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TARANIS RESOURCES INC.

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Canada Revenue Agency Reverses Decision, Allowing CEE-Eligibility for 10,000 tonne Bulk Sample at Thor

Estes Park, Colorado, January 25, 2024 – Taranis Resources Inc. (“Taranis” or the “Company”) [TSX.V: TRO, OTCQB: TNREF] is pleased to announce that the Canada Revenue Agency (“CRA”) has reversed its 2021 ruling that disallowed the use of Canadian Exploration Expenses (“CEE”) treatment for certain expenditures incurred in 2017 and 2018 related to the permitting of the 10,000 tonne exploration Bulk Sample. This ruling was made in response to the Company’s “Request for Loss Determination for the taxation years ended December 31, 2017 and December 31, 2018” which it filed on February 1, 2022.

History of Bulk Sample Permitting at Thor

Taranis submitted a Joint Environmental and Mines Act (“JEMA”) Permit application to the government of British Columbia on October 15, 2018. Pre-Screening began on January 15, 2019 and was completed on September 16, 2019. On September 16, 2019, the Permit application proceeded to Technical Review. During the Technical Review process, twenty-three (23) government reviewers provided commentary on the application. During the Technical Review period, Taranis performed numerous studies that included water quality baseline studies, engineering construction reports and environmental studies at an estimated cost of almost C\$1M. The *Mines Act* Permit was issued on June 17, 2021 after the B.C. Ombudsperson’s Office investigated lengthy governmental delays and inconsistent policy implementation with the Permit application.

Canada Revenue Agency (“CRA”) Audit of CEE-eligibility of Exploration 10,000 tonne Bulk Sample

In January of 2020, the CRA informed Taranis that it would be conducting an audit of 2017-2018 CEE expenditures. On August 30, 2021, the CRA informed Taranis that it was disallowing permitting regarding its Bulk Sample to be eligible for CEE, because “*the expenditures are excessive for an exploration Bulk Sample*”. Taranis was able to successfully argue that the costs for such an exploration Bulk Sample were mandated by the British Columbia government under the JEMA. Shortly thereafter, the CRA formulated a new rationale and said “*the Bulk Sample was not processing a Mineral Resource*” because it drew on broken ore stockpiles in the True Fissure Open Pit. Again, Taranis was able to successfully demonstrate that stockpiles do constitute part of Mineral Resources, and therefore meet the purpose test. Finally, on January 22, 2021, the CRA issued its Final Letter and said that “*Taranis was seeking an Optimal Method*” for processing the stockpiled material. Taranis was not given the opportunity to comment on the CRA’s Final Letter, and the only recourse was to file a “Request for Loss Determination” for the taxation years ended December 31, 2017 and 2018. Finally, on January 9, 2024, Taranis was informed that the CRA Appeals Division had completed its review and that the 10,000 tonne Bulk Sample permitting costs were in fact CEE eligible, thus reversing CRA’s previous position.

Engineering Site Investigation Completed

Once Taranis had received notice that the CRA was disallowing CEE treatment of certain costs relating to the exploration 10,000 tonne Bulk Sample, Taranis discontinued spending on the venture until such time as

a decision could be made on the CEE-Eligibility. Now that this issue has been resolved to the Company's satisfaction, Taranis intends on moving forward. In that regard, Taranis has submitted an engineering report prepared by Knight Piésold to the Province of British Columbia's Ministry of Energy, Mines and Low Carbon Innovation as part of the documentation that is necessary prior to construction of the bulk sample processing facility.

Comment

John Gardiner, President and CEO, states, "We have worked tirelessly to ensure that our exploration 10,000 tonne Bulk Sample was properly treated as an exploration activity for our shareholders. This is an important step toward completing an eventual economic assessment of the Mineral Resource at Thor. Taranis had a professional responsibility to bring this issue to the attention of knowledgeable industry representative groups. Consequently, we had numerous discussions with the Prospectors and Developers Association of Canada regarding the CEE eligibility issue. Our guiding principle on this is '*Do what's right and right will follow.*' Exploration companies should be first and foremost concerned with undertaking safe and environmentally sound exploration, and should not be perpetually countering misdirected permitting and tax issues which are being weaponized by the B.C. government. In British Columbia, there is **substantial** room for improvement permitting exploration projects; and making tardy or incorrect policy/regulatory decisions has adverse consequences on capital availability to industry in the province. The industry is in decline in British Columbia which saw a \$100M drop in exploration expenditures in 2023 - a trend that is only going to accelerate in 2024. It is ironic that although the provincial government trumpets the desire to produce strategic metals, and assures the sector that "*Once you make your investments in British Columbia, then your investments are safe*", reality has demonstrated that nothing could be further removed from the reality of B.C.'s exploration/mining sector.

For additional information on Taranis or its 100%-owned Thor project in British Columbia, visit www.taranisresources.com

Taranis currently has 94,587,027 shares issued and outstanding (109,262,027 shares on a fully-diluted basis).

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Per: John J. Gardiner (P. Geo.),
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