

TERRANE METALS CORP.

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NEWS RELEASE

**TERRANE ANNOUNCES RESULTS OF FEASIBILITY STUDY
ON MT. MILLIGAN COPPER-GOLD PROJECT**

March 31, 2008

TSX-V: TRX

Vancouver, British Columbia: Robert Pease, President and CEO of Terrane Metals Corp. (“Terrane” or the “Company”) (TRX: TSX-V) is pleased to announce results of a Feasibility Study Report (“Report”) on its 100%-owned Mt. Milligan Copper-Gold Project (“Project”) in British Columbia, Canada.

The Report was prepared by Wardrop Engineering Inc. (“Wardrop”) following a 22 month and \$20 million work program. The Report describes scope, design features and economic viability of a conventional truck-shovel open pit mine and 60,000 tonnes per day copper flotation process plant at Mt. Milligan. The capital cost is estimated at \$917 million and commercial production is scheduled to begin in Q1 2012. The Project would create 400 permanent jobs over a 15.3 year mine life.

The Report considered a Base Case commercial production plan that utilized London Metal Exchange (“LME”) three-year rolling average metal prices and exchange rate as noted below. All amounts are in Canadian funds unless otherwise stated.

Base Case Highlights (US\$2.75/lb Copper, US\$600/oz Gold and FX 0.89)	Years 1 - 6	Years 1 - 15
<u>Average Annual Metal Production</u>		
Copper lb, million	97	88
Gold oz	265,100	217,000
<u>Average Annual Production Cost (US\$/lb/oz)</u>		
1 lb copper net of gold credit	\$0.36	\$0.64
1 oz gold net of copper credit	- \$268	- \$250
<u>Pre-Tax Payback (years)</u>		3.7
<u>Pre-Tax Internal Rate of Return (%)</u>		18.1
<u>Pre-Tax Net Present Value (8%)</u>		\$606 million

Rob Pease stated: “We are excited about the results of the Feasibility Study Report. It describes a development and operations plan that successfully combines long-term commercial viability with environmental stewardship. At Mt. Milligan we have designed a Project with low unit cost open pit reserves, excellent metallurgy and established infrastructure all within the framework of an effective and safe closure plan. These key Project components provide the opportunity for Mt. Milligan to be a low cost producer of copper or gold that will have a positive long-term impact on the social and economic well being of the Project area. The Company looks forward to ongoing consultation with local communities and First Nations. An Application to the BC Environmental Assessment Office for an Environmental Assessment Certificate to build and operate a mine at Mt. Milligan will be filed in Q2 2008.”

KEY LIFE-OF-MINE PARAMETERS

Mineral Reserve*	333.7 million tonnes
Millfeed Grade	0.217% Cu 0.428 g/t Au
Contained Metal	
Copper lb	1.60 billion
Gold oz	4.59 million
Stripping Ratio	0.82 /1
Annual Throughput	21.9 million tonnes
Milling Rate	60,000 tonnes per day
Copper Recovery	84.6%
Gold Recovery	72.3%
Copper Concentrate Grade	27.0%
Capital Cost	\$917 million
Operating Cost	\$7.12 per tonne milled
Mine Life	15.3 years

*See Table V

CAPITAL COST

The capital cost is \$917 million in Q1 2008 dollars and has been estimated to an accuracy of $\pm 15\%$. The capital cost is shown in Table I.

Table I CAPITAL COST

Description	\$ million
Direct Costs	
Plant Site Infrastructure	23
Mining & Pre-Production Development	164
Process Plant	252
Ancillaries	23
Power Supply & Distribution	64
Tailings & Water Reclaim	92
Total Direct Costs	618
Indirect Costs	
Owner's Costs	31
EPCM	167
Total Indirect Costs	198
Subtotal	816
Contingency – 12.4%	101
Total	\$917

The capital cost estimate and financial models exclude allowances for cost escalation over the Project schedule. Based on certain assumptions with regard to Project schedule and procurement of capital equipment, capital cost escalation is estimated to be \$70 million.

OPERATING COST

The operating cost is \$7.12 per tonne of ore milled as shown in Table II.

Table II OPERATING COST

Description	\$ per tonne Milled
Mining (including waste)	2.65
Processing	3.77
General and Administrative	0.55
Plant Services	0.15
Total Operating Cost	\$7.12

FINANCIAL EVALUATION

Pre-tax financial models presented in Table III are based on three LME metal price scenarios and calculated as of February 29, 2008. Wardrop adopted three-year rolling average metal prices as the Base Case. This approach is considered to be an industry standard and consistent with the SEC requirements of the United States. Other cases considered by Wardrop included a two-year rolling average and current prices. Variable rolling average exchange rates (US\$/C\$) are used for financial modeling purposes. A constant exchange rate of \$1.00 (US\$/C\$) has been used for the capital cost estimate.

Table III PRE-TAX FINANCIAL MODELS

	Units	Metal Price Models		
		Current Price	2 Year Average	3 Year Average (Base Case)
Copper	US\$/lb	3.85	3.20	2.75
Gold	US\$/oz	970	680	600
FX	USD/CAD	1.02	0.92	0.89
NPV 0%	\$ millions	3,788	2,664	1,944
5%		2,121	1,412	962
8%		1,510	956	606
Payback	Years	2.3	3.0	3.7
IRR	%	29.7	22.9	18.1

Working capital of \$37 million, sustaining capital of \$130 million and reclamation and closure costs of \$31 million have been included in the financial models. Financial metrics over a wider range of metal prices can be viewed in a sensitivity matrix at the Company's website <http://www.terranemetals.com>.

MINERAL RESOURCE AND MINERAL RESERVE

The Mt. Milligan copper-gold porphyry deposits contain a Measured and Indicated Mineral Resource of 590.8 million tonnes averaging 0.193% Cu and 0.352 g/t Au containing 2.52 billion lb copper and 6.70 million oz gold (Table IV). The Mineral Resource was tabulated within a conceptual open pit at a US\$4.20/tonne Net Smelter Return ("NSR") cut-off value using US\$2.00/lb Cu and US\$650/oz Au. The NI 43-101 compliant Mineral Resource is based on 218,700 m of core drilling in 960 drill holes. The drill hole database was supported by some 35,000 quality assurance/quality control (QA/QC) check assays.

The Mineral Reserve was developed through the construction of an ultimate open pit within the above Mineral Resource model. The Proven and Probable Mineral Reserve totals 333.7 million tonnes averaging 0.217% Cu and 0.428 g/t Au containing 1.60 billion lb copper and 4.59 million oz gold (Table V). The Mineral Reserve was optimized at a US\$4.20/tonne cut-off value using US\$1.60/lb copper, US\$550/oz gold and an 0.88 US\$/C\$ exchange rate. Both the Mineral Resource and Mineral Reserve take into account metallurgical recoveries, concentrate grades and transportation costs and smelter treatment charges in determining NSR values. The Mineral Reserve incorporates allowances for grade dilution, mining dilution and ore losses.

Table IV MINERAL RESOURCE (Inclusive of Mineral Reserve)

Category	Tonnes (Million)	Cu (%)	Au (g/t)	In-situ Cu lb (Million)	In-situ Au oz (Million)
Measured	301.8	0.206	0.415	1,371	4.03
Indicated	289.0	0.180	0.287	1,147	2.67
Total	590.8	0.193	0.352	2,518	6.70
Inferred	11.9	0.170	0.228	45	0.09

Note: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability

Table V MINERAL RESERVE

Category	Tonnes (Million)	Cu (%)	Au (g/t)	In-situ Cu lb (Million)	In-situ Au oz (Million)
Proven	213.8	0.228	0.472	1,075	3.24
Probable	119.9	0.198	0.351	523	1.35
Total	333.7	0.217	0.428	1,598	4.59

MINERAL PROCESSING

The 60,000 tonnes per day process plant will utilize conventional crushing, grinding, rougher and cleaner flotation to produce a marketable gold-rich copper concentrate. Coarse metallic gold will be recovered in a separate gravity concentrate and mixed with the final copper concentrate. The overall process design philosophy was to select large equipment and to maintain a simple and conventional single-line flowsheet. Table VI summarizes forecast process plant metallurgical performance.

Table VI METALLURGICAL PERFORMANCE

	Years 1-6	Years 1-15
<u>Millfeed Grade</u>		
Cu (%)	0.232	0.217
Au (g/t)	0.512	0.428
<u>Recovery (%)</u>		
Cu	87.7	84.6
Au	74.3	72.3
<u>Concentrate Grade</u>		
Cu (%)	27.3	27.0
Au (g/t)	51.0	45.4
Annual Concentrate (dry tonnes)	161,500	148,600

MINING OPERATIONS

The near-surface and tabular configuration of the Mineral Reserves make them well-suited to low unit cost open pit development at a waste/ore ratio of 0.82/1. Large-scale open pit mining will provide mill feed at a nominal rate of 60,000 tonnes per day or 21.9 million tonnes per year with a copper head grade blending strategy to optimize metallurgical performance. The mine production schedule was developed through seven pushbacks and allows for early extraction of higher grade and gold-rich reserves.

TAILING STORAGE FACILITY

The U-shaped Tailings Storage Facility (“TSF”) is located immediately adjacent to the open pit and process plant to minimize Project footprint and to allow for effective and safe closure. Its construction is fully integrated into the mine plan and eliminates the need for a conventional waste rock storage facility.

INFRASTRUCTURE

The Project is connected to existing roads and railheads at the nearby communities of Fort St. James and Mackenzie. Mine employees will commute daily from local communities. Delivery of electrical power will require the construction of a 92km – 230kV transmission line, part of which follows an existing right-of-way from the BC Hydro Kennedy substation.

The Project is strategically located for delivery of gold-rich copper concentrates to Pacific Rim smelters. Concentrate will be transported from the railhead at Fort St. James to the port of Vancouver and then transferred to ocean vessels for shipment to smelters.

PERMITTING

The Project will be reviewed under both the British Columbia and Canadian Environmental Assessment Acts. A Project Description was filed in September 2006. Draft Terms of Reference were filed with provincial and federal agencies in December 2007.

In 1993, Placer Dome obtained federal and provincial approvals to develop the Project. The current Project design has been refined through an additional 15 years of study.

Final Terms of Reference from the BC Environmental Assessment Office and a scoping decision from the Canadian Environmental Assessment Agency are expected in Q2 2008. An Environmental Assessment Certificate Application for a provincial Certificate and information required for a federal Comprehensive Study Report will be filed in Q2 2008. Necessary approvals including construction permits are anticipated by the end of Q2 2009 which would allow for the commercial production in Q1 2012.

CONFERENCE CALL

Terrane will host a conference call on Tuesday April 1, 2008 at 8:00am PDT to discuss the Feasibility Study Report. A recording of the call will be available on the Company's website. Call-in information is as follows:

Toll Free Dial-in Numbers (within the US and Canada): **1 800 951 6728**

International Dial-in Number: **+1 212 231 2936**

QUALIFIED PERSONS

Ms. Karla Mills, P. Eng., of Wardrop Engineering Inc. is an independent Qualified Person as defined by NI 43-101. Ms. Mills has reviewed and approved the contents of this news release.

Mr. Jianhui Huang, Ph.D., P. Eng., of Wardrop Engineering Inc. is an independent Qualified Person as defined by NI 43-101. Mr. Huang has reviewed and approved the contents of this news release.

Mr. Herb Welhener, MMSA-QPM, of Independent Mining Consultants, Inc. is an independent Qualified Person as defined by NI 43-101. Mr. Welhener has reviewed and approved the contents of this news release.

Mr. Darin Labrenz P. Geo., of Terrane Metals Corp. is a Qualified Person as defined by NI 43-101. Mr. Labrenz has reviewed and approved the contents of this news release.

Mr. Jay Collins, P. Eng., of Merit Consultants International Inc. is an independent Qualified Person as defined by NI 43-101. Mr. Collins has reviewed and approved the contents of this news release.

Mr. Bruno Borotraeger, P. Eng., of Knight Piesold Ltd. is an independent Qualified Person as defined by NI 43-101. Mr. Borotraeger has reviewed and approved the contents of this news release.

The NI 43-101 Technical Report for the Mt. Milligan Feasibility Study Report will be filed on SEDAR within 45 days of the date of this news release.

ABOUT THE COMPANY

Terrane Metals Corp. is an exploration and mine development company focused on the development of the Mt. Milligan copper-gold and Berg copper-molybdenum-silver projects in British Columbia, Canada. Goldcorp Inc. (GG: NYSE; G: TSX) owns a 58% equity interest in Terrane on a fully diluted basis.

TERRANE METALS CORP.

Signed "Robert Pease"

**Robert Pease, P. Geo, FGAC
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Cautionary Note Regarding Forward Looking Statements

Except for the statements of historical fact contained herein, the information presented in this News Release constitutes "forward-looking statements" as such term is used in applicable Canadian laws. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, statements concerning Mineral Resource and Mineral Reserve estimates should be viewed as forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and should be viewed as "forward-looking statements". Such forward looking statements, including but not limited to, those with respect to the price of metals, the amount of estimated mineralization and of contained metals and the timing of and possible outcome of pending economic evaluations and other factors and events described in this News Release, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, the actual results of exploration activities; variations in the underlying assumptions associated with the estimation or realization of Mineral Resources and Mineral Reserves, the conclusions of economic evaluations and possible variations in ore grade or recovery rates; costs and timing of the development of new deposits; availability of capital to fund programs and the resulting dilution caused by the raising of capital through the sale of shares; accidents, labour disputes and other risks of the mining industry including without limitation those associated with the environment, delays in obtaining governmental approvals, permits or financing or in the completion of

development or construction activities, title disputes or claims limitations on insurance coverage. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this News Release and in any document referred to in this News Release.

Forward looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.