

FOR IMMEDIATE RELEASE

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Taranis Engages SMOY Drilling To Undertake Winter 2006-2007 Exploration Program At Kettukuusikko, Finland

Lakewood, Colorado, October 12, 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 provide an update of its ongoing exploration activity at Kettukuusikko, Finland.

Taranis has engaged Suomen Malmi Oy "SMOY" to undertake the winter drilling program at Kettukuusikko, scheduled to commence December 1st, 2006. Significant progress has been made identifying a number of geophysical targets outside of the Kettukuusikko South Zone ("KSZ"), and these will be tested by this winter's drilling program.

Geologically the Kettukuusikko Property hosts a large "S"-shaped fold 1.7 km wide called the Kettukuusikko Fold Structure ("KFS") that plunges at a shallow angle northwards. Gold mineralization is found within a highly-altered ultramafic unit that is characterized by intense alteration including pyritization, silicification and albitization. The KFS is now disrupted by the Sirkka Shear Zone, a structure that is an important control on the location of gold deposits in Lapland and has moved a portion of the receptive host rock.

John Gardiner, President and CEO of Taranis comments "last winter's drilling identified a major fault along the east side of the KSZ. This fault has severed a portion of the KSZ and we have been working diligently to find the faulted-off portion of the KSZ. The best widths and grades are found within the KSZ where it has been faulted-off (drill hole K-29 which intersected 20.35 m of 4.33 g/t Au previously reported in NR dated February 27th, 2006). We now have evidence to suggest we have identified the "faulted-off" portion of the KSZ using geophysical surveys, and these high-priority targets will be tested by the drill program commencing this winter."

Other Information

Royal Gold, Inc. has earned a 2% NSR in the project by having funded US\$500,000 of exploration costs on the project. If Royal Gold completes the additional US\$600,000 in funding, Taranis and Royal Gold will enter into a Partnership Agreement, in which event the 2% NSR Royalty will terminate and Royal Gold will earn a 51% interest in the property. However, if Royal Gold ceases funding prior to reaching \$600,000 it will retain its 2.0% NSR royalty.

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 12,025,168 shares issued and outstanding (13,995,918 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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