

EARLY WARNING REPORT
(Form 62-103F1)

Made Pursuant To
NATIONAL INSTRUMENT 62-103
The Early Warning System and Related Take-Over Bid and
Insider Reporting Issues

Item 1. – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Securities: Units of Gossan Resources Limited (the “Units”)

Issuer: Gossan Resources Limited (the “Company”)
404-171 Donald Street
Winnipeg, MB R3C 1M4

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. See item 2.2.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Douglas Reeson (“Reeson”)
404-171 Donald Street
Winnipeg, MB R3C 1M4

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On August 21, 2020, Reeson subscribed for an aggregate of 200,000 Units of the Company at a price of \$0.05 per Unit pursuant to the terms of a private placement offering of the Company (the “Offering”). Each Unit acquired pursuant to the Offering consist 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 whole Warrant entitles the holder thereof to acquire one additional Common Share at an exercise price of \$0.08 for a period of two (2) years from the date of issuance.

Reeson is the Chairman and Chief Executive Officer of the Company.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.

Prior to the completion of the Offering, Reeson held, directly or indirectly, 6,761,000 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.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

Reeson acquired 200,000 Units of the Company pursuant to the Offering. See item 2.2.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See item 3.1.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See item 3.1.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquirer or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement, including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

\$0.05 per Unit of the Company for total consideration of \$10,000.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See item 4.1.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

Reeson has acquired the Units for investment purposes and Reeson may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over the Units or other securities of the Company, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. Reeson currently has no other plans or intentions that relate to, or would result in the matters listed in clauses (a) to (j), above.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Pursuant to the Offering, Reeson and the Company entered into a subscription agreement for the Units. The Offering closed on August 21, 2020.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror

under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Reeson is an “accredited investor” as that term is defined in the National Instrument 45-106, Section 2.3(j).

Item 9 – Certification

I, Douglas Reeson, the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: August 25, 2020.

“Douglas Reeson” (Signed)

Douglas Reeson