Global Automotive Lightweight Materials 2012 Conference being held on April 26th in London, England. The conference focuses on the challenges the auto sector faces on sourcing, integrating, and manufacturing lightweight materials for commercially viable mass-market applications to deliver improved fuel consumption and achieve stringent emissions standards.

Dr. Zuliani’s paper outlines developments in the magnesium market, identifies opportunities for using magnesium to lightweight vehicles, and sets out the benefits of Gossan’s new magnesium process technology. The paper addresses the following issues:

- Introducing Gossan’s new primary magnesium technology that provides a commercially & environmentally viable solution for widespread adoption of magnesium
- Establishing primary & secondary weight savings opportunities in vehicles when replacing steel & aluminum with magnesium
- Utilizing new process technology to provide a more attractive environmental Life Cycle Assessment for magnesium

A copy of Dr. Zuliani’s paper may be found at: www.gossan.ca/pdfs/ConferenceLondon-April2012.pdf.

Based on the extensive bench scale testing and thermodynamic modeling completed to date, the Zuliani Process has demonstrated a magnesium recovery of 90.4% compared to 74.0% for Chinese magnesium producers using the Pidgeon Process (about 80% of world supply utilizing technology originally developed in the 1940’s). More importantly, the Zuliani Process uses 29% less ferrosilicon, which is the largest single input cost in magnesium production. Subject to confirmation of the process on a commercial scale, the direct cost of magnesium ingot produced with the Zuliani Process is expected to be about 25-30% less than the direct cost of Chinese magnesium ingot landed in western markets. The low operating costs, as well as, a dramatic reduction in carbon emissions, is achieved by the high raw material utilization efficiency of the production process and the use of hydro-electricity, natural gas and high-purity dolomite.

An independent Green House Gas Study recently reported that primary magnesium produced using the Gossan-Zuliani Process has a Global Warming Potential (GWP – reported in kg CO₂ per kg Mg) of only 9.1. The GWP achieved through the Zuliani Process is 78% lower than the GWP for magnesium produced by the Pidgeon Process in China (GWP 43.3) and 28% lower than the average GWP for aluminum (GWP 12.7). The study concludes that midsize car emissions

could be reduced by almost 7% over the car's life expectancy by light-weighting using magnesium produced by the Zuliani Process. Fuel efficiency would improve by an even greater amount.

A copy of the Process Research ORTECH report entitled "Lowering of CO₂ Emission for Magnesium Production by Gossan-Zuliani Process" may be found at: www.gossan.ca/projects/pdf/MgGHGReport.pdf

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, vanadium, titanium, tantalum, lithium and chromium. The Company also has a large deposit of magnesium-rich dolomite, the world-wide rights to the Zuliani high-efficiency magnesium production process, and a silica frac sand deposit. Gossan trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges and has 33,140,400 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 or contact:

Douglas Reeson, Chairman & CEO
Gossan Resources Limited
Tel: (416) 533-9664
E-Mail: info@gossan.ca