



RESOURCES LIMITED

NEWS RELEASE 15-01

Gossan Amends Agreement with Claim Post on Manigotagan Silica Project

June 24, 2015 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr & Xetra) has amended its Manigotagan Agreement with Claim Post Resources Inc. to provide an extension in the due date of a \$430,000 payment for 6 months to December 18, 2015, subject to interest at 1% per month, and a payment of 1,000,000 common shares of Claim Post, as well as an increase in the advance royalty provisions. The issuance of the Claim Post shares is subject to the approval of the TSX Venture Exchange (TSX.V).

On June 18, 2013, Gossan agreed to sell its Manigotagan Silica Frac Sand Project, comprised of 9 quarry leases located near Seymourville, Manitoba, to Claim Post (CPS-TSX.V) under the terms of a sale agreement. Under the agreement, Gossan has previously received 3,000,000 common shares of Claim Post and a two cash payments totaling \$700,000. The payment date for the final \$430,000 cash payment has been extended to December 18, 2015. Gossan is also entitled to an ongoing royalty interest.

Under the terms of an amended agreement, an initial annual advance royalty payment of \$50,000 payable commencing as of June 18, 2016, now becomes a semi-annual advance royalty payment of \$50,000 payable commencing as of December 18, 2015. 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 the adjacent Seymourville Property held by Claim Post, based on their relative remaining mining reserves 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.

Claim Post anticipates developing the Seymourville Deposit as a source of frac sand for use as a proppant in hydraulic fracturing in the oil and gas industry.

On April 29, 2014, Claim Post announced an independent NI 43-101 Technical Report and Resource Estimate on the Seymourville Frac project, prepared by P & E Mining Consultants Inc. ("P&E"). In P&E's opinion, the drilling and assaying of the Seymourville project supporting this resource estimate are sufficient to indicate reasonable potential for economic extraction and thus qualify it as a Mineral Resource under CIM definition standards. The mineral resources were classified as Inferred based on existing drill hole spacing and estimated at 25,959,000 tonnes at a grade of: 94.31% SiO₂; 1.94% Al₂O₃; and 0.91% Fe₂O₃. The Report is filed on SEDAR and should be referred to for details.

On November 24, 2014, Claim Post announced the results of a NI 43-101 Preliminary Economic Study (PEA) on the Seymourville Frac Sand Project conducted by P & E Mining Consultants Inc. ("P&E"). The PEA examined a proposed quarrying operation with a trans-loading truck to rail

facility in Winnipeg. The operation would initially have an annual capacity of 500,000 tonnes that would be expanded to 1 million tpa during the second year of operations. The quarrying operation outlined utilizes bulldozers and excavators without any blasting. The sand will be delivered to the wash plant by a slurry pump system during a 6-month summer quarrying season. The on-site dry plant will operate 300 days per year. The frac sand will be shipped to an owned rail trans-loading facility in Winnipeg

The PEA utilizes a base case price for Tier 1 frac sand of C \$110 per tonne FOB Winnipeg. The proposed total mine life is 18 years. The PEA estimated initial capex for the project at C \$93 million and sustaining capital, including the doubling of production capacity at C \$83 million. The base case provided a 4.4 year payback and an after-tax IRR of 21%. The PEA is filed on SEDAR and should be referred to for details.

Douglas Reeson, President of Gossan Resources stated: “Despite the decline in oil prices and the knock-on effect to the frac sand industry, we continue to believe strongly in the Project. It is a high-quality deposit. Claim Post’s management remains positive on their ability to fund the ongoing development of the project and make the final cash payment within the next 6 months.”

Charles Gryba P.Eng is the qualified person for Claim Post’s related news releases.

MaryAnn Mihychuk, P.Geo., is a director of Gossan Resources. She is a qualified person as defined by NI 43-101 and she has reviewed and approved the technical contents of this news release.

Management is continuing to seek new financeable projects in Manitoba, North America, and globally, both within the mineral resource sector and more broadly. As at March 31, 2015, Gossan had cash resources of approximately \$550,000 which it has husbanded carefully. For quite some time, Gossan’s share price has traded below the TSX.V allowable minimum financing price of \$0.05 per share. Gossan’s management has always been very frugal in issuing dilutive treasury shares. However it is likely that additional funding may be required in the future. Accordingly, at the Annual & Special Meeting of Shareholders to be held in September, it may be required to table a resolution to conditionally approve a share consolidation at a ratio of up to 3 old shares for 1 new consolidated share. Another financing possibility may be to undertake a private placement, with a TSX.V discretionary minimum pricing waiver and utilizing the “existing shareholder exemption” under Multilateral Instrument CSA Notice 45-313. This allows existing shareholders to subscribe for up to \$15,000 of shares at current market prices under \$0.05 per share.

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 high-purity, magnesium-rich dolomite and various financial interests in a frac sand deposit. 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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