



RESOURCES LIMITED

NEWS RELEASE 13-02

Gossan Sells Manigotagan Silica Frac Sand Project

June 25, 2013 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr & Xetra) has entered into a purchase and sale agreement to vend its Manigotagan Silica Frac Sand Project, comprised of 9 quarry leases located near Seymourville Manitoba, to Claim Post Resources Inc. (CPS-TSX.V). Gossan has been seeking a joint-venture partner or a purchaser for the Project since completing a marketing study in late 2010. In 2012, Claim Post acquired the adjacent Seymourville Property to the south and announced plans to develop a frac sand operation. A consolidation of the two properties should improve the viability of the project.

Under the terms of the agreement, Gossan will receive 1,000,000 shares of Claim Post followed by 4 additional property payments on a semi-annual basis with a maximum cash value of \$1,330,000, as well as, a royalty interest. On December 18, 2013, Gossan will receive an additional 2,000,000 shares of Claim Post or a cash payment of \$200,000, at Claim Post's option. In 2014, Claim Post is required to make two cash payments of \$350,000 each and a final cash property payment in 2015 of \$430,000. The transaction is subject to regulatory approval.

An initial annual advance royalty payment of \$50,000 becomes payable as of June 18, 2016, unless the operation has commenced commercial production resulting in the payment of production royalties. All frac sand produced, sold and paid from the nine Manigotagan leases is subject to a \$1.00 per tonne production royalty payable quarterly and all other products are subject to a \$0.50 per tonne production royalty. Although the royalty is solely payable on production from the Manigotagan leases, the agreement also provides for a minimum production royalty from both the Manigotagan and Seymourville Properties based on their relative remaining mining reserves of frac sand with Gossan's Manigotagan Property having a deemed minimum mineable reserve of 6 million tonnes of frac sand. Claim Post can acquire one-half of Gossan's production royalty interest for \$1.5 million at any time after making all of the required property payments.

The Manigotagan Project is located 170 km northeast of Winnipeg where Gossan holds a silica sand deposit at Seymourville, on the east shore of Lake Winnipeg, directly across from Black Island where silica sand was extensively quarried prior to the island becoming a Provincial Park. Previous drilling at Manigotagan has been successful in outlining substantial zones of silica sand with a thickness exceeding 5 metres and ranging to over 15 metres. Two zones, with lengths known to exceed 400m and 600m, are both open on one or more sides. The deposit has been outlined in three drill programs totalling over 60 holes.

Gossan conducted a marketing study that established the highest and best use of Manigotagan silica sand is as frac sand proppant used in the oil and gas sector. Demand for frac sand proppant

is in a long-term growth phase as the technology of drilling multi-fraced horizontal oil and gas wells in shale and tight formations utilizes large amounts of frac sand proppant.

Numerous tests have been conducted by PropTester Inc. of Cypress, Texas using ISO Proppant standards. Samples of Manigotagan silica sand have consistently received ISO 8K or 9K Proppant ratings for the 20/40 and 30/50 mesh fractions and ISO 9K Proppant ratings for the 40/70 and 70/140 mesh fractions. The sand is also well rated in Long Term Conductivity tests.

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 company trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges and has 33,170,400 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.

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