



News Release
TSX:TLO

TALON REPORTS RESULTS FOR THE YEAR ENDED DECEMBER 31, 2012

Road Town, Tortola, British Virgin Islands (March 22, 2013) – Talon Metals Corp., (“Talon” or the “Company”) (TSX: TLO) reported a net loss from continuing operations and a net loss for the year ended December 31, 2012 of \$18.4 million or \$0.20 per share - basic and diluted, which includes an impairment loss of \$11.2 million on its investment in Tlou Energy Limited (“Tlou Energy”) and the Company’s share of loss in Tlou Energy of \$2.3 million (2011: net loss from continuing operations of \$13.8 million or \$0.16 per share – basic and diluted and net loss of \$4.9 million or \$0.06 per share – basic and diluted).

Capitalized exploration cost on the Trairão Iron Project for the year amounted to \$2.6 million. This compares to \$13.5 million for the year ended December 31, 2011. The total capitalized exploration cost on the Trairão Iron Project to December 31, 2012 amounts to \$16.6 million.

The Company recognized an impairment loss of \$11.2 million on its investment shareholding in Tlou Energy, an unlisted public Australian based coal bed methane exploration company. Talon acquired the majority of its shares in Tlou Energy when it sold its interest in the Botswana CBM Project to Tlou Energy in November 2010.

The impairment loss was based on the Company’s assessment of the fair value of its interest in Tlou Energy, taking into account various approaches to valuation, including the income, cost and market approaches, but primarily the market approach. The write-down was based on a number of factors, including discussions management had with market participants in connection with the price at which Tlou Energy might raise capital in the near term and the general challenging market conditions associated with the ability for junior exploration companies to raise capital.

At the beginning of the year, the Company’s investment in Tlou Energy amounted to \$19.6 million. The recognition of the impairment loss of \$11.2 million, together with the Company’s share of loss in Tlou Energy of \$2.3 million for the year, results in a balance for the Company’s investment in Tlou Energy at December 31, 2012 of \$6.1 million.

Consolidated Audited Financial Statements for the years ended December 31, 2012 and 2011, together with Management’s Discussion and Analysis and the Company’s Annual Information Form, have been filed on SEDAR and are available at www.sedar.com.

About Talon

Talon is a TSX-listed company focused on the exploration and development of its iron projects in 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 or contact:

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