

TERRANE

METALS CORP.

1250 – 999 West Hastings Street, Vancouver, B.C. V6C 2W2 Telephone: 604-681-9930
www.terrane metals.com

News Release

TERRANE INITIATES DRILL PROGRAM AND FEASIBILITY STUDY AT MT. MILLIGAN

September 21 , 2006

TSX - V : TRX

Vancouver, British Columbia – Robert Pease, President and CEO of Terrane Metals Corp. (“Terrane” or the “Company”) (TSXV: TRX) is pleased to announce the selection of the engineering and technical team that will prepare a Feasibility Study on the Company’s 100%-owned Mt. Milligan gold-copper project (“Mt. Milligan”), 155 km northwest of Prince George in central British Columbia, Canada. The Feasibility Study will be coordinated by Wardrop Engineering Inc. (“Wardrop”), an internationally recognized, consulting engineering group with over 50 years of mineral industry experience. In addition to Wardrop, Terrane has appointed a group of technical and engineering specialists in ore reserve estimation and mine design, environmental and socioeconomic studies, mineral processing and metallurgy, geotechnical, infrastructure, and capital and operating cost estimation. This technical team includes: Independent Mining Consultants Inc., AMEC, BGC Engineering Inc., G&T Metallurgical Services Ltd, Knight Piesold Ltd. and Merit Consultants International Inc.

Robert Pease, President and CEO of Terrane stated, “We are extremely pleased to have been able to assemble such a strong and experienced group of technical and engineering specialists to complete the Mt Milligan Feasibility Study. The Study will be completed in the third quarter of 2007 and will build upon an extensive, \$50 million database that was assembled by Placer Dome Inc.”

As part of the Feasibility Study, Terrane has initiated a minimum 5,000 metre diamond drill program at the project site. This multi-rig program is designed to upgrade Inferred resources into the Measured and Indicated categories. The program will also provide mineralized samples for definitive metallurgical test work and pilot plant studies.

Since the discovery of the Mt. Milligan gold-copper deposit in 1983 a total of 194,467 metres of diamond drilling in 911 holes has defined a large, gold-copper resource that is amenable to open pit mine development. Placer Dome, the prior owner and operator of the project, calculated a Measured and Indicated resource totaling 205 million tonnes containing 3.7 million ozs of gold and 1.12 billion lbs of copper (See Atlas Cromwell Ltd. News Release dated April 20th, 2007). A key component of the Mt. Milligan Feasibility Study will be the completion of a revised, independent 43-101 compliant resource estimate which will consider a number of grade-tonnage open pit development scenarios.

Terrane Metals Corp. is an exploration and mine development company focused on the acquisition, advancement and development of Canadian precious and base metal assets. Goldcorp Inc. (GG: NYSE; G: TSX) owns a 75% equity interest in Terrane on a fully diluted basis.

TERRANE METALS CORP.

Signed “Robert Pease”

**Robert Pease, P.Geo, FGAC
President and CEO**

For further information contact:

Rob Pease, President and CEO
Terrane Metals Corp
(604) 681 - 9930 - Phone

<http://www.terranemetals.com>

The TSX Venture Exchange has not reviewed, and does not accept responsibility for the adequacy or accuracy of the content of this news release.

The statements contained in this release that are not historical facts are forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from the targeted results. The Company relies upon litigation protection for forward looking statements.

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