

## News Release

### Goldcorp To Support Development Of Mt Milligan Project

#### Terrane Inks Agreement In Respect Of Loan Guarantee And Joint Venture Option

---

**Vancouver, British Columbia:** Terrane Metals Corp. ("Terrane" or the "Company") (TRX: TSX-V) is pleased to announce that the Company has entered into a letter agreement in respect of a loan guarantee and a joint venture option agreement (the "Agreement") with majority shareholder Goldcorp Inc. ("Goldcorp") (GG:NYSE; G:TSX) for the commercial development of its 100%-owned Mt. Milligan Copper-Gold Project (the "Project") in British Columbia, Canada.

Under terms of the Agreement, Goldcorp will guarantee a non-revolving term credit facility of up to \$40 million, or US dollars equivalent, to further advance the Company's long lead-time capital equipment procurement program in support of the construction of a 60,000 tpd open pit mine and process plant at Mt. Milligan. The loan will have an 18 month term and be underwritten by the Bank of Montreal with BMO Capital Markets as the lead arranger and sole book runner.

The Agreement also provides Goldcorp with a one-time option (the "Option") to convert its fully diluted in-the-money equity interest in the Company into a participating joint venture interest in the Project. The Option can only be exercised during the term of the credit facility and then, only if Goldcorp's resulting joint venture interest will be greater than 30% and less than 60%. Upon exercise of the Option, among other terms and conditions, Goldcorp's 240 million Convertible Preferred shares in the capital of the Company would be cancelled and the parties would develop and operate the Project under a joint venture operating agreement. The party holding the majority participating interest would be operator of the joint venture.

A Special Independent Committee of the Board, assisted by Paradigm Capital Inc. and Stikeman Elliot LLP, has determined that the Agreement is fair and in the best interests of the Company. In addition, the Agreement has the unanimous support of the Company's Board of Directors. Goldcorp shall be entitled to nominate two individuals for approval as members of the board of directors of Terrane from the time Terrane has obtained all required regulatory and shareholder approvals until the time the Option is exercised. Upon the exercise of the Option, the two Goldcorp nominees shall resign from the board of Terrane and the joint venture shall be governed by a management committee comprised of representatives from each of Terrane and Goldcorp. Terrane currently expects to hold a meeting of shareholders in July 2008, as the transaction is subject to minority shareholder approval.

Robert Pease, President and Chief Executive Officer of Terrane stated: "Substantial capital investment, time and expertise are required to build a mine at Mt. Milligan. As a result this deal makes a lot of sense for both Goldcorp and Terrane. We welcome the immediate financial support of our majority shareholder and look forward to a strong working partnership over the months ahead as we advance the Project through permitting and into construction."

"We are pleased with the progress on Mt. Milligan," said Kevin McArthur, President and Chief Executive Officer of Goldcorp. "These first steps not only allow us to financially support the development of Mt. Milligan but also provide Goldcorp with the option to participate in its future commercial operation. We are very pleased with our investment in Terrane."

#### Conference Call

Terrane will host a conference call on Tuesday May 27, 2008 at 8:00am PDT. Rob Pease, President and Chief Executive Officer of Terrane along with Chuck Jeannes, Executive Vice President, Corporate Development of Goldcorp will discuss the proposed Agreement.

Call-in information is as follows:

Toll Free Dial-in Numbers (within the US and Canada): **1 800 743 4304**

International Dial-in Number: **+1 212 231 2901**

The conference call will be archived for replay until Tuesday, June 3, 2008, at midnight. To access the archived conference call, listeners can dial 1 416 626 4100 or 1 800 558 5253 and enter passcode 21383635 followed by #. Additionally, a recording of the call will be available on the Company's website <http://www.terrane.com>.

## **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. owns a 58% equity interest in the Company 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

or

Ryan King, Investor Relations

(604) 681-9930 Phone

1 866 681 9930 Toll Free

<http://www.terrane.com>

***The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.***

### **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.