

# TERRENO RESOURCES CORP.

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## TERRENO RESOURCES DISCOVERS OVER ONE PERCENT COPPER MINERALIZATION AT THE LAS CUCHARAS GOLD AND SILVER PROJECT IN MEXICO ALONG WITH GOLD UP TO 1.97 G/T AND SILVER UP TO 246.0 G/T

**TORONTO, CANADA – May 31, 2021 - Terreno Resources Corp.** (TSXV: TNO.H) (“**Terreno**” or the “**Company**”) is pleased to provide an update on exploration activities at the Las Cucharas Gold and Silver Project in Nayarit, Mexico. Management believes that the discovery of over 1% Copper adds a new dimension to our Project.

During 2021, field crews are focused on defining the extents of the property-wide Las Cucharas precious metal system, which has been traced over 6 kilometres in strike length. New mineralized zones and splays of the vein system are being discovered in intermediate locations between known showings and past producing small-scale mines. Terreno is modeling this large hydrothermal system in order to define drill targets for future testing.

The Company has received results from several newly-discovered showings, with 54 samples collected from the Arroyo El Jocuixtle, Los Cuervos, El Zapotillo, Arroyo del Tiro, and Potrero de Don Teodulo Zones. (Please see Map 1). Samples were collected as continuous chip samples along marked lines unless otherwise noted. A summary of significant results is shown in the table below.

<b>SAMPLE #</b>	<b>ZONE</b>	<b>WIDTH</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Cu (%)</b>
<b>40255</b>	<b>Arroyo El Jocuixtle</b>	<b>0.40</b>	<b>0.25</b>	<b>246.0</b>	<b>1.05</b>
<b>40259</b>	<b>Arroyo El Jocuixtle</b>	<b>1.40</b>	<b>1.20</b>	<b>88.9</b>	<b>-</b>
<b>40263</b>	<b>El Zapotillo</b>	<b>0.65</b>	<b>1.97</b>	<b>3.3</b>	<b>-</b>
<b>40278</b>	<b>El Zapotillo</b>	<b>1.10</b>	<b>0.31</b>	<b>119.0</b>	<b>-</b>
<b>40284</b>	<b>Los Cuervos</b>	<b>1.50</b>	<b>0.11</b>	<b>208.0</b>	<b>0.33</b>
<b>40288</b>	<b>Los Cuervos</b>	<b>1.50</b>	<b>-</b>	<b>38.4</b>	<b>0.60</b>
<b>40289</b>	<b>Los Cuervos</b>	<b>1.00</b>	<b>-</b>	<b>112.3</b>	<b>1.24</b>
<b>40236</b>	<b>Arroyo del Tiro</b>	<b>0.80</b>	<b>-</b>	<b>22.5</b>	<b>-</b>
<b>40237</b>	<b>Arroyo del Tiro</b>	<b>1.50</b>	<b>-</b>	<b>22.5</b>	<b>-</b>
<b>40247</b>	<b>Potrero de Don Teodulo</b>	<b>1.50</b>	<b>-</b>	<b>26.3</b>	<b>-</b>

The Arroyo El Jocuixtle Zone is located approximately 700 metres to the west of the La Planta Zone. It is not located near the similarly named Jocuixtle Zone, which is on the main structural zone and an important past production area of the Las Cucharas mine complex. Samples from Arroyo El Jocuixtle were collected on a NW-trending brecciated fracture and fault structure with abundant iron oxides. Values reached up to 1.2 g/t Au, 246.0 g/t Ag, and 1.05% Cu as noted above.

The El Zapotillo Zone is located near the northern limits of the Las Cucharas claim block. Several small-scale exploration adits were sampled, returning up to 1.97 g/t Au over a 65-centimeter sample width, and 119.0 g/t Ag over a 1.1 metre sample width (See Photo 1).

Los Cuervos is located roughly 900 metres to the east of the La Taverna Zone. Exposures reveal a NNW-trending, steeply NE-dipping fracture and breccia zone up to 6 metres in width. Several old small-scale exploration adits were cleaned for sampling. A sample collected in January 2021 from an old mine dump returned 635 g/t Ag (news release dated April 8<sup>th</sup>, 2021, sample #40194). These new results include up to 208.0 g/t Ag over 1.5 metres, and 112.3 g/t Ag over 1.0 metre. Fine chalcopyrite and associated copper carbonate minerals such as malachite and azurite are common in these exposures, and returned copper values from 0.33 to 1.24% Cu (Please see Photo 2).

Near the La Planta Zone, the Arroyo del Tiro and Potrero de Don Teodulo areas were sampled and mapped.

The Arroyo del Tiro area is located roughly 600 metres to the south of the La Planta Zone, and has a 6-metre deep crosscut developed to intersect a fault vein structure underground. The structure is sheared and brecciated across a 4 metre width, and strikes NE 15-22 degrees with a SE dip of 60 degrees (See Photo 3).

The Potrero de Don Teodulo is a drainage exposure roughly 220 meters south of La Planta, and consists of several NW-trending fault structures which are hosted in a strongly fractured and argillic altered outcrop.

Silver values from these zones ranged up to 26.3 and 22.5 g/t Ag, both over 1.5 metre sample widths. While these values are lower, they do indicate that the mineralized hydrothermal system is persisting in these areas.

The Las Cucharas Project represents a historic gold and silver mining area with well documented small-scale production from 1903 through 1961 of 3,000 kilograms of gold (96,450 oz) and 30,000 kilograms of silver (964,500 oz) (Vargas, COREMI Pub M-12e,1994). The Las Cucharas Project is classified as a volcanic-hosted low-sulfidation epithermal precious metal system with significant mineralization occurring along a six-kilometer northwest-trending structural zone. Gold and silver are hosted in vein and shear structures, stockwork zones, and breccias, sometimes with associated sulfide mineralization. Classic low-sulfidation epithermal style textures are common, including banded quartz veins and breccias, as well as drusy, bladed, and chalcedonic quartz, as well as local minor zinc, lead, and copper sulfide minerals.

It is located in the southern extreme of the mid-Tertiary Sierra Madre Occidental (SMO) volcanic belt, which is a prolific mining terrain host to many world-class multi-million ounce gold and silver deposits. Some examples include the El Sauzal Mine with production from 2004 to 2014 of over 1.7 million ounces of gold (Newmont-Goldcorp, June 3,2016), the Pinos Altos Mine of Agnico Eagle Mines Ltd. at 3.5 million ounces of gold and 100 million ounces of silver (Duquette et al, Mar 20, 2009, NI 43-101 probable reserves), the Metates Project of Chesapeake Gold Corp. at 18.5 million ounces of gold and 526 million ounces of silver (M3 Engineering and Technology NI 43-101 PFS, proven and probable reserves, Jan 31, 2013), and the San Dimas Mine of First Majestic Silver Corp. with 753,000 ounces of gold and 62.6 million ounces of silver (Mendoza-Reyes et al, Dec 31, 2020, NI 43-101 measured and indicated resources).

Significant recent investment and activity in exploration, development, and property acquisition is underway at nearby projects by groups such as GR Silver Mining Ltd., Xali Gold Corp./Candente Gold Corp., and McEwen Mining Inc. These projects are very similar in geology and mineralization style to Las Cucharas. (Please see Map 2).

GR Silver Mining Ltd. is actively exploring the Plomosas Silver Project, San Marcial Silver-Lead-Zinc Project, and Rosario Gold-Silver projects, which are located 20-60 kilometers to the northwest and west of Las Cucharas respectively. In February 2021, GR Silver also completed an agreement with Mako Mining Corp. to acquire the La Trinidad mine facilities and 104,094.5-hectare land holdings in the area. These concessions are adjacent and immediately to the west of Las Cucharas. GR Silver began an 11,900-metre exploration-drilling program at Plomosas, and surface geophysics at San Marcial in 2021.

Xali Gold Corp. (previously Candente Gold Corp.) has recently acquired both the SDA mill in Acaponeta, Nayarit, and the El Dorado Gold-Silver Project near Ruiz, Nayarit. The SDA mill is a sulfide flotation plant with a precious metals leach circuit, and was previously owned and operated by Minerales Vane S.A. de C.V. from 2007-2017. The El Dorado Project is past-producing silver and base metal rich vein system locally known as the Zopilote and La Frazada camp. Underground mining was carried out along a very small section of the potentially 3.5 kilometer-long vein system, as outlined in surface mapping. The El Dorado project is located roughly 100 km SSE of Las Cucharas

In February 2021, McEwen Mining Inc. published a positive feasibility study on the reactivation of the El Gallo mine in the state of Sinaloa, under the name of the Fenix Project. The study projects a 9.5-year mine life based on a resource calculation of 208,000 ounces of gold and 19.5 million ounces of silver at the El Gallo Complex. El Gallo is located roughly 400 kilometers to the northwest of Las Cucharas. (GR Engineering Services Ltd. Fenix Project FS NI 43-101, measured and indicated resources, Dec 2020)

Mr. Cary Pothorin, P.Geo., Vice President of Exploration for Terreno Resources Corporation, is a Qualified Person as defined in Nation Instrument 43-101, and has prepared and approved the scientific and technical disclosure contained in this news release.

#### Quality Control and Assays

Rock samples were collected using industry standard documentation including sample location, type, width, and description. Samples were delivered to Bureau Veritas Laboratories in Durango, Mexico for preliminary sample preparation consisting of crushing, pulverizing, and splitting, and then forwarded to Hermosillo, Mexico, and/or Vancouver, Canada for analysis. Analyses are done for gold (30 gram fire assay with an ICP finish); and 35-element ICP analyses. Samples with values over 10 g/t gold and 100 g/t silver are reanalyzed by fire assay with a gravimetric finish. Bureau Veritas is an ISO 9001 certified laboratory facility.

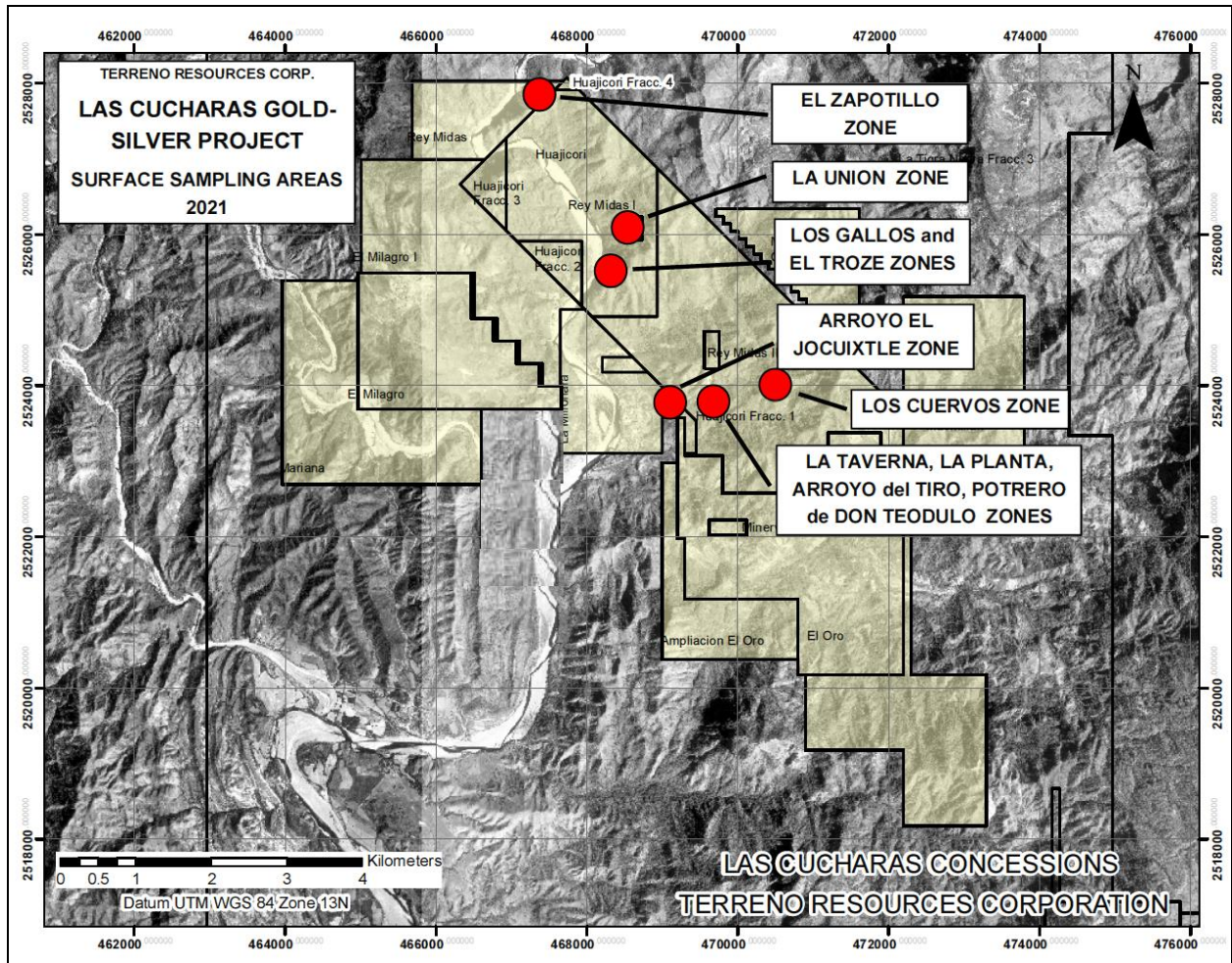
Additional information on the Company can be viewed at [www.sedar.com](http://www.sedar.com)

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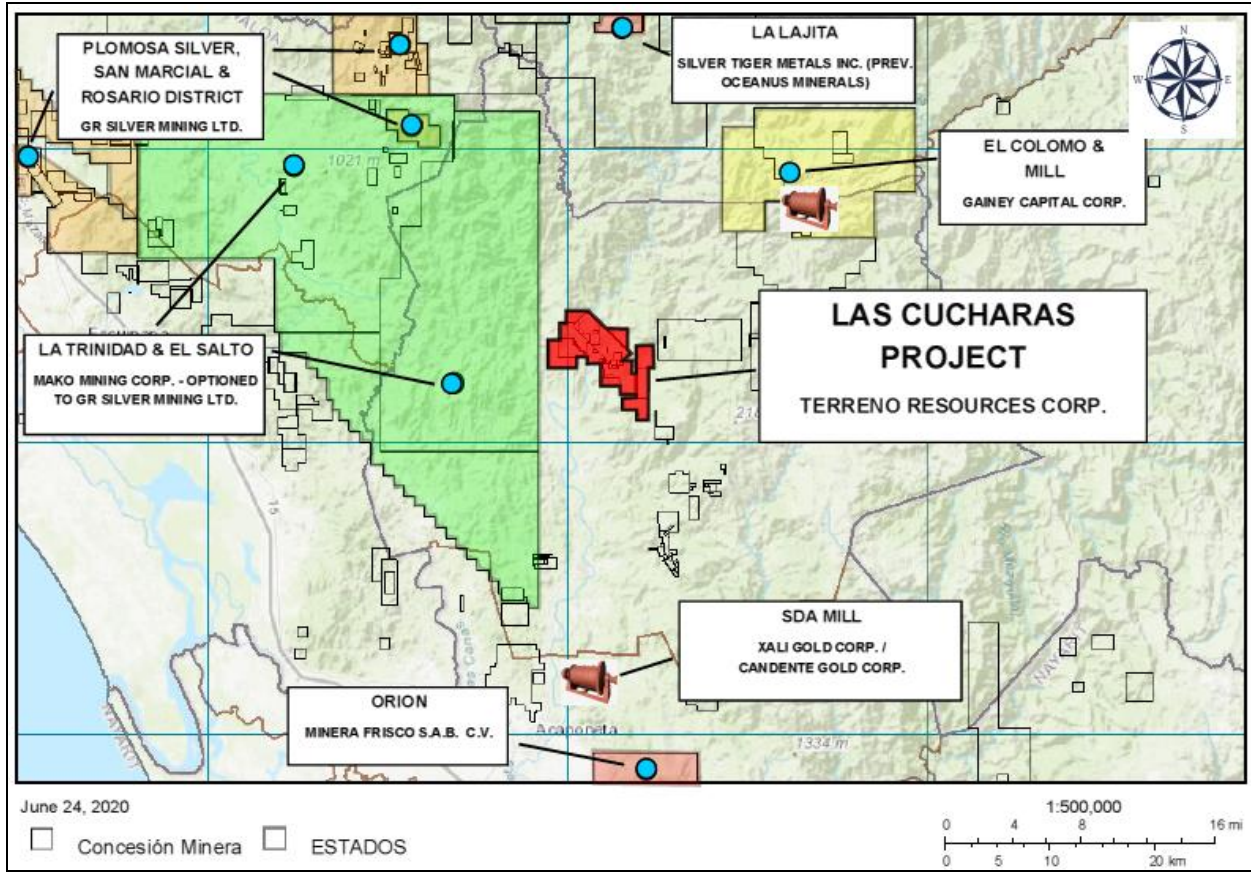
This news release does not constitute an offer to sell or a solicitation of an offer to buy any of Terreno's securities in the United States. None of the securities have been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available. Any public offering of securities in the United States must be made by means of a prospectus that contains detailed information about Terreno and its management, as well as financial statements.

This release may contain certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information include, but are not limited to, statements with respect to the transactions contemplated, any requisite regulatory approvals in respect thereof and proposed future transactions Tereno may undertake and their expected timing. Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Terreno to control or predict. Terreno undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly readers are advised not to place undue reliance on forward-looking statements.



Map 1. Concession map of the Las Cucharas Gold and Silver Project showing locations of March and April 2021 sampling areas.





**Map 2. Location of Las Cucharas Gold-Silver Project in Nayarit state showing nearby exploration projects, mills, and mines.**



**Photo 1. El Zapotillo Zone small scale mine working.**





Photo 2. Los Cuervos Zone with copper carbonate minerals.





**Photo 3. Arroyo del Tiro Zone with cross cut development.**