

## **TALON METALS ANNOUNCES LUMP AND SINTER FEED POTENTIAL AT THE TRAIRÃO IRON PROJECT, BRAZIL**

**Road Town, Tortola, British Virgin Islands (March 25, 2013)** – Talon Metals Corp. (“Talon” or the “Company”) (TSX: TLO) is pleased to expand on its previous announcements regarding the potential for a high grade, near surface resource that may be amenable to producing direct shipping ore from its 100% owned Trairão Iron Project (“Trairão Project”), located in Pará State, Brazil.

### **Highlights**

- Recent announcements by the Brazilian government regarding infrastructure improvements throughout Pará State could positively impact a potential lump and sinter feed operation from the Trairão Project
- Completed metallurgical screening test work in Brazil of samples from the Company’s recent auger drilling program on the surficial deposit has rendered positive results, indicating that there is potential for lump and sinter feed production from the Trairão Project
- Various samples have been sent to Ausenco and Gekko Systems in Australia for confirmation of previous, and further, metallurgical test work – for which results are expected in Q2 2013
- Results will form the basis for the decision to commission a Preliminary Economic Assessment on the surficial deposit at the Trairão Project

“Our evaluation of samples from a recent auger drilling program has indicated that the surficial deposit of the Trairão Project has potential for lump and sinter feed production”, said Henri van Rooyen, CEO of Talon. “We are excited about the recent announcements by the Brazilian government of their intended infrastructure improvements in the region of the Trairão Project, as this establishes the basis for preparing for a lump and sinter feed operation, which fits within our stated strategy of generating meaningful cash flow with low capital expenditure requirements. In addition, the current work being undertaken by Talon is not capital intensive, and we remain in a strong cash position with approximately \$15.5-million.”

### **Positive Infrastructure Developments**

The Company’s recent activities in regards to further analyzing the potential for high grade material from the surficial deposit at the Trairão Project stems from a number of factors, including, (i) the Company’s stated objective to generate near term cash flow, (ii) the signing by the Company of a Letter of Intent with a potential off-taker of lump

material from the surficial deposit at the Trairão Project, and most importantly, (iii) recent announcements by the Brazilian government concerning infrastructure improvements throughout Pará State, which could positively impact a lump and sinter feed operation from the Trairão Project.

On March 6, 2013 and March 20, 2013, the federal government of Brazil announced its plan to make a number of infrastructure improvements throughout Pará State, where the Trairão Project is located. As part of its plan, the federal government stated that it would, among other things, complete a tender process over the next three months for: (1) upgrading the BR-155 highway; and (2) clearing a portion of the Tocantins River, which will open up this waterway for the barging of bulk materials, including iron ore. These statements and initiatives by the federal government are particularly meaningful for the Company, as a lump and sinter feed operation from the Trairão Project will require trucking the material using the BR-155 highway and barging such material along the Tocantins River to the Vila Do Conde port, which is being expanded to accommodate additional shipping capacity and potentially larger vessels.

### **Lump and Sinter Feed Potential**

Further to the Company's press releases dated September 27, 2012 and November 22, 2012, the evaluation of samples from the surficial deposit at the Trairão Project, which are the result of weathering of banded iron formation ("BIF") units, has indicated a potential for a lump and sinter feed material.

SGS-Geosol Laboratórios Ltda (in Vespasiano, Minas Gerais, Brazil), which is ISO 14001:2004 and ISO 9001:2008 accredited and is independent of Talon, assayed three samples taken from Areas 1 and 2 of the Trairão Project. These samples were taken by Talon from surface to a depth of approximately five metres, and approximately 50kg of surficial material was collected per hole. The material was dried and homogenised on site and then shipped to SGS in Parauapebas (in Pará State, Brazil) where the samples were split into smaller fractions of 13 to 28kg. The head samples were initially weighed and assayed and then screened into three size fractions, being: lump (>6.35mm); sinter (<6.35mm and >1mm); and fines (<1mm). Each of the three size fractions was also weighed and assayed.

The results from these samples were as follows:

SAMPLE	TYPE	Weight (g)	%	Fe%	Fe <sub>2</sub> O <sub>3</sub> %	P %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	FeO%	LOI%	Mn%	CaO%	TiO <sub>2</sub> %
<b>TTR-0010</b>	GLOBAL	13,985	100	<b>61.28</b>	87.60	0.11	2.14	5.12	0.87	5.82	0.06	0.01	0.30
	<b>6,35mm</b>	<b>4,029</b>	<b>29</b>	<b>63.33</b>	<b>90.60</b>	<b>0.12</b>	<b>1.67</b>	<b>3.62</b>	<b>0.76</b>	<b>4.67</b>	<b>0.05</b>	<b>0.02</b>	<b>0.16</b>
	1,00mm	5,546	40	<b>61.61</b>	88.10	0.12	1.79	4.65	0.7	5.52	0.04	0.02	0.22
	<1,00mm	4,409	32	<b>55.31</b>	79.10	0.10	2.89	7.75	0.8	7.56	0.03	<0,01	0.49

SAMPLE	TYPE	Weight (g)	%	Fe%	Fe <sub>2</sub> O <sub>3</sub> %	P %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	FeO%	LOI%	Mn%	CaO%	TiO <sub>2</sub> %
<b>TTR-0132</b>	GLOBAL	25,825	100	<b>59.76</b>	82.80	0.05	2.25	5.64	2.34	5.14	0.06	0.02	0.32
	<b>6,35mm</b>	<b>8,382</b>	<b>32</b>	<b>63.00</b>	<b>88.30</b>	<b>0.05</b>	<b>1.74</b>	<b>2.97</b>	<b>1.57</b>	<b>4.67</b>	<b>0.07</b>	<b>0.03</b>	<b>0.16</b>
	1,00mm	10,869	42	<b>60.75</b>	84.90	0.05	2.27	4.72	1.7	4.82	0.06	0.03	0.27
	<1,00mm	6,574	25	<b>54.62</b>	76.00	0.05	3.41	10.30	1.9	7.94	0.05	0.04	0.66

SAMPLE	TYPE	Weight (g)	%	Fe%	Fe <sub>2</sub> O <sub>3</sub> %	P %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	FeO%	LOI%	Mn%	CaO%	TiO <sub>2</sub> %
<b>TTR-0133</b>	GLOBAL	28,415	100	<b>58.17</b>	81.70	0.07	3.22	6.03	1.31	6.51	0.07	0.02	0.33
	<b>6,35mm</b>	<b>11,710</b>	<b>41</b>	<b>61.58</b>	<b>87.10</b>	<b>0.06</b>	<b>2.35</b>	<b>4.09</b>	<b>0.84</b>	<b>6.15</b>	<b>0.08</b>	<b>0.03</b>	<b>0.15</b>
	1,00mm	10,323	36	<b>59.60</b>	84.00	0.07	2.89	4.94	1.1	5.81	0.07	0.04	0.66
	<1,00mm	6,382	22	<b>53.41</b>	74.70	0.06	3.79	9.88	1.5	8.56	0.06	0.03	0.59

The results above are encouraging, as the combined weight percentage of lump and sinter comprise between 69% and 77% of the total sample weight, at grades between 59.6% Fe and 63.3% Fe.

Based on these positive results, Talon engaged Australian-based Ausenco (who has previously been reviewing other mineralogical and metallurgical test results from the Trairão Project) and Gekko Systems (a company specializing in the design, development and distribution of mineral processing equipment and systems) to undertake further test work and analyses using a flow sheet consisting of simple crushing and screening, followed by gravity separation, on semi-bulk samples (1200kg). Mineralogical analyses using Quantitative Evaluation of Minerals by Scanning (QEMSCAN) will be performed on both concentrate and tailings, and adjustments to the flow sheet may be made as results become available during the testing process. In addition to the samples from the surficial deposit that are the result of weathering of BIF units, samples that are the result of weathering of the magnetite-rich mineralization will also be tested in order to determine which material from the surficial deposit's previously reported indicated resource of 84 million tonnes at an average grade of 47.2% Fe (using a 25% cut-off) and inferred resource of 77.4 million tonnes at an average grade of 42% Fe (using a 25% cut-off) (over Target Areas 1-6 and 8 at the Trairão Project) will be amenable to blending with the material from the same surficial deposit that are the result of weathering of BIF units. These blending options will be considered in co-operation with CRU, a global leader in iron ore market analysis.

The various work and analyses described above are expected to be completed in the second quarter of this year, and will form the basis for a decision to commission a Preliminary Economic Assessment on the surficial deposit with the objective of producing lump and sinter feed at the Trairão Project.

## **New Opportunity Update**

By way of further update on new opportunities, management has recently seen a marked increase in the number and quality of opportunities being presented to the Company, both with near term cash generating potential and exploration upside potential. The Company continues to evaluate numerous opportunities and will provide a further update as soon as any of these opportunities materialize.

## **Qualified Person**

Mauricio Prado, past Vice President, Resource Modelling of Talon and currently a consultant to Talon, is a Qualified Person within the meaning of National Instrument 43-101 (“NI 43-101”). Mr. Prado is satisfied that the processes used by SGS-Geosol Laboratórios Ltda are standard industry operating procedures and methodologies, and he has 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 prepared the mineral resource estimates presented in this news release is Mr. Porfírio Cabaleiro Rodriguez (MAIG), who is a mining engineer, independent of Talon and an employee of Coffey Consultoria e Serviços Ltda., a branch of Coffey International in Brazil (“Coffey”). Mr. Rodriguez 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 mineral resource estimates (including sampling, analytical and test data underlying the mineral resource estimate).

Please refer to Talon’s news release dated March 2, 2012 entitled “Talon Metals Announces Substantial Increase to Mineral Resources at the Trairão Iron Project, Brazil” for additional information on the mineral resource estimates. Coffey compiled a NI 43-101 compliant technical report on the Trairão Project entitled “Fourth Independent Technical Report on Mineral Resources” dated March 30, 2012, a copy of which is available under Talon’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Please refer to this technical report for further information on the Trairão Project.

The metallurgical test work discussed in this news release was conducted by SGS-Geosol Laboratórios Ltda in Vespasiano and Parauapebas, Brazil.

## **About Talon**

Talon is a TSX-listed company focused on the exploration and development of its iron projects in Brazil. The Company has approximately \$15.5-million in cash and a well-qualified exploration and mine management team with extensive experience in project management.

Talon has approximately 92 million common shares outstanding and approximately 105 million shares on a fully diluted basis.

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

Sean Werger  
President  
Talon Metals Corp.  
Tel: (416) 361-9636 x 247  
Email: werger@talonmetals.com

### **Forward-Looking Statements**

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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, announcements by the government of Brazil with respect to infrastructure improvements in Pará State, statements relating to the Trairão Project with respect to the potential for lump and sinter feed material and the potential for further positive metallurgical and mineralogical results on the basis of further testing (and the timing associated therewith), the commissioning of a preliminary economic assessment, the Company’s expectations with respect to its financial resources, and targets, goals, objectives and plans and the timing associated therewith, including actively looking for opportunities that could generate additional cash flow for the Company in the near-term. 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, risks related to the exploration stage of the Company’s properties, the possibility that future exploration results and metallurgical testing will not be consistent with the Company’s expectations, failure of the government of Brazil to implement announced infrastructure improvements, changes in the price of iron ore, changes in equity markets, political developments in Brazil, the inability of the Company to generate cash flow in the near-term, uncertainties relating to the availability and costs of financing needed in the future, changes to regulations affecting the Company’s activities, delays in obtaining or failures to obtain required regulatory approvals, the uncertainties involved in interpreting drilling and exploration results and other geological data and other factors (including exploration, development and operating risks). 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 iron 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 mineral resource estimates disclosed in this news release are well established, by their nature mineral 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.