



RESOURCES LIMITED

NEWS RELEASE 20-03

Gossan Completes Private Placement

Winnipeg, Manitoba - August 21, 2020 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr & Xetra) (the “**Company**”) has completed a previously announced non-brokered private placement offering (the “**Offering**”) of 3,400,000 units (“**Units**”) of the Company at a purchase price of \$0.05 per Unit, for aggregate gross proceeds of \$170,000. Each Unit consists of one common share (“**Common Share**”) in the capital of the Company and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”) of the Company. Each Warrant is exercisable to acquire one Common Share at a price of \$0.08 for a period of two (2) years from the closing date of the Offering.

The net proceeds from the Offering will be used for general corporate and working capital purposes. The closing of the Offering is subject to certain conditions including the receipt of all necessary approvals including the final approval of the TSX Venture Exchange. All securities issued in connection with the Offering will have a hold period of four months and one day from the closing date.

The Offering constituted a “related party transaction” as such term is defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as Douglas Reeson (“**Reeson**”), the Chief Executive Officer of the Company, subscribed for an aggregate of 200,000 Units pursuant to the Offering. Prior to the completion of the Offering, Reeson held, directly or indirectly, 6,671,000 Common Shares of the Company and 800,000 stock options of the Company, representing approximately 19.73% of the Company’s issued and outstanding Common Shares on a non-diluted basis and approximately 21.40% of the Company’s issued and outstanding Common Shares on a partially diluted basis. Upon completion of the Offering, Reeson now beneficially owns and controls, directly or indirectly, 6,961,000 Common Shares, 100,000 Warrants and 800,000 stock options, representing approximately 18.36% of the Company’s issued and outstanding Common Shares on a non-diluted basis and approximately 20.25% of the Company’s issued and outstanding Common Shares on a partially diluted basis. The Warrants comprising part of the Units purchased by Reeson pursuant to the Offering contain a blocker provision preventing Reeson from exercising any convertible securities of the Company, in whole or in part, if, after giving effect to such exercise, Reeson would own that number of Common Shares which is 20% or greater of the issued and outstanding Common Shares of the Company, immediately after giving effect to such exercise. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by Reeson does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

The Company paid an eligible person (the “**Finder**”) a cash commission, payable in 256,000 Units, being equal to 8% of the aggregate gross proceeds of the Offering with respect to the subscribers introduced to the Company by such Finder. In addition, the Company issued an aggregate of 272,000 finders warrants (the “**Finder Warrants**”), being equal to 8% of the aggregate number of Units sold under the Offering attributable to the Finder. Each Finder Warrant entitles the holder thereof to acquire one Unit at a price of \$0.05 per Unit for a period of two (2) years from the closing date of the Offering. The Units underlying the Finder Warrants consist of one Common Share and one-half of one Warrant, exercisable at a price of \$0.08 per Common Share for a period of two (2) years from the date of issuance.

The securities being offered pursuant to the Offering have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Gossan Resources Limited continues to seek new financeable resource projects in Manitoba & Ontario and throughout North America. The Company has a broadly diversified portfolio of multi-element properties prospective for hosting base metals and platinum group elements, as well as specialty “green-battery metals”, vanadium, titanium, tantalum, lithium and chromium. Gossan also has a deposit of high-purity, magnesium-rich dolomite, and holds a \$100,000-per-annum advance and production royalty interest in a silica frac sand deposit. All of Gossan’s mineral exploration and development properties are located in Manitoba and Northwestern Ontario. The Company’s focus is the exploration of its Sturgeon Lake Property, located in the zinc-copper-silver rich polymetallic Sturgeon Lake Greenstone Belt of Northwestern Ontario. The Company trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges.

For further information, please bookmark www.gossan.ca or contact:

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Cautionary Statement on Forward -Looking Information

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

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, uncertainty over the outcome of any litigious matters, the Company's objectives, goals or future plans, statements regarding exploration results and exploration plans. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, capital and operating costs varying significantly from estimates, the

preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.