

## FOR IMMEDIATE RELEASE

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### **Taranis Identifies Large Silver and Gold-Bearing Target on Its 100% Owned Caselton East Project, Lincoln County, Nevada**

Lakewood, Colorado, July 27, 2006 – Taranis Resources Inc. ("Taranis") [TSX.V: TRO], a Colorado-based resource company with a number of gold and silver projects in Nevada and Finland, is pleased to update exploration activities on its 100% owned Caselton East Project located in Lincoln County, Nevada.

A large, sub-cropping hydrothermal breccia zone ("Blow-Out Zone") has been delineated in quartzite on the property that extends on surface for over 420 m in length and 90 m in width, and is associated with a major east-west trending fault zone that crosses the property. The breccia zone occurs within a high-angle fault structure at the interface between eastward-dipping Paleozoic-age quartzite and limestone, and has highly anomalous levels of gold, silver, lead, zinc, arsenic, antimony and mercury where it is exposed at surface.

Most importantly, the breccia zones dips eastward and continues in the subsurface where it remains totally unexplored. Taranis controls over 3 km of this prospective fault structure. This concealed target is marked by a pronounced broad magnetic low at surface which suggests widespread hydrothermal alteration in the subsurface that is possibly related to further gold and silver mineralization. Some of the previous rock-chip sampling conducted in 2005 within the Blow-Out Zone returned the following values:

<b>Sample No.</b>	<b>Ag (ppm)</b>	<b>Au (ppb)</b>	<b>Pb (%)</b>	<b>Zn (ppm)</b>
PG-19	15.3	73	0.16	42
PG-20	4.8	20	0.05	38
PG-13	1.3	135	0.04	131
PG-17	7.9	449	0.25	2990
PG-10	14.0	27	0.05	24
PG-9	10.8	8	0.02	21
PG-7	93.0	92	2.62	369
PG-3	43.3	94	0.21	315
PG-22	10.8	27	0.92	355
PG-11	21.9	N/S	0.13	1330

- - N/S = Not Significant

John Gardiner, President and CEO of Taranis states "Taranis has been able to validate the existence of widespread hydrothermal alteration and gold/silver mineralization within a fault structure that extends over 3 km on the Caselton East Property. We are very excited about the prospects of exploring this zone down-plunge and to the east. In our opinion, the Blow-Out Zone could very well be the west edge of a much larger target that exists to the east of the surface exposure. There are geophysical indications that the zone continues to the east under the limestone caprock".

Taranis plans on immediately establishing a detailed grid and commencing a geologic mapping, soil sampling and rock outcrop sampling program in order to gain a better understanding of the Blow-Out Zone. Analytical work was completed by American Assay Labs located in Reno, Nevada. Exploration activities on the Caselton East Property were overseen by John Gardiner (P. Geol.), who is a Qualified Person under the meaning of Canadian National Instrument 43-101.

#### **About Taranis Resources Inc.**

Taranis is a precious metal resource company with three active exploration projects owned 100% located in Nevada, and the advanced-stage Kettukuusikko Property located in Finland which is

currently being explored by Taranis Resources Inc. and Royal Gold, Inc. of Denver. Taranis currently has 11,025,168 shares issued and outstanding (12,495,918 shares on a fully-diluted basis).

TARANIS RESOURCES INC.

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

*The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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