TERRENO RESOURCES CORP.

NEWS RELEASE 2018-03

TERRENO ANNOUNCES PROPERTY OPTION AGREEMENT

TORONTO, CANADA – January 22, 2018 - Terreno Resources Corp. (TSXV: TNO.H) ("Terreno" or the "Company") is pleased to announce that it has signed a definitive property option agreement with an Ontario private company under which Terreno may earn a sixty percent (60%) interest in the Las Cucharas Gold & Silver Project in Mexico. The Las Cucharas Project consists of seventeen (17) concessions covering slightly over four thousand four hundred forty-five (4,445) hectares.

Terreno may earn a sixty percent interest by incurring exploration expenditures and by issuing Terreno common shares as follows:

- two million common shares within 10 days of TSX Venture Exchange acceptance of the property acquisition

- two and a half million common shares on each of the first and second anniversary of the option agreement

- three million common shares on the third anniversary of the option agreement

- five million shares on the fourth anniversary of the option agreement within five (5) days of the transfer of a sixty percent (60%) interest in the concession titles

- cumulative exploration expenditures of C$700,000 by October 31, 2021 including $200,000 by October 31, 2019 and $450,000 by October 31, 2020

The property option, once earned and exercised, will make the Las Cucharas Project subject to a three percent (3%) net smelter return (NSR) royalty payable to Maverix Metals Inc. (TSX-V: MMX).

The agreement has provisions for binding arbitration to resolve any potential disputes that may arise. It also includes mutual rights of first refusal on any offers to purchase or sell any portion of the property interest, and is subject to a two kilometre area of interest.

Mr. Brown states that: "The Las Cucharas Gold & Silver Project represents an excellent advanced project with which Terreno expects to apply to graduate to the TSX Venture Exchange. We anticipate identifying potential drill targets within three months after a detailed review of all historical work and results and to then advance the project to being permitted for drilling within six months."

Additional information on the Company is available at 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.