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Tuesday, September 28, 2004

News Release

Highlights of Exploration Drilling on Needles Property, Nye County, Nevada And Expiration of Warrants Issued Under Initial Public Offering

Highlights of Exploration Drilling

Taranis Resources Inc. (the "Company") is pleased to announce results of continuing exploration efforts on its 100% owned Needles Property, Nye County, Nevada. Diamond drilling has focused on a NNW-trending corridor of alteration within Tertiary-age volcanic rocks that is over 2.5 km in length and is host to widespread, low-level geochemical levels of gold and silver mineralization obtained in surface sampling.

The Company has completed a total of 25 HQ-diameter exploration holes (totaling 1,322 m) which have been successful in identifying high-grade gold and silver mineralization in vicinity of the Arrowhead Mine, and highly anomalous gold and silver mineralization in another area ("Whopper Junior") located under thin alluvial cover 1.75 km NNW of the shaft. The Company is continuing to drill around the Arrowhead Mine to further delineate high-grade precious metal mineralization.

Arrowhead Mine Target

Drilling around the Arrowhead Mine has demonstrated the presence of high-grade gold and silver mineralization (accompanied by highly anomalous Se geochemistry and depleted levels of As and base metals) hosted within a sub-horizontal west dipping tabular-shape epithermal body. The Arrowhead Deposit was the subject of limited mining activity from 1919 through 1922, and there are no reliable production statistics or underground level plans. The main inclined shaft to the deposit is caved 80' below the surface, making surface drilling the only method suitable to exploration of the body at this time. A high-grade surface dump sample now known to be from the mine graded 234 g/t Au and 1,060 g/t Ag. Petrographic and microprobe analyses of this sample indicated that silver and gold occur within Se-rich electrum, accompanied by argentite (Ag₂S) veinlets.

Two drill holes (N-7 and N-11) intersected workings 30 m vertically below surface, and have provided valuable information about the geometry and tenor of the precious metal deposit. Two earlier drill holes (N-1 and N-2) drilled by the Company are now known to have been drilled parallel to the zone and failed to intersect significant values.

Drill Hole No.	From (m)	To (m)	Interval (m)	Dip	Au (g/t) Fire Assay	Ag (g/t) Fire Assay
N-7	26.0	32.1	6.1 *	-55	1.45	414.2
<i>Includes</i>			<i>0.7</i>		<i>3.97</i>	<i>1,248.5</i>
N-11	16.1	19.2	3.1 *	-60	2.14	304.8
<i>Includes</i>			<i>0.6</i>		<i>8.64</i>	<i>1,369.5</i>

* - Hanging-wall of underground workings only – Foot-wall Zone assays pending

Both drill holes N-7 and N-11 terminated in stopes that were approximately 1.6 m in width. Extensions to these drill holes have now been completed to bridge the stopes and recover core from the footwall of the tabular zone, assay results are pending. This data suggests that the limited underground workings completed on the Arrowhead Mine extracted only the highest-grade material, and left wide zones of disseminated gold and silver mineralization in both the hanging wall and footwall, much of which could be accessed via a shallow open pit.

Ongoing drilling, geochemical and geophysical work in vicinity of the Arrowhead Mine continues to add important insight to the geology of the deposit. The Company recognizes considerable upside potential for the discovery of small to medium-size high-grade deposits as well as large, low-grade bulk-mineable deposits on other areas of the Needles Property.

Whopper Junior Target

Drill hole N-5 tested a large Induced Polarization/Resistivity anomaly 1.75 km NNW of the Arrowhead Zone under a broad area of thin colluvium. Drill hole N-5 intersected a broad zone of sulphide mineralization within a flat-lying volcanic unit not exposed at surface. The drill hole terminated in mineralization and will be deepened to ascertain the extent of mineralization in the area.

Drill No.	Hole	From (m)	To (m)	Interval (m)	Dip	Au (ppb)	As (%)	Sb (ppm)
N-5		82.54	106.59	24.05	-45	116	0.38	35.9

Drill hole N-5 suggests the presence of epithermal mineralization on the property distinct from the Arrowhead Mine, dominated by broad levels of low-grade gold and arsenic geochemistry. Further drilling is required in this area to assess the size and extent of this geochemical anomaly.

Drill core is sawed in half for analyses, and the other half is retained for geologic records and further assay verification if required. American Assay Laboratories of Reno, Nevada completed fire assays, and Acme Laboratories of Vancouver and American Assay Laboratories have been used to complete I.C.P. analyses. Exploration activities on the property were overseen by Jim Helgeson, the Company's V.P. Exploration, who is a Qualified Person.

Other Activities

Concurrent with the drilling program being undertaken on the Property, the Company has also staked an additional 49 claims to encompass surface alteration similar to that seen at the Arrowhead Mine.

Expiration of Warrants

Under the terms of the initial public offering (“IPO”) that was underwritten by Northern Securities Inc., the Company issued a total of 1,971,429 non-transferable share purchase warrants which were exercisable for a period of one year from the closing of the IPO. Each warrant entitled the holder to purchase one share of the Company at a price of \$0.50. A total of 79,400 of these warrants were exercised, with the balance of 1,892,029 warrants having expired unexercised on September 5, 2004. The Company currently has 9,989,668 shares outstanding; a total of 350,186 Agent’s warrants also remain outstanding, each of which entitles the holder to purchase one share of the Company at a price of \$0.35 until September 5, 2005.

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

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