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TARANIS RESOURCES INC.

Taranis Provides Comments on Thor Bulk Sample Permitting Amid Policy Uncertainty and Permitting Project Mismanagement

Estes Park, Colorado, March 16, 2020 – Taranis Resources Inc. (“Taranis”) [TSX.V: TRO, OTCQB: TNREF] is updating ongoing permitting activities for a 10,000 tonne bulk sample on its 100%-owned Thor Project located in British Columbia. This follows a conference call with the Executive Regional Director of Ministry of Energy, Mines and Petroleum Resources (“MEMPR”), the Thor Mine Development Review Committee Chairperson, and the Executive Director of “Major Mines” Permitting Office on March 12, 2020.

Background

Taranis began a 10,000 tonne Bulk Sample Application (“10KBSA”) via MEMPR on October 15, 2018. The project is designed to test metallurgical recoveries using a novel gravity-based concentration system, producing pre-concentrate that can be shipped offsite for further upgrading, and to minimize onsite infrastructure. The process would remove Legacy acid-generating/metal-leaching surface stockpiles left behind at Thor from more than a century of historical mining activity, and most importantly would provide valuable data for a Preliminary Economic Assessment for the much larger in-situ Thor deposit. Bulk samples are considered an essential exploration/business activity and are routinely conducted to gather metallurgical and environmental data.

Barriers to the 10,000 Tonne Bulk Sample Permit

Taranis’ permitting team assented to MEMPR’s declaration in 2018 that the 10KBSA must be processed under a full-scale Joint Environmental and Mines Act Application/Information Requirements Table (“JEMA/IRT”) process, which until now was formulated specifically for full-scale commercial mining applications. MEMPR indicated on numerous occasions that the JEMA would be specifically tailored to fit the size of the 10KBSA and could include provisions for conditional permit issuance. Taranis was notified that the screening of the application was completed by MEMPR Reviewers on September 16, 2019 and has since been in Technical Review, which was previously estimated to take 60 days.

Taranis, being an exploration company, is in a unique position to experience every aspect of the permitting process in B.C. During the course of the still ongoing Technical Review, twenty-eight (28) individual Technical Reviewers from four sectors of the B.C. government were involved and provided commentary on the JEMA/IRT. Input from these Technical Reviewers led to modification of the original 10KBSA, including site layouts, water treatment, etc. During the course of the Technical Review, Taranis notified MEMPR of multiple catastrophic deficiencies and concerns with MEMPR’s management of the 10KBSA, its implementation, and “moving goalposts”.

The “moving goalposts” aspect was highlighted by MEMPR’s recent insistence that ‘Final’, stamped engineering drawings must be provided before Technical Review can be concluded. This undermines the spirit of Technical Review, which serves as iterative improvement on the ‘Draft’ designs that were completed by AllNorth Engineering – and leads to the ‘Final’ collaborative site engineering plan. Taranis indicated that it would be more than happy to provide ‘Final’ engineering designs, only after Technical Reviewers had finished providing comments in order to adhere to timely project management principles. Taranis also suggested it was amenable to a review of the ‘Final’ site-engineering plans before permit issuance. Taranis views this as an essential aspect of permitting the 10KBSA, so that the ‘Final’ site-engineering plans aren’t modified multiple times based on whims of improperly managed Technical Reviewers.

The March 12, 2020 phone call also highlighted generic misrepresentation of 10KBSA applications in B.C. by MEMPR. Lowell Constable, Executive Director & Deputy Chief Inspector of Mines - Major Mines Permitting Office in Victoria - stated *“We want to make sure that what companies are providing meets the code, and [Taranis’] planned tailings disposals don’t meet anything described by the [current B.C. Mining] code. The reason MEMPR is applying major mine permitting to bulk samples is because of Mt. Polley”*. Whereas previously, the B.C. Mining Code allowed for scaling of permitting requirements based on the size of the mine, Mr. Constable continued to say, *“What has come out of [removed from] the Code, is any scaling of that [bulk sample allowance]. There are no minor tailings facilities anymore in the code – So big or small, I’m not going to lie, there are a lot of pieces still moving around in the tailings management code”*. It is unreasonable that full-scale commercial mine permitting scope and associated costs be applied cart-blanche to any and all test production scenarios.

From the outset of the 10KBSA application, Taranis operated under the belief that conditional permitting was a tool MEMPR could use to fit the JEMA/IRT process to a small-scale bulk sample. This is a cornerstone of the 10KBSA, even as a concept, since the sale of pre-concentrate requires that a contract be negotiated with a third-party, permitted, processing facility. On March 12, 2020, almost one and one-half years after Taranis filed the 10KBSA, Heather Cullen, Executive Regional Director of MEMPR remarked *“We are getting away from issuing conditional permits – conditional permits are not the way we are going...”*. This comment underscores a major inconsistency, despite this being a component of the JEMA/IRT accepted for Technical Review.

Conclusion

Taranis has made a substantial investment in exploring Thor, and permitting the Thor 10KBSA, and this was done in good faith under the guidance of Cranbrook’s MEMPR, trusting that a modified full-scale JEMA/IRT application is applicable to permitting requirements. Taranis was clearly informed on March 12, 2020 that there are no clear, concise, reasonable permitting allowances for exploration bulk sampling in B.C. – an essential exploration tool to the mining business. Up until 2018, there was a well-defined permitting process for exploration bulk sampling. The remarks made by MEMPR explain the frequently moving “goalposts” that Taranis has encountered. Policy uncertainty coupled with a vast underlying foundation of project mismanagement issues is anathema to success in B.C.’s mining economy.

Attempts made by Taranis to discuss and repair these issues have only met with resistance within MEMPR and are met with further demands to deal with marginal issues of dubious intent. These

problems can be fixed – by providing clear, consistent, project management fundamentals governing the application process, with regulations and policies that are scalable, effective, and which address the needs of exploration companies and the public.

Board of Directors Analysis

The Taranis Board remarks “Sending conflicting and contradictory guidance to exploration and mining companies creates unfairness and uncertainty that jeopardize any exploration or mining investment in B.C. While MEMPR has recently adopted the slogan ‘Regulatory Excellence’, Taranis has experienced failed project management, changing policies, moving goalposts, and the inability by MEMPR to meet any credible timeline. It begs the question, ‘Why bother exploring in B.C. for mineral deposits when the Permitting process is ill-defined and poorly implemented?’ Based on our experience, it is easy to conclude that the current B.C. government is intent on eliminating the mining industry in the province by instituting a barrage of vague and ever-changing requirements for permitting and operation, with a compliment of inexperienced and unqualified civil servants in positions of authority whose obvious intention is nothing less than making sure nothing gets done”.

About Taranis Resources Inc.

Taranis is an exploration company, developing its 100%-owned Thor project in southeast B.C.. Taranis owns 100% interest in 27 contiguous Crown Grant Mining Claims (all with mineral rights, and many with surface rights) and 3,153 Ha of Mineral Tenures at Thor. Taranis has two areas of Thor permitted/bonded for exploration drilling for 5 years, and a third approved permit to drill the Ridge Target that requires bonding (C\$52.4K). Taranis will evaluate the benefit of paying the remaining bond as permitting circumstances evolve.

Taranis currently has 71,074,500 shares issued and outstanding (82,733,266 shares on a fully-diluted basis).

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