

## **TALON METALS UPDATE: 2014 EXPLORATION PROGRAM AT TAMARACK CONCLUDES WITH A NEW INTERCEPT OF 17.34 METERS OF MASSIVE SULPHIDE AT 6.17% Ni, 2.34% Cu, 1.72 g/t PGEs AND 0.71 g/t Au (7.56% NiEq)**

Road Town, Tortola, British Virgin Islands (January 15, 2015) – Talon Metals Corp. (“Talon” or the “Company”) (TSX:TLO) is pleased to provide an exploration update on the Tamarack North Nickel-Copper-PGE project (“Tamarack North Project”) located in Minnesota, USA. The results contained in this news release mark the conclusion of a successful 2014 exploration program at the Tamarack North Project. The 2015 winter exploration program is already underway, having commenced earlier this month.

### **HIGHLIGHTS**

- Drill hole 14TK0213 intercepted a total of 17.34 meters of massive nickel-copper-PGE sulphide mineralization at 6.17% nickel (“Ni”), 2.34% copper (“Cu”), 1.72 g/t PGEs and 0.71 g/t gold (“Au”), which equates to a 7.56% nickel equivalent (“NiEq”) grade basis<sup>1</sup>.
- The massive nickel-copper-PGE sulphide mineralization intercepted in drill hole 14TK0213 represents a meaningful step-out from the current Massive Sulphide Unit Mineral Zone (“MSU”), being approximately 54 meters from the MSU and 31 meters south of the most recent MSU intercept in drill hole 14TK0211 (reported in the Company’s news release on December 1, 2014 as 15.94 meters of massive nickel-copper-PGE sulphide mineralization at 7.14% Ni, 2.43% Cu, 1.49 g/t PGEs, which equates to a 8.49% NiEq grade basis) (See Figure 2).
- As a result of the positive results from the 2014 exploration program, further follow-up drilling is currently being planned as part of the 2015 winter exploration program.

*“The recently reported wide and high grade nickel, copper and PGE intercepts at the Tamarack North Project, contained within an undeveloped and large (18 km) igneous complex, has not been witnessed anywhere in the world in a very long time and speaks to the uniqueness of the Tamarack North Project.” said Warren Newfield, Executive Chairman of Talon.*

*“The rapid expansion of massive nickel and copper sulphide mineralization at the Tamarack North Project is the latest evidence of massive sulphide pooling along the FGO keel of the Tamarack*

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<sup>1</sup> NiEq percentages quoted in this news release are calculated using the following formula: NiEq% = Ni% + Cu% x 2.91/9.20 + Co% x 14/9.20 + Pt [g/t]/31.103 x 1,400/9.2/22.04 + Pd [g/t]/31.103 x 600/9.2/22.04 + Au [g/t]/31.103 x 1,300/9.2/22.04

*Intrusive Complex and further confirms the project's significant growth potential”, said Henri van Rooyen, CEO of Talon.*

## PREVIOUSLY STATED GOALS OF THE 2014 EXPLORATION PROGRAM

As previously reported by Talon, the 2014 exploration program was focused on better defining the path of the coarse grained feldspathic peridotite (CGO) intrusion, which hosts the Semi Massive Sulphide Unit Mineral Zone (“**SMSU**”), as it moves towards the south and northeast. The program was also focused on testing the limits of the 138 Zone to the east, west, and south.

## COMPLETION OF THE 2014 EXPLORATION PROGRAM

The 2014 drilling program commenced at the Tamarack North Project on August 6, 2014 and has now concluded. During the program, two rigs completed a total of approximately 7,000 meters of drilling over 11 holes.

A list of collar, survey data and assay results for drill holes completed during the 2014 exploration program is attached as Annex “A”.

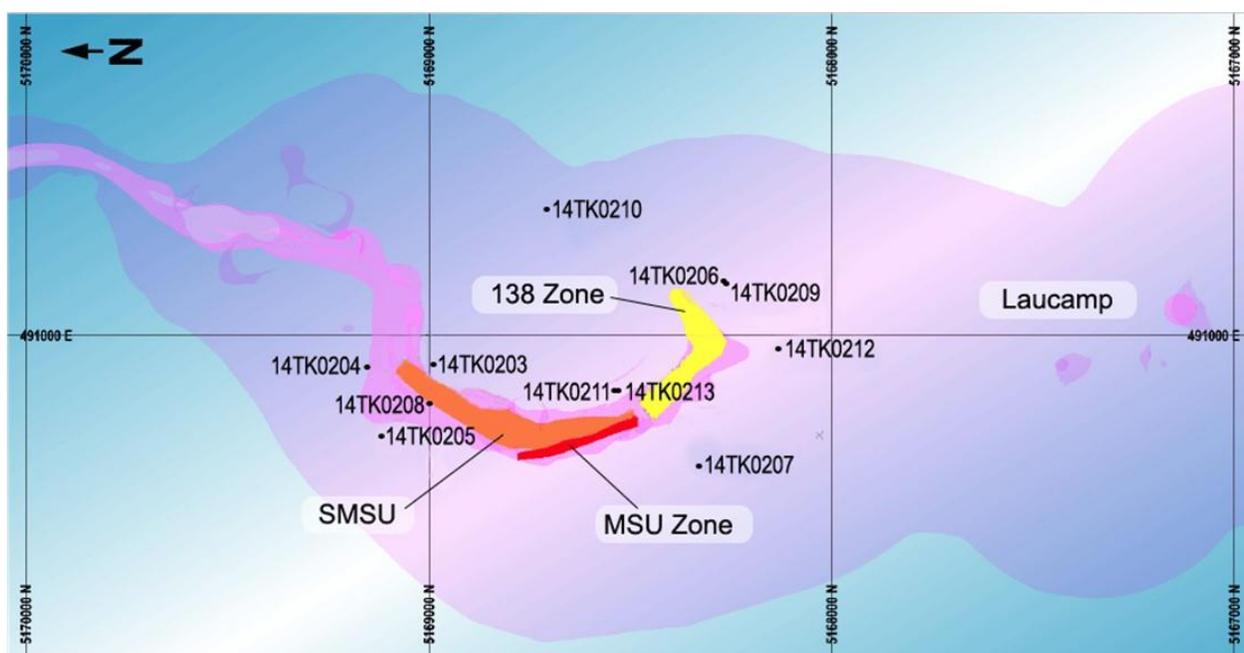


Figure 1: Location of 2014 Drill Holes

## DISCUSSION AND ANALYSIS OF THE 2014 EXPLORATION PROGRAM RESULTS

### *(1) The Massive Sulphide Unit Mineral Zone (“MSU”)*

As stated in the Company’s news release of December 1, 2014, the objective of drill hole 14TK0211 was to step-out from the SMSU in order to follow its continuation towards the south-east. Drill hole 14TK0211 was drilled approximately 53 meters to the east of drill hole 08TK083, which at the time defined the southern extent of the MSU as defined in the Company’s technical report entitled “First Independent Technical Report on the Tamarack North Project, Tamarack, Minnesota” dated October 6, 2014 (the “**Tamarack North Technical Report**”) prepared by independent “Qualified Persons” Brian Thomas (P. Geo) of Golder, Paul Palmer (P. Eng) of Golder and Manochehr Oliazadeh Khorakchy (P. Eng) of Hatch Ltd. As previously reported, drill hole 08TK0083 intersected 9.15 meters at 7.79% Ni, 3.22% Cu, 2.16 g/t PGEs, which equates to a 9.49% NiEq, while drill hole 14TK0211 intersected two intercepts of massive nickel-copper-PGE sulphide mineralization, including an upper unit of 3.97 meters and a lower unit of 15.94 meters. The grade of the two intercepts included:

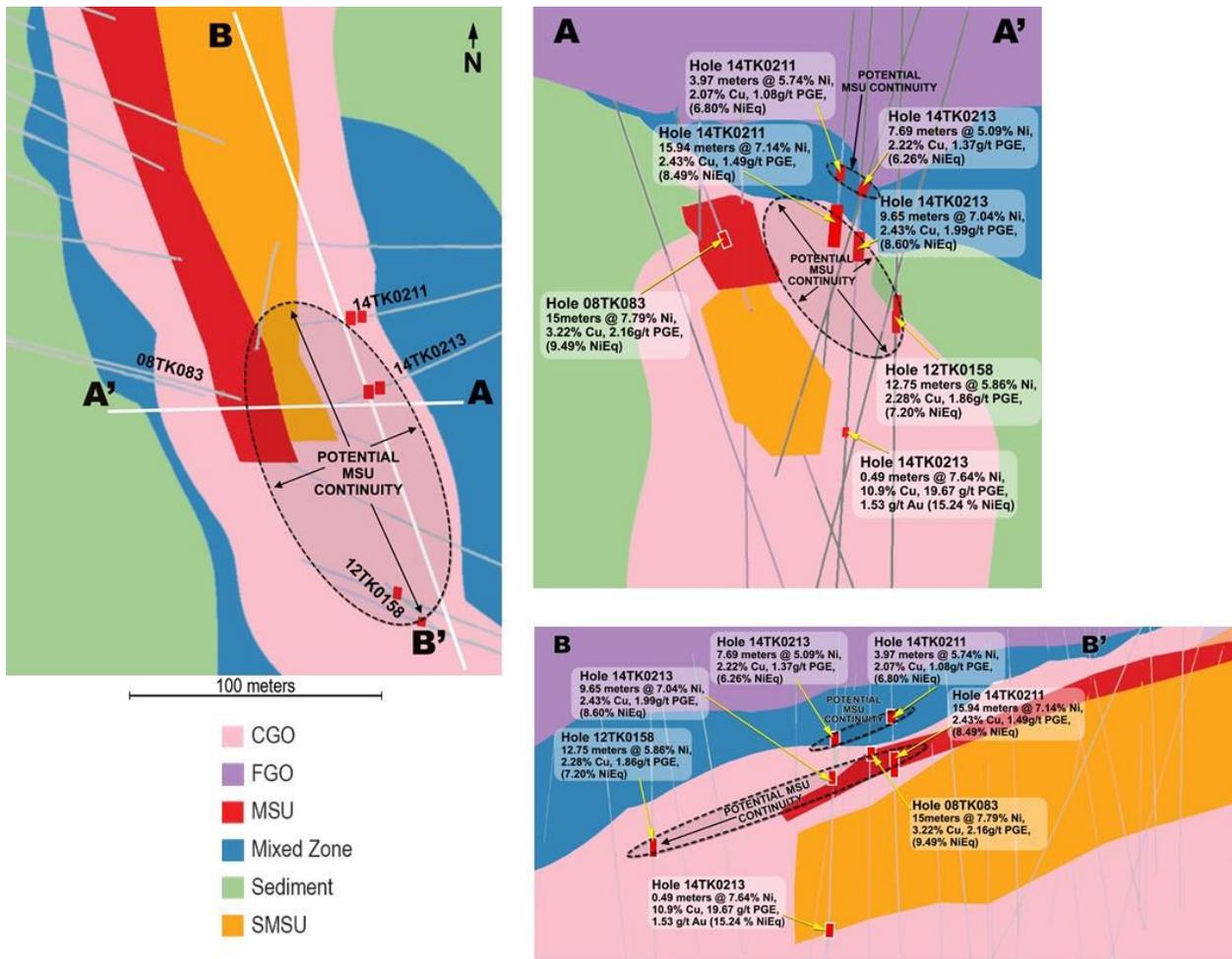
- the upper unit from 425.03 to 429 meters of 3.97 meters at 5.74% Ni, 2.07% Cu, 1.08 g/t PGEs and 0.10 g/t Au (which equates to a 6.80% NiEq grade basis); and
- the lower unit from 441 to 456.94 meters of 15.94 meters at 7.14% Ni, 2.43% Cu, 1.49 g/t PGEs and 0.39 g/t Au (which equates to an 8.49% NiEq grade basis).

Drill hole 14TK0213 was drilled from the same collar as drill hole 14TK0211, but angled to the south where it intersected the MSU 31 meters to the south of 14TK0211 (and 54 meters southeast of 08TK0083). Drill hole 14TK0213 similarly intersected two intercepts of massive nickel-copper-PGE sulphide mineralization, including;

- an upper unit from 435.66 to 443.35 meters of 7.69 meters at 5.09% Ni, 2.22% Cu 1.37 g/t PGEs and 0.31 g/t Au (which equates to a 6.26% NiEq grade basis); and
- a lower unit from 455.06 to 464.71 meters of 9.65 meters at 7.04% Ni, 2.43% Cu, 1.99 g/t PGEs and 1.03 g/t Au (which equates to an 8.60% NiEq, grade basis).

The two units intersected in drill hole 14TK0213 are similar in thickness and grade to the two units in drill hole 14TK0211 and possibly correlate, suggesting continuity of MSU mineralization. The continuity of the MSU is potentially also open to the south where previously drill hole 12TK0158 (located 125 meters to the south of 14TK0211) also intercepted MSU mineralization from 482.90 meters of 12.75 meters at 5.86% Ni, 2.28% Cu, 1.86 g/t PGEs and 0.40 g/t Au (which equates to a 7.20% NiEq grade basis).

In addition to the two MSU intercepts, 14TK0213 also intersected thin (0.49 meters) but high grade massive nickel-copper-PGE sulphide mineralization at a much lower elevation from 534.25 meters with 7.64% Ni, 10.9% Cu, 19.67 g/t PGEs and 1.53 g/t Au (which equates to a 15.24% NiEq grade basis).



**Figure 2: Plan and sections showing the locality of drill hole 14TK0213 and its significance in potentially expanding the MSU body drilled previously to the west of the SMSU**

In regards to drill hole 14TK0213, the intercept of MSU over a total 17.34 meter interval is significant, as:

- it demonstrates the potential continuity of the wide mineralized MSU body previously intersected in drill holes 14TK0211 and 08TK083, and possibly in 12TK0158; and
- it is a meaningful step-out from the current modelled MSU mineralization, being approximately 54 meters from the MSU defined in the Tamarack North Technical Report, and 31 meters to the south of the most recent MSU intercept in drill hole 14TK0211.

### *(2) The Area North-East of the SMSU*

A key objective of the 2014 exploration program has been met, as the program was focused on better defining the path of the coarse grained feldspathic peridotite (CGO) intrusion as it moves towards the east, away from the currently outlined SMSU. More specifically:

- Drill holes 14TK0203, 14TK0204, 14TK0205 and 14TK0208 were successful in better defining the path of the coarse grained feldspathic peridotite (CGO) intrusion as it bends towards the east, away from the SMSU. For a discussion and analysis of the assay results of drill holes 14TK0203 and 14TK0204, see the Company's news release of December 1, 2014.
- Drill holes 14TK0205 and 14TK0208 were step-outs to the west of the SMSU, being 100 meters and 20 meters, respectively. Disseminated sulphide mineralization has been intercepted at various depths. The results of drill holes 14TK0203 and 14TK0204 in conjunction with historical drill results, indicate that future exploration should continue to focus on extending mineralization to the northeast of the SMSU.

### *(3) The 138 Zone*

The 2014 exploration program also aimed to test the limits of the open 138 Zone to the east, west, and south. Drill hole 14TK206 was therefore drilled approximately 35 meters to the east of drill hole 13TK0189 and intersections of significant disseminated and net textured mineralization as well as several massive sulphide veins were intercepted thus extending the 138 Zone mineralization to the east.

Drill hole 14TK0209 was drilled from the same collar towards the south and intersected a massive sulphide vein and 56 meters of disseminated mineralization in the Mixed Zone from 424 meters depth.

Drill hole 14TK0207 was a 130 meter step-out to the west of the 138 Zone to test for possible extensions of the 138 Zone. This drill hole intersected 43 meters of Mixed Zone although it hosted no significant mineralization before passing into altered sediments. No further drilling is currently planned to the west of the 138 Zone, however additional drilling may be needed to define the western limit of mineralization in the 138 Zone, as it remains open.

## **2015 WINTER EXPLORATION PROGRAM**

The 2015 winter exploration program is underway in accordance with the details outlined in the Company's news release dated December 1, 2014. The Company looks forward to updating its shareholders further as the program progresses.

## **Quality Assurance, Quality Control and Qualified Persons**

Please see the Tamarack North Technical Report for information on the QA/QC, analytical and testing procedures employed by Kennecott Exploration Company (“**Kennecott**”) at the Tamarack North Project. Copies are available on the Company’s website ([www.talonmetals.com](http://www.talonmetals.com)) or on SEDAR at ([www.sedar.com](http://www.sedar.com)).

Widths are drill intersections and not true widths. True widths cannot be consistently calculated for comparison purposes between holes because of the irregular shapes of the mineralized zones. Therefore some drill holes drilled down-plunge may have mineralized intersections greater than the average width and thickness of the mineralized zone. Some drill holes have intersected the margins of the mineralized zones and have intersections less than the average thickness of the mineralized zone.

Drill intersections have been independently selected by Talon. Drill composites have been independently calculated by Talon.

James McDonald, Vice President, Resource Geology of Talon and Mike Shaw, Vice President, Exploration of Talon are both Qualified Persons within the meaning of NI 43-101. Messrs. McDonald and Shaw are satisfied that the analytical and testing procedures used are standard industry operating procedures and methodologies, and they have reviewed, approved and verified the technical information disclosed in this news release (other than the mineral resource estimates), including sampling, analytical and test data underlying the technical information.

The Qualified Person who is responsible for the mineral resource estimates in the Tamarack North Technical Report is Brian Thomas, senior resource geologist at Golder and independent of Talon. Mr. Thomas is responsible for the mineral resource estimates in this news release and has reviewed, approved and verified the data disclosed in this news release relating to the Tamarack Project mineral resource estimates (including sampling, analytical and test data underlying the mineral resource estimates).

### **About Talon**

Talon is a TSX-listed company focused on the exploration and development of the Tamarack Nickel-Copper-PGE Project in Minnesota, USA (which comprises the Tamarack North Project and the Tamarack South Project) and the Trairão Iron Project in Pará State, Brazil. The Company has a well-qualified exploration and mine management team with extensive experience in project management.

For additional information on Talon, please visit the Company’s website at [www.talonmetals.com](http://www.talonmetals.com) or contact:

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## **Forward-Looking Statements**

This news release contains certain "forward-looking statements". All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Such forward-looking statements include, among other things, statements relating to the Tamarack Project with respect to estimates of mineral resource quantities (including, any future expansion of the mineral resource estimate), mineral resource qualities, the form and extent of mineralization (including, continuity of MSU mineralization and the potential for the MSU being open to the south), targets, goals, objectives and plans, including plans for follow-up exploration work and the timing thereof (i.e. the 2015 winter exploration program). Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: failure to establish estimated mineral resources, the grade, quality and recovery of mineral resources varying from estimates, the uncertainties involved in interpreting drilling results and other geological data, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources, uncertainties relating to the financing needed to further explore and develop the properties or to put a mine into production and other factors (including exploration, development and operating risks)) and the results from the 2015 winter exploration program failing to establish the continuity of MSU mineralization.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

The mineral resource figures disclosed in this news release are estimates and no assurances can be given that the indicated levels of nickel, copper, cobalt, platinum, palladium and gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates disclosed in this news release are accurate, by their nature resource

estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

## ANNEX "A"

### ASSAY RESULTS FROM THE 2014 EXPLORATION PROGRAM

Target Zone	Hole No.	Easting	Northing	Elevation	Azm	Dip	Total Hole Length	From (m)	To (m)	Sample Length (m)	NiEq %	Cu %	Ni %	Co %	Pt g/t	Pd g/t	Au g/t
MSU	14TK0211	490 857	5 168 536	388.0	264.9	-85.3	648.0	425.03	429.00	3.97	6.80	2.07	5.74	0.130	0.675	0.402	0.098
MSU	14TK0211	490 857	5 168 536	388.0	264.9	-85.3	648.0	441.00	456.94	15.94	8.49	2.43	7.14	0.17	0.807	0.684	0.304
incl	14TK0211	490 857	5 168 536	388.0	264.9	-85.3	648.0	454.00	454.64	0.6	10.56	2.61	8.83	0.21	2.020	1.120	0.140
MSU	14TK0213	490 857	5 168 536	388.0	216	-84.9	618	435.66	443.35	7.69	6.26	2.22	5.09	0.10	0.91	0.47	0.31
MSU	14TK0213	490 857	5 168 536	388.0	216	-84.9	618	455.06	464.71	9.65	8.60	2.43	7.04	0.15	1.20	0.79	1.03
MSU	14TK0213	490 857	5 168 536	388.0	216	-84.9	618	534.25	534.74	0.49	15.24	10.9	7.64	0.118	14.10	5.57	1.53
SMSU	14TK0203	490 910	5 168 938	388.5	325.6	-80.2	651.7	263.07	287.00	23.93	1.07	0.39	0.69	0.019	0.67	0.34	0.20
SMSU	14TK0204	490 909	5 169 083	388.4	141.3	-83.1	557.2	288.00	335.00	47.00	0.88	0.44	0.63	0.02	0.21	0.13	0.13
SMSU	14TK0205	490 760	5 169 049	388.3	91.8	-81.7	443.5	245.26	249.76	4.5	0.71	0.50	0.28	0.02	0.24	0.13	0.13
SMSU	14TK0205	490 760	5 169 049	388.3	91.8	-81.7	443.5	276.23	287.00	10.77	0.66	0.42	0.26	0.01	0.41	0.22	0.12
138	14TK0206	491 095	5 168 293	388.4	356.5	-86.3	786.0	417.00	432.00	15.00	0.83	0.45	0.60	0.02	0.12	0.07	0.10
138	14TK0206	491 095	5 168 293	388.4	356.5	-86.3	786.0	487.50	512.00	24.50	0.98	0.52	0.66	0.02	0.31	0.18	0.16
138	14TK0206	491 095	5 168 293	388.4	356.5	-86.3	786.0	519.00	520.00	1.00	2.65	1.61	1.9	0.036	0.46	0.16	0.34
138	14TK0207	490 693	5 168 351	388.2	115.6	-85.5	599.5	No significant mineralization									
SMSU	14TK0208	490 829	5 169 013	388.4	3	-89.7	811.7	314.04	324.50	10.46	0.49	0.19	0.38	0.01	0.07	0.04	0.04
SMSU	14TK0208	490 829	5 169 013	388.4	3	-89.7	811.7	342.50	353.00	10.50	0.51	0.18	0.38	0.01	0.14	0.09	0.09
SMSU	14TK0208	490 829	5 169 013	388.4	3	-89.7	811.7	372.79	373.27	0.48	0.85	0.43	0.42	0.01	0.74	0.46	0.31
138	14TK0209	491 095	5 168 292	388.4	185.3	-86.6	582.9	425.15	425.84	0.69	3.44	2.00	2.62	0.06	0.29	0.19	0.06
East	14TK0210	491 257	5 168 688	388.6	270.9	-85.3	489	No significant mineralization									
138	14TK0212	490 946	5 168 191	388.0	164.5	-65.8	781.8	No significant mineralization, results pending									

All samples were analysed by ALS Chemex. Nickel, copper, and cobalt grades were first analysed by a 4 acid digestion and ICP AES (ME-4ACD81). Grades reporting approximately 1%, using ME-4ACD81, triggered an AAS finish. If the results were greater than 1% then a Sodium Peroxide Fusion with ICP-AES finish was used (ICP81). Platinum, palladium and gold are initially analysed by fire assay with a mass spectral finish (PGM-MS24). Over limits triggered an ICP-AES finish (PGM-ICP27).

Drill intersections have been independently selected by Talon. Drill composites have been independently calculated by Talon using a 0.72% NiEq cut-off, which is consistent with the approximate 0.72% NiEq cut-off that was used to constrain the 3D mineral envelopes in areas of continuous mineralization as per the Tamarack North Technical Report.

NiEq percentages are calculated using the following formula:  $NiEq\% = Ni\% + Cu\% \times 2.91/9.20 + Co\% \times 14/9.20 + Pt [g/t]/31.103 \times 1,400/9.2/22.04 + Pd [g/t]/31.103 \times 600/9.2/22.04 + Au [g/t]/31.103 \times 1,300/9.2/22.04$ .

Sample lengths and grades have been rounded to two decimals.

## ANNEX “B”

### ABOUT THE TAMARACK NICKEL-COPPER-PGE PROJECT

#### TAMARACK: A LARGE INTRUSIVE COMPLEX – APPROXIMATELY 18 KM OF STRIKE LENGTH

The Tamarack Igneous Complex (“**TIC**”) is an ultramafic to mafic intrusive, hosting nickel-copper sulphide mineralization with associated cobalt, platinum and palladium (“**PGE**”) as well as gold. The TIC has a strike length of approximately 18 km, which is comparable in footprint size to some of the world’s largest and most prolific nickel-copper-PGE producing intrusive complexes.

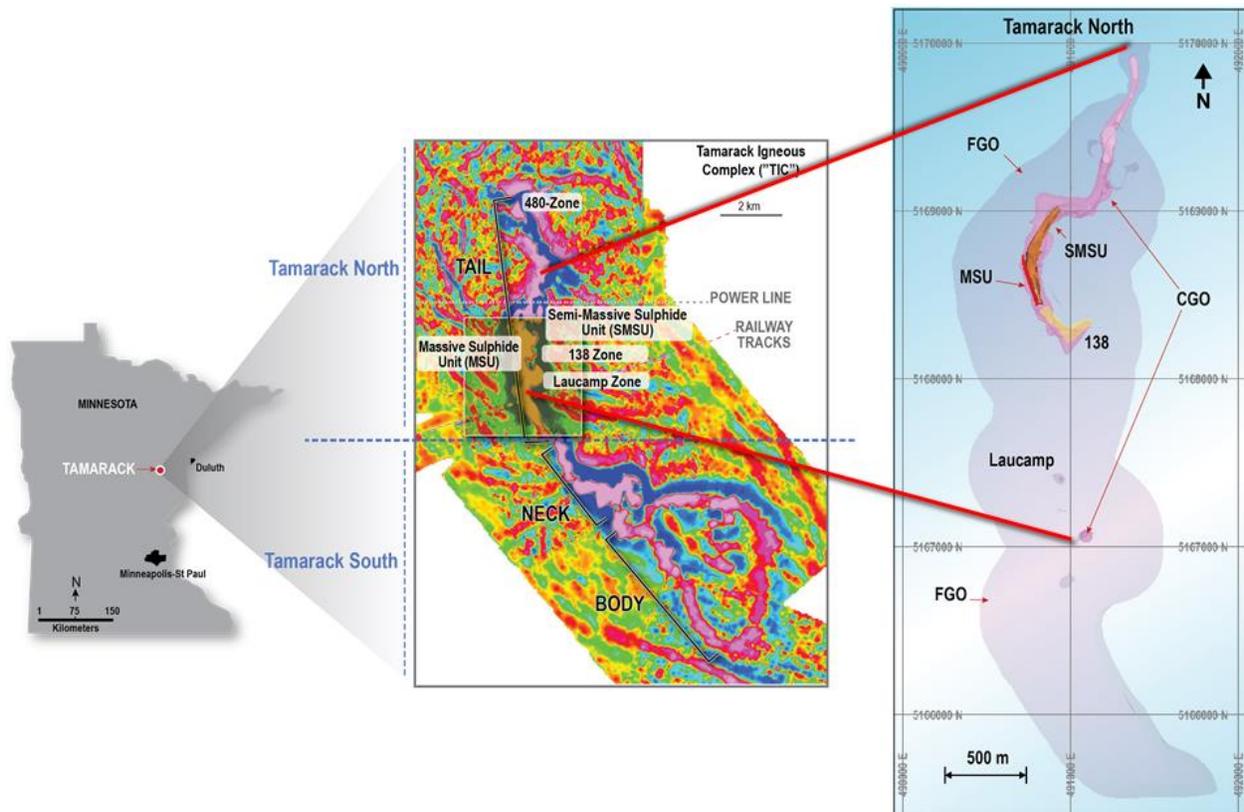


Figure 3: Airborne magnetic survey, first derivative image (centre) showing the 18 km long strike of the TIC with the long narrow intrusion that hosts the currently defined mineralization (right) termed the “Tail” of the Tamarack North Project and the large layered intrusion to the south termed the “Neck” and “Body” (in an analogy to a tadpole). Kennecott Airborne Magnetic Survey (2001 to 2009), modified by Talon, 2014.

#### RESOURCE HIGHLIGHTS

Effective August 29, 2014, an independent mineral resource estimate was prepared in accordance with National Instrument (“**NI 43-101**”) on a small portion of the Tamarack North Project, with resource highlights as follows:

- 3.75 million tonnes in the *indicated category* at average grades of 1.81% Ni, 1.00% Cu, 0.05% Cobalt (“Co”), 0.41 g/t Pt, 0.25 g/t Pd and 0.19 g/t Au (which equates to a 2.35% NiEq grade basis) at a 0.9% NiEq cut-off; and
- An additional 3.12 million tonnes in the *inferred category* at average grades of 1.22% Ni, 0.82% Cu, 0.03% Co, 0.26 g/t Pt, 0.16 g/t Pd and 0.16 g/t Au (which equates to a 1.63% NiEq grade basis) at a 0.9% NiEq cut-off.

Talon published the Tamarack North Technical Report prepared in accordance with NI 43-101 to support the disclosure of this resource estimate on the Tamarack North Project. Please refer to the Tamarack North Technical Report for further information. Copies are available on the Company’s website ([www.talonmetals.com](http://www.talonmetals.com)) or on SEDAR at ([www.sedar.com](http://www.sedar.com)).

## **FURTHER BACKGROUND**

- The Tamarack Project is located adjacent to the town of Tamarack in north-central Minnesota approximately 100 km west of Duluth and 200 km north of Minneapolis, in Aitkin and Carlton Counties. The Tamarack Project comprises more than 35,000 acres of land. The attractiveness of the project is enhanced by good local and regional infrastructure, including on-site grid power, a railway line that passes through the project area and its proximity to other nickel sulphide projects and iron ore mines.
- Disseminated mineralization was first intersected at the Tamarack Project in 2002, and the first significant mineralization of massive and semi-massive sulphide was intersected in 2008 – the discovery hole (08LO42) intersected 138.37 meters of mineralization, with 1.61% Ni, 1.06% Cu and 0.54 g/t PGE.
- To date, over 74,000 meters have been drilled by Kennecott at the Tamarack North Project. The drilling has focussed on defining the boundaries of the magma conduits and associated structures and features, such as very large magma chambers where the multiple pulses of mineral carrying magmas would have originated.
- Downhole electromagnetic (DHEM) surveys have proven to be an effective guide in locating and expanding the SMSU, MSU and 138 Zones. Electromagnetic (EM) techniques operate under the principle of electromagnetic induction.
- In the Tamarack North Technical Report, an approximate 0.72% NiEq cut-off was used to constrain the 3D mineral envelopes in areas of continuous mineralization, however, some lower grade material was included to maintain continuity and some higher grade mineralization was excluded as there was little continuity observed to form the basis of a resource. The Tamarack North Project mineral resource estimate is based entirely on these samples captured inside the three main domains. The mineral domains illustrated in this news release are the same as the mineral domains contained in the Tamarack North Technical Report.

- Talon has the right to acquire a 30% interest in the Tamarack Project from Kennecott over a three year period by making US\$7.5 million in installment payments to Kennecott, and incurring US\$30 million in exploration expenditures. During the earn-in, Kennecott will continue to be the operator of the Tamarack Project, thereby enabling Talon to benefit from Kennecott's competence as a top global explorer. Further, Talon and Kennecott have formed a Technical Committee with both parties having appointed representatives to provide strategic input in regards to ongoing and upcoming exploration programs.
- Further information on the terminology used on this news release is as follows:

Project	Area	Mineral Zone	Host Lithology	Project Specific Lithology	Mineralization Type
<b>Tamarack North Project</b>	<b>Tamarack Zone</b>	SMSU	Feldspathic Peridotite	CGO	Net Textured and Disseminated Sulphides
		MSU	Meta-Sediments	Sediments	Massive Sulphides
		138	Peridotite and Feldspathic Peridotite	Mixed Zone	Disseminated and Net Textured Sulphides
	Other	480	Peridotite	FGO	Disseminated Sulphides
		Laucamp	Peridotite	FGO	Massive Sulphide Veins