TERRENO RESOURCES CORP.

NEWS RELEASE 2020-05

TERRENO RESOURCES CLOSES $460,000 PRIVATE PLACEMENT

TORONTO, CANADA – September 1, 2020 - Terreno Resources Corp. (TSXV: TNO.H) ("**Terreno**" or the "**Company**") is very pleased to announce that the Company has filed an NEX Form C – Notice of Proposed Share Issuance / Financing with the NEX for review. Subject to regulatory approvals, the financing is for $460,000 consisting of 9,200,000 units at $0.05 Each unit consists of a common share plus one share purchase warrant. Each warrant will be exercisable at $0.07 for a common share until the expiry date to be twelve months from the financing closing date.

Three directors have subscribed as insiders for 1,824,039 units representing 19.8% of the private placement. The subscription of Units by insiders pursuant to the private placement is considered a related party transaction under Multilateral Instrument 61-101. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that participation in the private placement by these insiders does not exceed 25% of the fair market value of the Company's market capitalization.

The Company has also requested approval for 126,000 common shares and 126,000 non-transferable warrants exercisable for 12 months at $0.07 to be issued as finders fees to the following parties:

William Siragusa	42,000 common shares and 42,000 non-transferable warrants
2013026 Ontario Inc.	84,000 common shares and 84,000 non-transferable warrants

Prior to the closing, the Company has 36,835,506 common shares issued and outstanding and no warrants outstanding. Post closing the Company expects to have 46,161,506 common shares outstanding and 9,326,000 warrants exercisable at $0.07 for 12 months from closing date.

The proceeds will be used for general working capital requirements to maintain a listed public company and to complete the earn in of a 60% interest in the Las Cucharas Gold & Silver Project in Nayarit, Mexico. Over $600,000 of the $700,000 of cumulative exploration expenditures that are required by October 31, 2021 have been incurred to date. 3,000,000 common shares are due to be issued on the third anniversary in January 2021 and a final 5,000,000 common shares are due to be issued on the fourth anniversary in January 2022 subject to the transfer to Terreno of the 60% interest in the 17 concessions covering the 4,447 hectares consisting of the Las Cucharas Project.

Terreno's work programs will be focused on defining structural controls in the known precious metal areas and connecting mineralized zones into larger targets in preparation for diamond drilling. Given the very large exploration area, the main showings have been grouped into 5 main zones in order to focus more detailed work (see Map 1).

The 5 zones are grouped as:

- ZONE 1 – La Union – El Cardon – La Paloma – Los Gallos – La Guaca
- ZONE 2 – Nuevo Cucharas/La Taverna – Jocuixtle – La Tlacuacha – La Italia
- ZONE 3 – La Raizura – El Molino – La Azurita
- ZONE 4 – Lajeños – Boyadero/Boyadero Norte – El Doctor/Mamalin
- ZONE 5 – Los Llanitos – El Trompo – Varas Blancas

The Las Cucharas 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). It is located in the southern extreme of the mid-Tertiary Sierra Madre Occidental (SMO) volcanic belt, which hosts many of Mexico's gold and silver deposits. These include the El Sauzal (over 1.7 million ounces of gold), the Pinos Altos (1.3 million ounces of gold and 34 million ounces of silver), the

Metates (18.5 million ounces of gold and 526 million ounces of silver), and the San Dimas (832 thousand ounces of gold and 61.8 million ounces of silver) (see Map 2).

Exploration work was carried out by Maverix Metals Inc. (formerly MacMillan Minerals Inc. and the predecessor company MacMillan Gold Corp.) between 2003 through 2012. This work succeeded in identifying fourteen mineralized zones over a north-west trending zone that is six kilometres in length, as well as several other showings outside of this main zone. Mineralization is characterized as volcanic-hosted, low-sulfidation, epithermal gold and silver in vein and shear structures, stockwork zones, and breccias. Classic low sulfidation textures are common, including banded quartz veins and breccias, as well as drusy, bladed, and chalcedonic quartz.

Maverix carried out several phases of surface and underground geological mapping, rock and soil sampling, trenching, local geophysics, and drilled approximately 2,190 metres in 15 exploration diamond drill holes. Some historical work highlights include:

- Surface grab samples ranging up to 18 g/t Au and 807 g/t Ag in the Nuevo Cucharas/La Taverna Zone.
- Underground channel samples ranging up to a weighted average of 3 g/t Au and 292 g/t Ag over 2 metre width and 71 metre strike length in the La Raizura underground working.
- Exploration drill holes tested several of the known mineralized zones, and all but 3 of the holes returned significant gold and silver values (see Map 3)
- All historical drill results are as reported in Maverix Metals Inc. news releases dated May 29, 2013, October 15, 2012, September 27, 2012 and all prior results are as reported in the February 27, 2012 dated Geological Report and Summary of Field Examination prepared by R.A.Lunceford MSc CPG as SEDAR filed by Maverix on March 29, 2012.

Confirmation samples collected by Terreno personnel at several of the main showings on the property during 2018 returned very encouraging precious metal results. Grab samples were taken in both underground and surface exposures of known mineralized areas. Grab samples are not indicative of mineralized widths.

Highlights of 2018 sampling results include the following:

ZONE	Au (g/t)	Ag (g/t)
LA RAIZURA - Underground	9.6	973.0
LA RAIZURA - Underground	13.9	856.0
EL MOLINO	0.6	103.2
LOS LLANITOS	1.6	31.2
LA UNION	9.7	327.0

The 2019 exploration programs at Las Cucharas continued to provide additional evidence of a widespread hydrothermal precious metal system with greater size potential and continuity than was previously

indicated. A total of ninety (90) samples were collected from new outcrop exposures. Map 4 indicates the locations of the 2019 sampled zones (see Map 4).

1. La Union - El Cardon Zone

The La Union and El Cardon Zones are sub-parallel vein structures which have been traced over 800 metres in strike length. These zones have significant underground development on several levels and were major contributors to gold and silver production at Las Cucharas.

New exposures were sampled to the northwest, southeast, and west of the main mineralized zones. Extensions of the structures are typically 1.5 metres in width where exposed, and consists of intense quartz veinlets in a strongly silicified fault breccia matrix. Limonite and hematite iron oxides are common, and pyrite is locally visible.

Sample highlights from the Veta La Amapa (Amapa Vein) are shown below. This structure had not been sampled previously and is located over 150 metres to the southwest of the main La Union structure.

Sample Number	Sample Width (m)	Au (g/t)	Ag (g/t)
40077	1.50	0.45	119.1
40078	1.30	3.61	248.0

2. Jocuixtle Zone (see Photo 1)

Jocuixtle is part of the northwest-trending La Italia-Jocuixtle-La Taverna-Los Gallos vein system, which has been traced over 1.2 kilometres, and was an important contributor to historic gold and silver production at Las Cucharas. The main underground working is collapsed and not currently accessible.

The main Jocuixtle structure is a combination of clay-rich fault or sheared volcanic rock with abundant quartz veins and veinlets, and ranges from 1.5 to 4.6 metres wide where exposed. The wallrock typically has fine quartz veinlets and strong clay-sericite alteration with fine disseminated pyrite. Fine disseminated galena and malachite staining occur locally, and hematite and limonite iron oxides are common. The first two samples below represent mineralized wallrock, and the following samples represent vein material.

Sample Number	Sample Width (m)	Estimated True Width (m)	Au (g/t)	Ag (g/t)
40080	1.40		1.17	106.4
40081	1.50		-	38.3
40092	1.00		0.14	224.0
40095	2.00	2.00	0.22	92.6
40096	1.30	1.30	3.39	710.0

40099	1.50	1.50	-	24.8

3. La Guaca and El Coco Zones (see Photo 2)

The La Guaca Zone is located to the northwest and is thought to be the northern continuation of the La Italia-Jocuixtle-La Taverna-Los Gallos vein system, with a cumulative length of 1.2 kilometres.

The main La Guaca structure in this exposure is 1.5 metres wide with a north-west orientation consisting of drusy quartz veins, calcite veinlets, and abundant iron oxides. Lateral and parallel to the main structure are sericite-clay-calcite alteration zones with fine disseminated pyrite and abundant iron oxides, which in turn, changes outward to propylitic epidote-chlorite-calcite alteration, and then to relatively unaltered intermediate volcanic rock. The main structure and lateral alteration zones are greater than 16 metres in true width. A previously unknown adit is now exposed and follows this structure.

Sample Number	Sample Width (m)	Estimated True Width (m)	Au (g/t)	Ag (g/t)
40101	1.50		-	10.6
40102	1.50	1.50	0.14	15.9
40109	1.50		0.76	61.6
40110	1.75	1.75	0.27	44.9
40111	1.20		0.35	42.4

The El Coco Zone is a newly discovered vein exposure approximately 800 metres to the east of La Guaca with a collapsed underground working. The vein structure indicates a northwest strike, is 1.5 metres wide, and consists of abundant quartz veinlets in a fault breccia matrix.

Sample Number	Sample Width (m)	Estimated True Width (m)	Au (g/t)	Ag (g/t)
40113	1.50	1.50	0.20	62.7
40114	1.60		-	9.5
40115	1.00		1.26	132.9

4. Corral de Piedra Zone (see Photo 3)

The alteration and mineralization style at Corral de Piedra appears very similar to that of the El Molino Zone, and is located approximately 1.5 kilometres to the east-northeast of El Molino. Both zones are located near to the southeast extent of the project area.

At El Molino, gold and silver values are associated with predominantly northeast-trending banded quartz and quartz +/- tourmaline veins, veinlets, and breccias with a characteristic black weathering from a manganese-rich mineral assemblage. Surface sampling from previous operators over a 100 x 380 metre

area reported values of 1.13 g/t Au and 143 g/t Ag over 3 metres, with individual samples ranging up to 4.84 g/t Au and 95.4 g/t Ag. Precious metal mineralization in this area appears to be widespread due to the intersection of fault and fracture systems with different orientations.

Several new exposures have been identified in the 1.5 kilometre area between El Molino and Corral de Piedra with similar alteration and mineralization styles.

New exposures at Corral de Piedra have been traced over a 100 metre long area and appear to define an alteration and vein zone that is over 4 metres wide with an east-northeast orientation. Quartz veins and veinlets show variably banded, brecciated, cockscomb or drusy, and locally chalcedonic textures. Gold values are generally low, but widespread silver values indicate the presence of a large continuously mineralized precious metal zone in this area. Terreno will conduct follow up sampling in this 1.5 kilometre area to determine continuity and potential.

Sample Number	Sample Width (m)	Au (g/t)	Ag (g/t)
40059	1.70	-	44.8
40072	Float	-	13.7
40073	Float	-	16.9
40079	0.30	0.30	12.4

Once environmentally permitted, the proposed follow up exploration program will have two phases. The first phase will consist of mechanical trenching, mapping and sampling. The objective is to help define continuity of the mineralized structures and to connect the known mineralized areas into larger drill targets. Subject to adequate working capital, the proposed second phase will consist of exploration diamond drilling targeted based on compiled results of the mapping, sampling, and geological modeling.

Review of the historical work and the initial property assessment has been carried out by Mr. Cary Pothorin, P.Geo., Vice President of Exploration for Terreno Resources Corporation, and a Qualified Person (“QP”) as defined by National Instrument 43-101. Mr. Pothorin, as QP, has prepared, supervised the preparation of, and approved the scientific technical disclosure in this news release.

Mr. Pothorin is a professional geologist in good standing with the Association of Professional Engineers and Geologists of British Columbia. Mr. Pothorin has a B.Sc. with Specialization in Geology from the University of Alberta and a Business Administration Diploma from Camosun College in Victoria, B.C. and is fluent in Spanish with over 25 years of work experience throughout the Americas.

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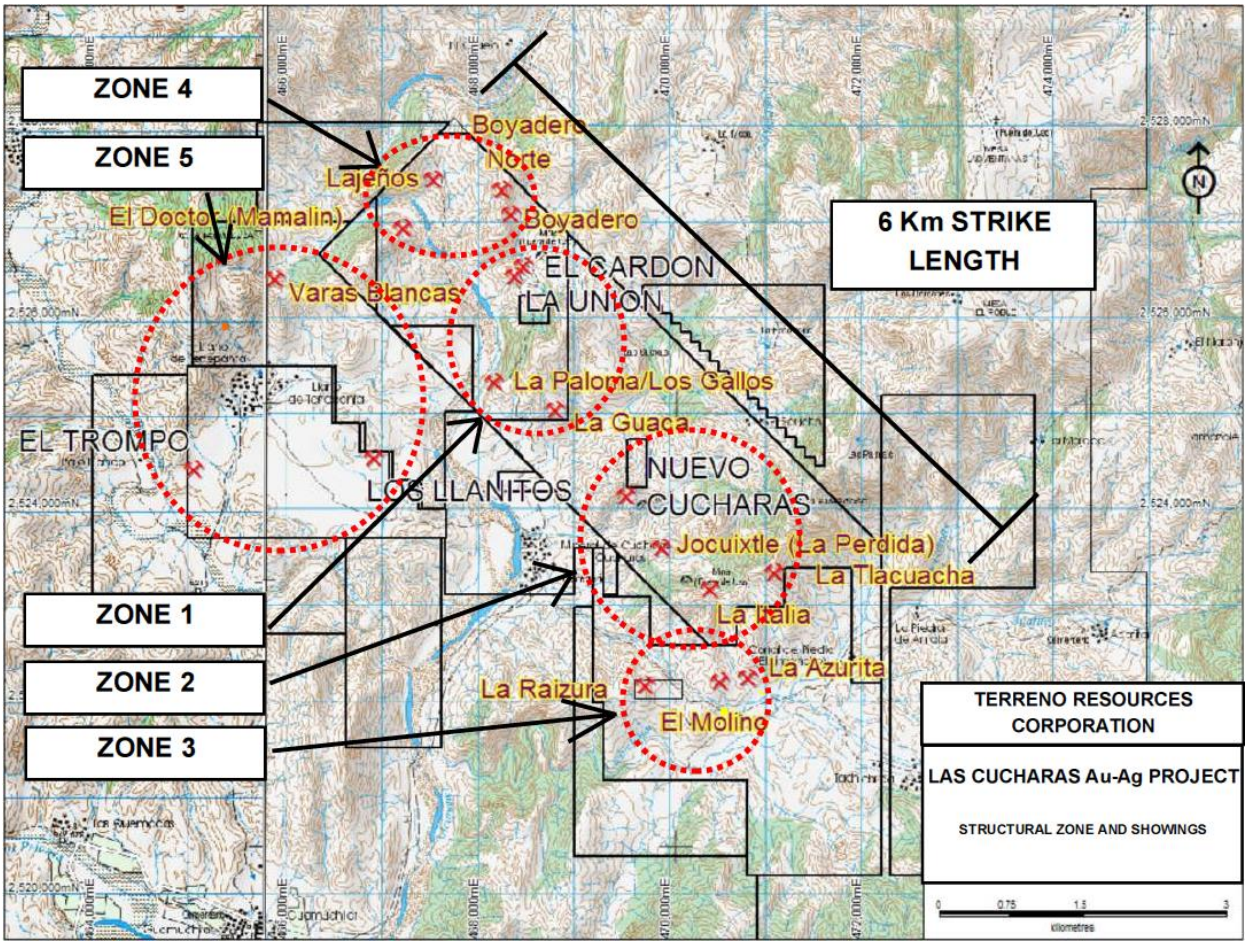
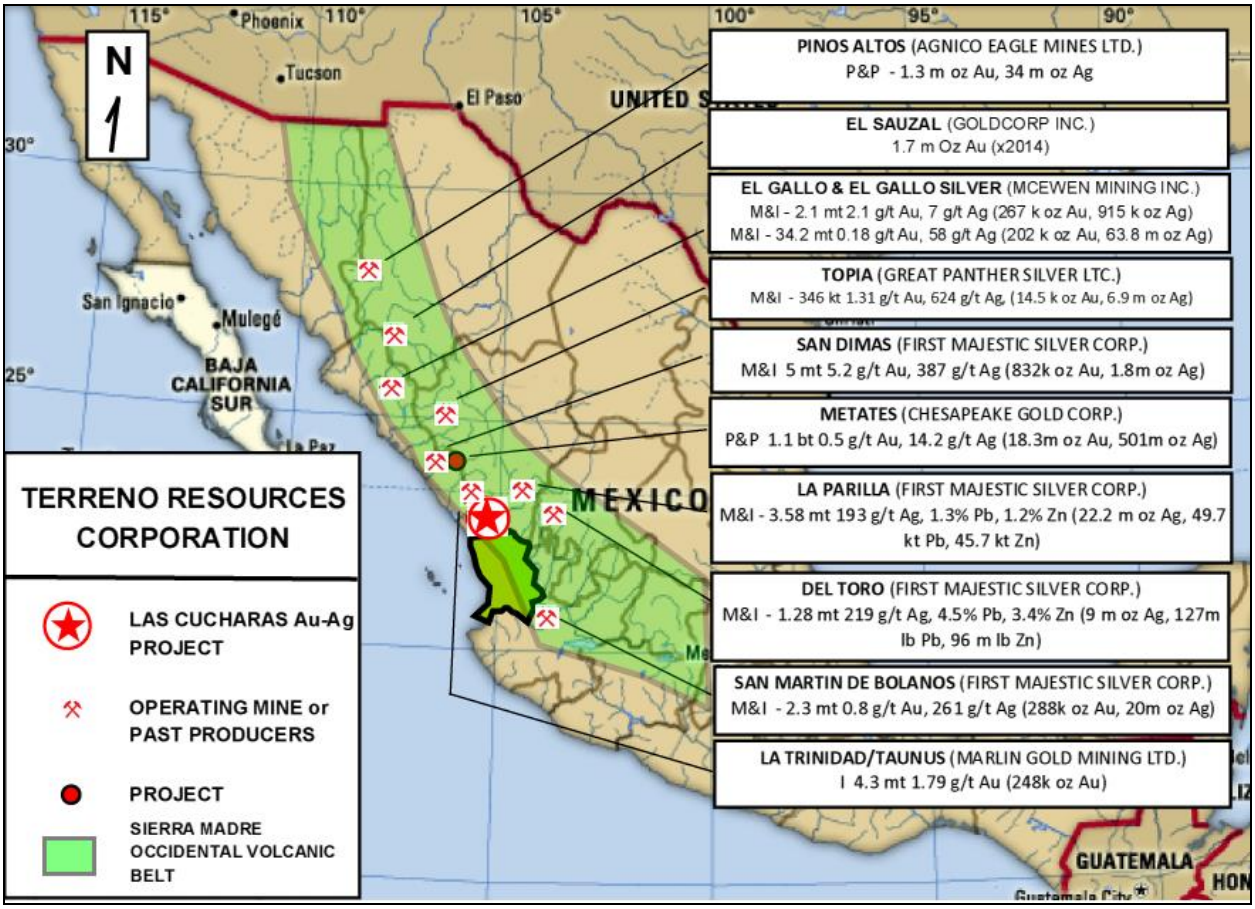
This news release does not constitute an offer to sell or a solicitation of an offer to buy any of Terreno's securities in the United States. None of the securities have been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities 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.

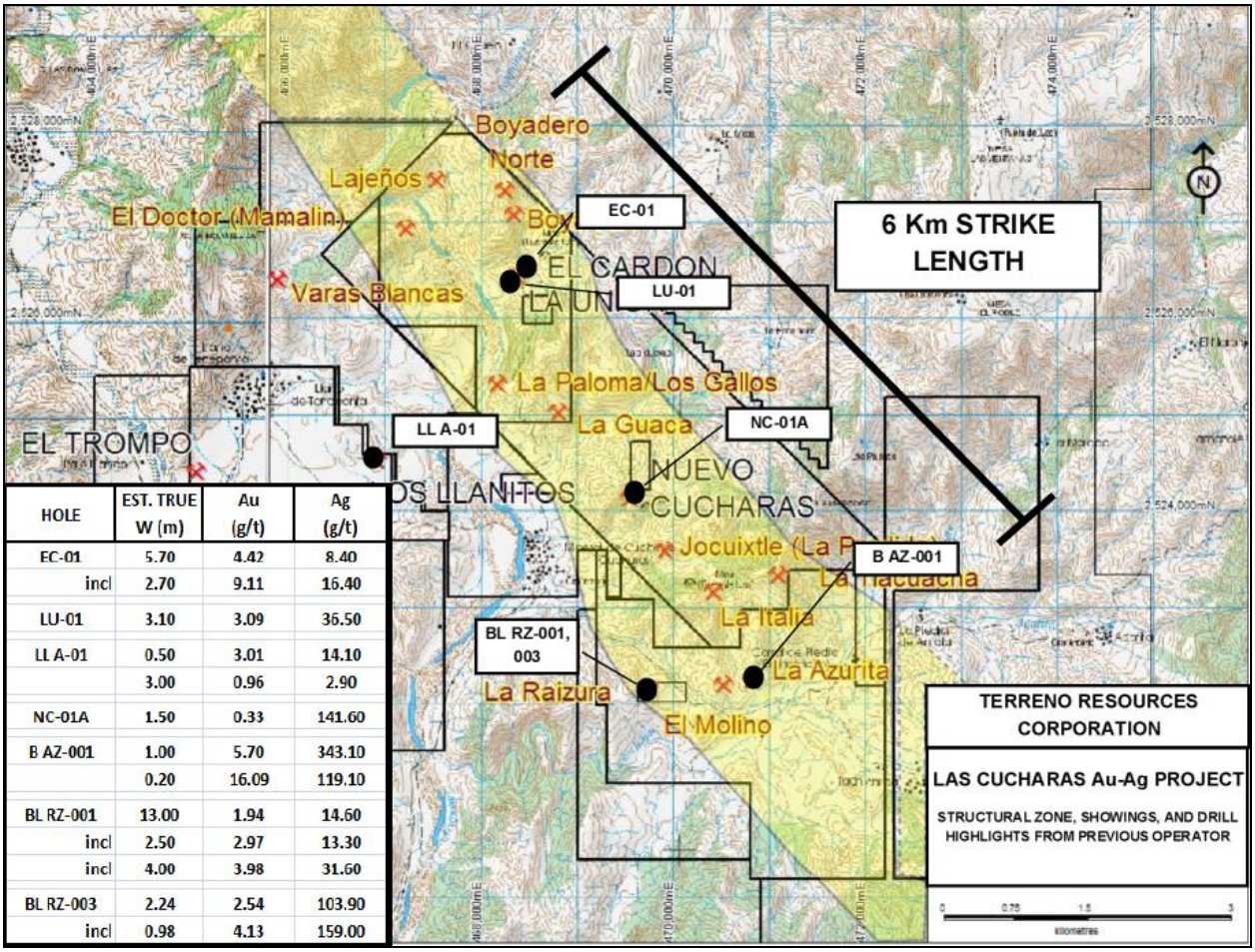
Map 1 – Las Cucharas project area showing outline of concessions, covering over 4,447 hectares and the five (5) identified main target zones. Each map grid block is 2 km x 2 km.



Map 2 – Location of Las Cucharas Project in relation to significant gold and silver mines and deposits in the Sierra Madre Occidental (SMO) volcanic belt in Western Mexico.



Map 3 – Light yellow shading indicates NW-trending structural zone and location of main showings. Black dots indicate location of historical exploration drill holes and corresponding intersections.



HOLE	EST. TRUE W (m)	Au (g/t)	Ag (g/t)
EC-01	5.70	4.42	8.40
incl	2.70	9.11	16.40
LU-01	3.10	3.09	36.50
LL A-01	0.50	3.01	14.10
	3.00	0.96	2.90
NC-01A	1.50	0.33	141.60
B AZ-001	1.00	5.70	343.10
	0.20	16.09	119.10
BL RZ-001	13.00	1.94	14.60
incl	2.50	2.97	13.30
incl	4.00	3.98	31.60
BL RZ-003	2.24	2.54	103.90
incl	0.98	4.13	159.00

Map 4 - Concession map of the Las Cucharas Gold and Silver Project showing locations of 2019 sampling areas.

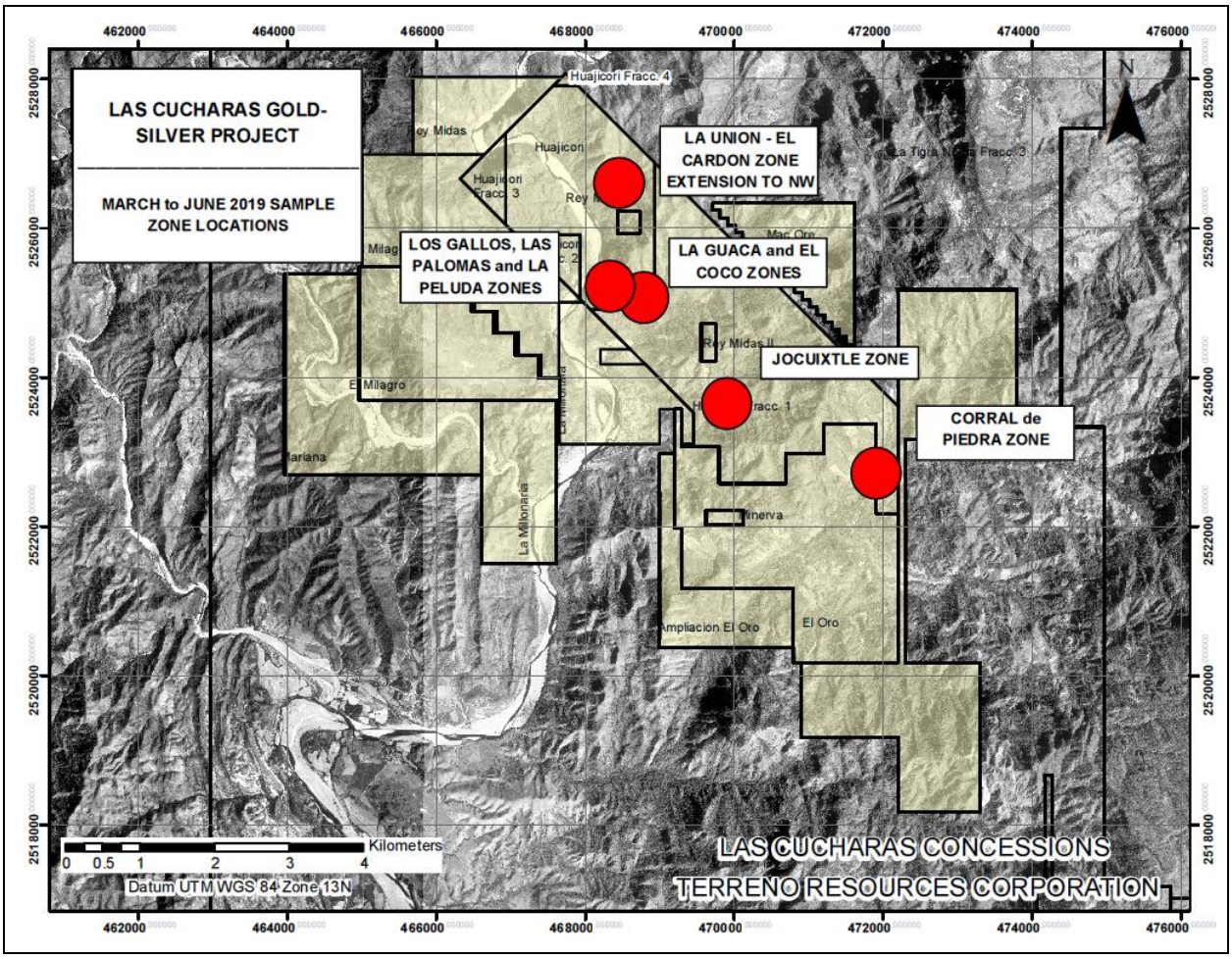


Photo 1 – Jocuixlte Zone – Sheared vein structure exposed in drainage

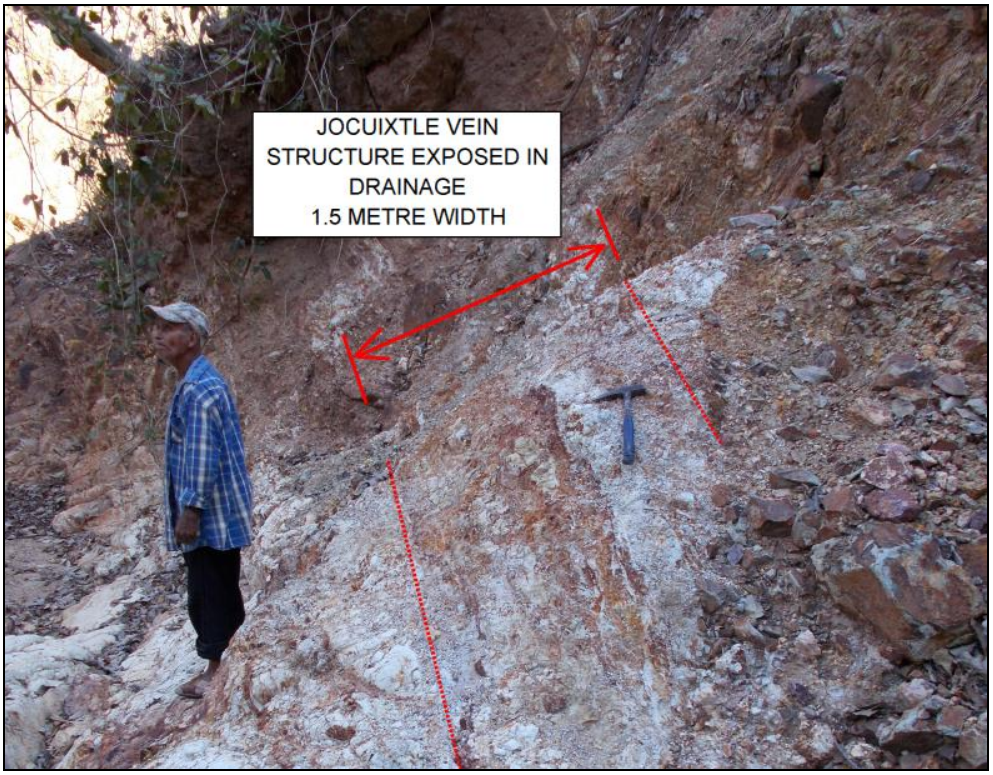


Photo 2 – La Guaca Zone – Vein exposure and sheeted quartz veinlets

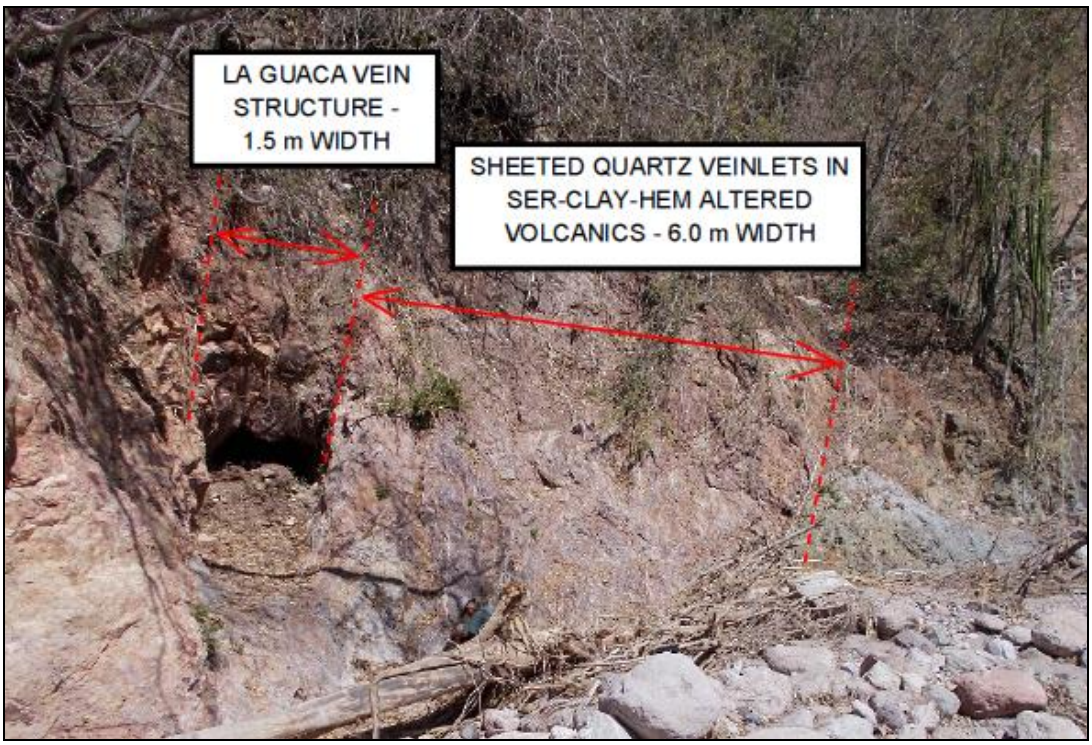


Photo 3 – Corral de Piedras Zone – Quartz-Tourmaline Veinlets on Fractures, black weathering color caused by manganese content