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Taranis Resources Inc.
14247 West Iliff Avenue
Lakewood, Colorado
80228-5421

www.taranisresources.com



TARANIS RESOURCES INC.

Taranis Identifies High Priority Target at Base of Volcanic Unit at Thor

Lakewood, Colorado, January 19, 2017 – Taranis Resources Inc. (“Taranis”) [TSX.V: TRO] is pleased to provide an update on exploration related to its Thor project in southeast British Columbia. Being able to develop a solid exploration model serves as a roadmap to future exploration around the Thor deposit, and is one of the ways Taranis can add value to the existing Resource.

Taranis has given highest priority to understanding an aerially extensive rock unit called the ‘Green Tuff’ that forms a volcanic-sedimentary dome complex (“VDC”) at Thor. The VDC shows a close spatial relationship to precious and base metal mineralization, and is believed to be the hydrothermal center responsible for the deposition of the Thor Ag-Au-Pb-Zn-Cu deposit.

Potassium-Argon Age Dating

Initial potassium-argon age dating of the VDC rocks at Thor has been completed. Two age dates from drill holes (Thor-158 and Thor-179) fell within the Upper Mississippian / Lower Pennsylvanian age and another sample from the Broadview area yielded a Middle Silurian age. The Broadview Formation that hosts the Thor deposit has no fossils, but is widely acknowledged to be “Lower Paleozoic” in age.

These findings are consistent with the concept that Thor is a Lower Paleozoic (Ordovician/Cambrian?) sediment-dominated VMS deposit that underwent intense structural deformation in the Upper Paleozoic (320 mya). During this time, the intense pressure partially reset the radiometric clock, and some of the gold may have been remobilized from the main sulphide deposit into high-grade gold deposits such as SIF. If this interpretation is correct, then high-grade gold portions of the deposit are associated with Mississippian-age cross-cutting faults as documented in the SIF Zone.

Borehole and Surface Magnetic Modeling

The surface and borehole magnetic data was subjected to geophysical inversion modeling to provide additional information pertaining to the source of the large magnetic anomaly found at surface. In addition, the borehole deviation surveys were reprocessed and three component magnetic data was extracted for each of the holes that was then examined in conjunction with the inverted ground magnetic data and the drill hole geology. More information can be found on Taranis’s website at www.taranisresources.com

The surface and boreholes magnetics show many positive magnetic anomalies that are related to the Green Tuff unit at Thor. The Green Tuff unit forms a large positive magnetic anomaly in the center of the property that flanks the east side of the Ag-Au-Pb-Zn-Cu deposit. The potential importance of this anomaly was understood early in the exploration history, but the target was

not adequately explored owing to the priority of drilling-out the near surface Thor deposit and completing the 2013 Resource estimate at Thor.

Two drill holes yielded important information about this positive magnetic anomaly. Drill Hole Thor-74 completed in 2008 tested the anomaly and was drilled to a depth of 346 m (1,466 m ASL). This hole intersected Green Tuff for the full 346 m and did not penetrate the lower contact of the formation, although magnetic modeling indicates it came very close. This drill hole shows that there is a magnetic body located further downdip (east) of the end of the hole that remains untested and could represent the down-dip extension of the Thor deposit.

Drill hole Thor-121 was completed 240 m southwest of Thor-74 and this is the only known drill hole that penetrated into the formation below the VDC at a depth of 215 m (1,480 m ASL). The contact at the base of the VDC hosts extensive chlorite and sericite alteration that suggests that the lower contact of the VDC is highly prospective for a VMS deposit that could be the source of the known Thor deposit. Similar to Thor-74, Thor-121 also shows a large magnetic anomaly located further down-dip (east) of the drill hole that is potentially an undiscovered sulphide body.

Drill Hole Geology Review

The drill hole geology at Thor was simplified into several major rock types that were then colour coded in the 3D model with the inverted magnetics and 3 component borehole magnetics. The major rock units include the volcanic/tuffaceous rocks, argillite, carbonaceous argillites and the mineralized zones themselves. This simplification of the geology shows that the carbonaceous alteration in the sedimentary rocks at Thor occurs as an envelope around the VDC. This is consistent with thermal alteration around a VMS deposit. It may also explain the lack of any fossils in the sedimentary rocks as they have been destroyed by thermal alteration.

Conclusions

John Gardiner, President and CEO adds “In addition to the short-term exploration goals at Thor and expanding the near-surface resource, we continue to examine the extensive data to identify targets outside of the existing deposit. The hydrothermal system that formed Thor is very large (over 2,000 m long and at least 350 m thick), and is capable of supporting additional deposits to what is currently known. One of the revelations to come out of this study is that the entire Thor deposit may be the west side of a much larger deposit buried 300-400 m below surface at the base of the VDC. In addition to the core drilling and geophysical evidence, there are also structural footprints that corroborate this interpretation and we are excited to drill this concept in the near future.”

Qualified Persons

John Gardiner (P.Geol.) and Jim Helgeson (P.Geo.) are the Qualified Persons on the Thor Project, and supervised the preparation and scientific and technical disclosure in this News Release.

About Taranis Resources Inc.

Taranis is an exploration company focused on the development of its 100%-owned Thor project in southeast British Columbia. The company’s mandate is to recognize mineral deposits early in the exploration cycle that can be developed through intelligent exploration and business alliances. For additional information on Taranis or its Thor project, please visit our website at www.taranisresources.com.

Taranis currently has 54,451,716 shares issued and outstanding (62,151,716 shares on a fully-diluted basis).

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Per: John J. Gardiner (P. Geol.),
President and CEO

For further information contact:

John J. Gardiner
14247 West Iliff Avenue
Lakewood, Colorado
Phone: (303) 716-5922
Cell: (720) 209-3049
johnjgardiner@earthlink.net

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