

TAMARACK NORTH PROJECT

HIGH-GRADE NICKEL-COPPER-COBALT



TALON METALS CORP. (TLO:TSX)
RIO TINTO (KENNECOTT EXPLORATION COMPANY) JOINT VENTURE

January 2020

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This presentation contains certain “forward-looking statements”. All statements, other than statements of historical fact that address activities, events or developments that Talon 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 Talon based on information currently available to Talon. Such forward-looking statements include, among other things, statements relating to future exploration potential at the Tamarack North Project, including the potential expansion thereof, whether using techniques such as Borehole Electro-Magnetic (BHEM) surveys, Magno-Metric Resistivity (MMR) surveys or otherwise; infill drilling the Massive Sulphide Unit to move resources from the inferred to indicated category; the results of the Initial PEA; the Company’s ability to complete an earn-in up to a 60% ownership interest in the Tamarack Project (comprised of the Tamarack North Project and the Tamarack South Project); the Company’s planned work program for the Tamarack North Project; the Company’s investigations into producing concentrates for smelters and producing sulphates for Electric Vehicle batteries; the Company’s expectations with respect to the electric vehicle and related battery market; the Company’s expectations relating to timing of future studies, such as a secondary Preliminary Economic Assessment; the Company’s expectations of demand for Nickel; the Company’s expectations concerning ongoing and future metallurgical test work; the Company’s expectations concerning the economic viability of the Tamarack Project; the Company’s expectations with respect to its financial resources, royalties, and targets, opex, capex, goals, NPV, objectives and plans and the timing associated therewith.

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 Talon. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: changes in commodity prices, including nickel; the Company’s inability to raise capital and/or pay Kennecott Exploration Company pursuant to the Option Agreement dated November 7, 2018 (and the amendments thereto); the lack of electric vehicle adoption or in the event of such adoption, such not resulting in an increased demand for nickel or there being a nickel deficit; negative metallurgical results; changes in interest rates; risks inherent in exploration results, timing and success, including the failure to identify mineral resources or mineral reserves; the uncertainties involved in interpreting DHEM and MMR surveys, drilling results and other geological data; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources); uncertainties relating to the financing needed to further explore and develop the Tamarack North Project or to put a mine into production; the costs of commencing production varying significantly from estimates; unexpected geological conditions; changes in power prices; unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third-party contractors, inability to obtain or delays in receiving government or regulatory approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); political risk, social unrest, and changes in general economic conditions or conditions in the financial markets.

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TECHNICAL REFERENCE

The mineral resource figures disclosed in this presentation 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 presentation are well established, 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.

Please see the technical report entitled “NI 43-101 Technical Report Preliminary Economic Assessment (PEA) of the Tamarack North Project – Tamarack, Minnesota” with an effective date of December 14, 2018 (the “Initial PEA”) prepared by independent “Qualified Persons” (as that term is defined in National Instrument 43-101 (“NI 43-101”)) Leslie Correia (Pr.Eng), Silvia Del Carpio (P. Eng.) Tim Fletcher (P. Eng.), Daniel Gagnon (P. Eng.), Kebreab Habte (P. Eng.), Oliver Peters (P. Eng.), Tom Radue (P. Eng.), and Brian Thomas (P. Geo.) for information on the QA/QC, data verification, analytical and testing procedures at the Tamarack Project. Copies are available on the Company’s website (www.talonmetals.com) or on SEDAR at (www.sedar.com). The laboratory used is ALS Minerals who is independent of the Company.

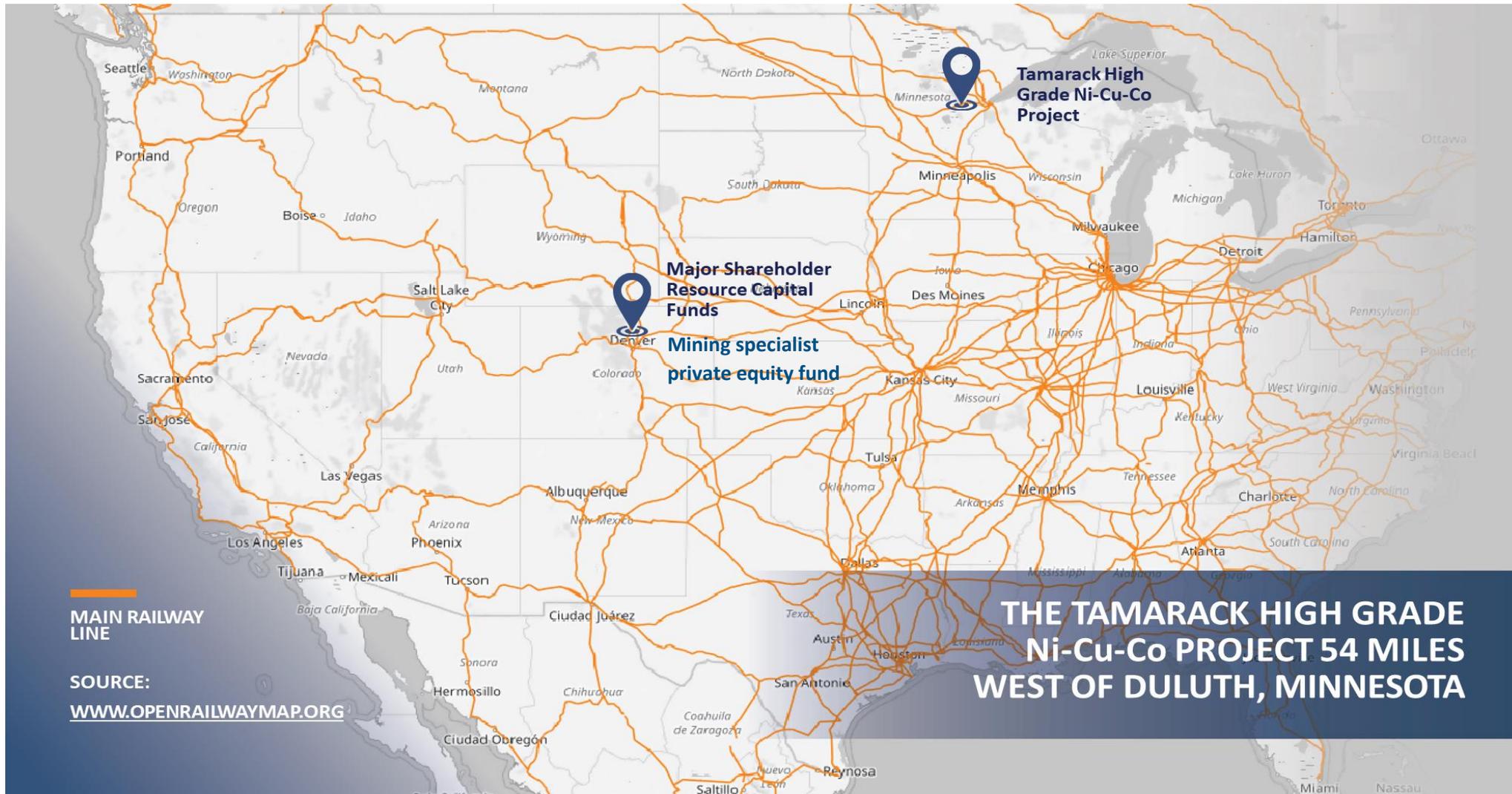
The Initial PEA is preliminary in nature. The Initial PEA includes inferred mineral resources. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the Initial PEA will be realized.

The mineral resource estimate contained in this presentation was prepared by or under the supervision of Mr. Brian Thomas (P.Geol.), who is a geologist independent of Talon and an employee of Golder Associates Ltd. In addition, Mr. Thomas has reviewed the sampling, analytical and test data underlying such information and has visited the site and reviewed and verified the QA/QC procedures used at the Tamarack North Project and found them to be consistent with industry standards. For further detail please see the Technical Report entitled “Second Independent Technical Report on the Tamarack North Project – Tamarack, Minnesota”, dated March 26, 2018, which is available under the Company’s issuer profile on SEDAR (www.sedar.com) or on the Company’s website (www.talonmetals.com).

Mike Shaw, Vice President, Exploration of Talon, is a Qualified Person within the meaning of NI 43-101. Mr. Shaw is satisfied that the analytical and testing procedures used are standard industry operating procedures and methodologies, and he has reviewed, approved and verified the technical information in this presentation, including sampling, analytical and test data underlying the technical information.

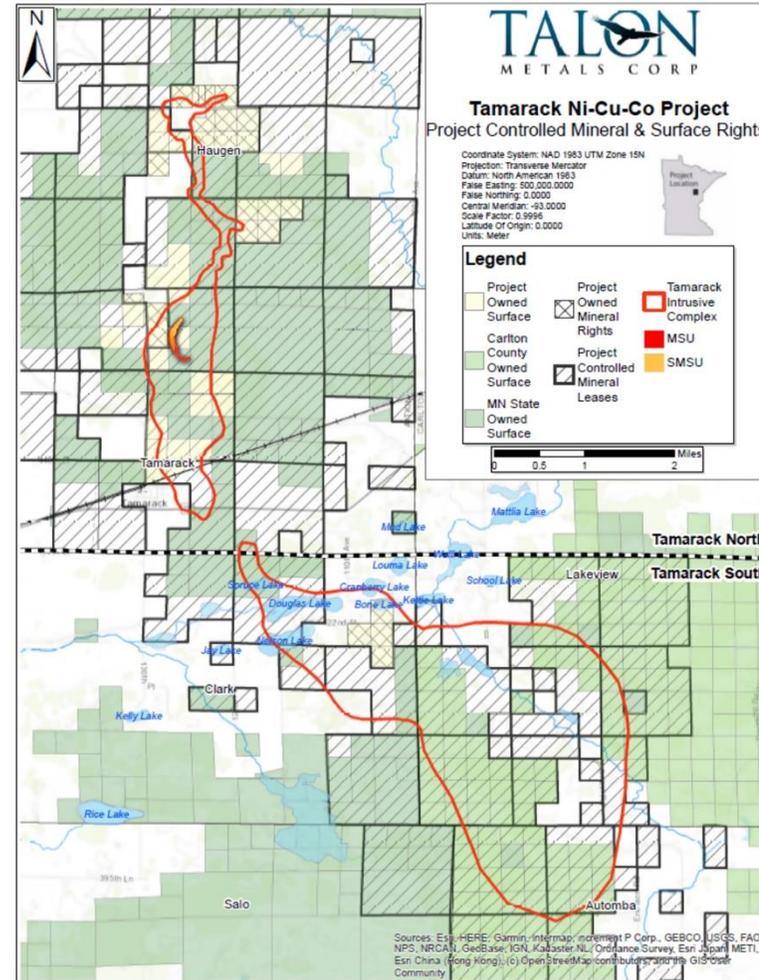
Lengths in this presentation are drill intersections and not necessarily true widths. True widths cannot be consistently calculated for comparison purposes between holes because of the irregular shapes of the mineralized zones.

LOCATED IN THE UNITED STATES ON INFRASTRUCTURE



RIO TINTO, THROUGH SUBSIDIARY KENNECOTT EXPLORATION COMPANY (KEX), IS OUR ACTIVE JOINT VENTURE PARTNER

- The Tamarack Project is comprised of the Tamarack North Project and the Tamarack South Project with 31,000 acres of Private Land and State Leases
- To earn a 51% interest in the Tamarack Project, Talon is required to (by March 2022):
 - ✓ Pay US\$6 million in cash and US\$1.5 million in shares to KEX (completed in March 2019);
 - Spend US\$10 million on exploration & development and pay US\$5 million to KEX
- To earn an additional 9% interest for a total of 60% (by March 2026):
 - Complete a feasibility study and pay US\$10 million to KEX
- Under the Option Agreement, Talon is appointed as the operator of the Tamarack Project, with certain KEX employees being seconded to Talon on a full-time basis



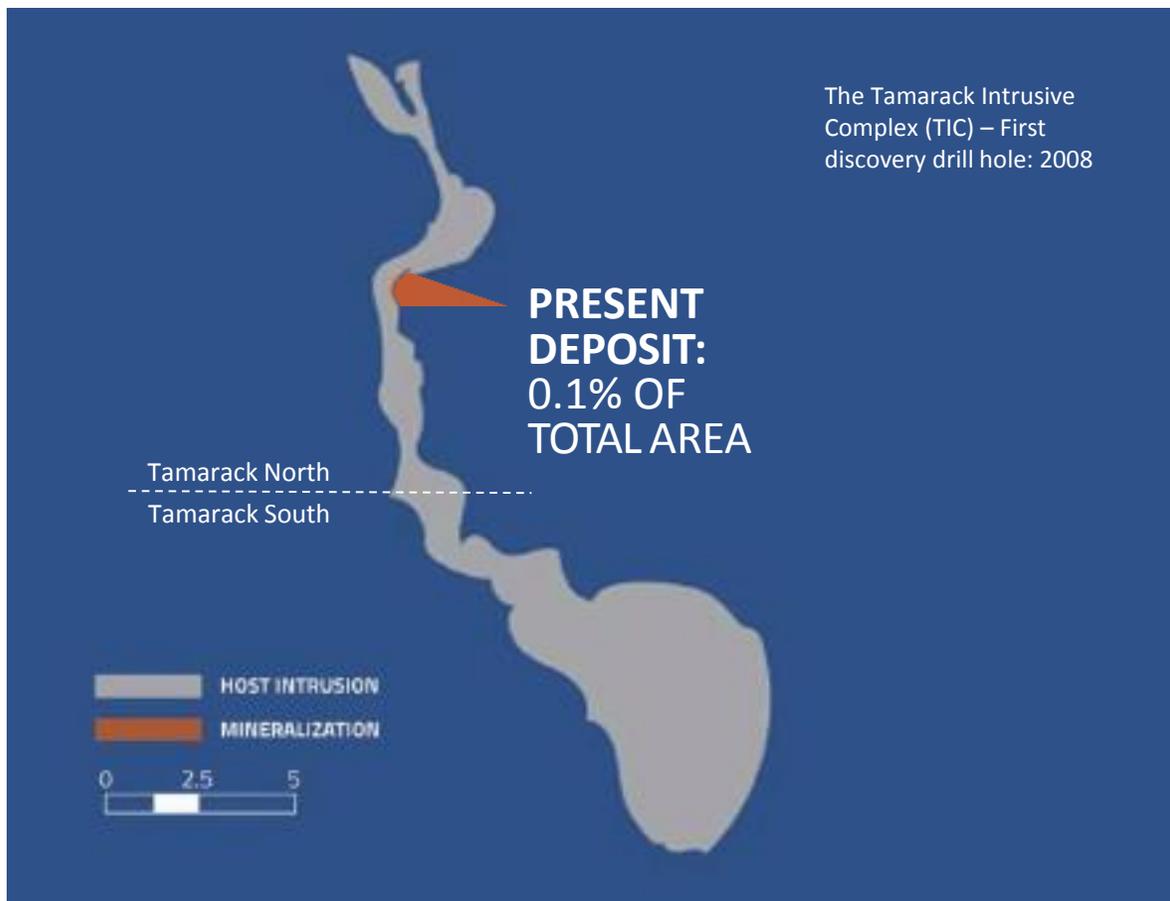
Plan view of the Tamarack Intrusive Complex (TIC) showing the intrusions, the Semi-Massive Sulphide Unit (SMSU) and the Massive Sulphide Unit (MSU)

A COMBINED TALON AND RIO TINTO* TEAM

<p>Henri van Rooyen CEO <i>B. Com (Hons), CA (SA)</i></p>	<p>Previously COO at Tau Capital. Secured and managed large exploration projects across 3 continents since 2007. Started working with Rio Tinto's KEX/Tamarack team in 2014. Responsible for strategy and project delivery</p>	<p>Sean Werger President, Head of Investor Relations <i>(LL.B, MBA)</i></p>	<p>Previously General Counsel and Director of Mergers & Acquisitions at Tau Capital, with project divestments of mining projects totalling in excess of C\$700M. Started working with Rio Tinto's KEX/Tamarack team in 2014. Responsible for corporate and legal matters and investor relations.</p>
<p>Brian Goldner Head of Exploration (Seconded from Rio Tinto together with the Tamarack team) <i>(Bachelors in Geology and Geography, Masters in Geology)</i></p>	<p>Exploration Geologist with Rio Tinto since 2006. Completed a MSc degree on the Tamarack Intrusive Complex (TIC) in 2012. Seconded by Rio Tinto to lead exploration at the TIC</p>	<p>Dr. Anthony J. Naldrett Talon Technical Committee Member and Director <i>(PH.D, Geology)</i></p>	<p>Globally acknowledged as the leading authority on magmatic sulphide deposits: His research has covered nearly all of the world's magmatic sulphide ores with 254 referenced publications and writing or editing of 7 books. Presently Professor Emeritus at the University of Toronto</p>
<p>Brian Bengert Head of Geophysics <i>(B.Sc Geophysics, M.Sc)</i></p>	<p>Geophysicist 15 years- Inco (now Vale). Major responsibility was Voisey's Bay nickel project. Principal member of the team that discovered the underground deposit</p>	<p>Vince Conte CFO, Head of HR <i>(B.Math, CPA, CFA)</i></p>	<p>Previously Senior Manager with Deloitte LLP in the audit and financial advisory/valuations groups. Responsible for financial modelling of the Tamarack Project since 2014 as well as Talon's accounting, financial controls, auditing, treasury, reporting and HR</p>
<p>Dr. Etienne Dinel VP Geology <i>(Bachelor of Geology, Physics (Honours), PH.D, Economic Geology)</i></p>	<p>Twenty years of experience in structural geology, petrology and geochemistry. Since 2014, he has been instrumental in predicting massive sulphide extensions at the TIC</p>	<p>Oliver Peters Head of Metallurgy <i>(Masters in Engineering, MBA)</i></p>	<p>Previously Falconbridge (now Glencore). Experience with over twenty Ni, Cu and PGM projects. Started part-time at the Tamarack Project since 2016, moving towards fulltime since March 2019</p>

* Through subsidiary Kennecott Exploration Company (KEX)

THE TAMARACK INTRUSIVE COMPLEX (TIC) STRIKES OVER APPROXIMATELY 18 KM. FOLLOW-UP DRILLING TO THE FIRST DISCOVERY HOLE CULMINATED IN A RESOURCE*



*Tamarack North Project NI 43-101 Mineral Resource Estimate
(February 15, 2018) - Tamarack and 138 Zones

Domain	Resource Classification	Tonnes (000)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Calc NiEq (%)
SMSU	Indicated Resource	3,639	1.83	0.99	0.05	0.42	0.26	0.20	2.45
TOTAL	Indicated Resource	3,639	1.83	0.99	0.05	0.42	0.26	0.20	2.45
SMSU	Inferred Resource	1,107	0.90	0.55	0.03	0.22	0.14	0.12	1.25
MSU	Inferred Resource	570	5.86	2.46	0.12	0.68	0.51	0.25	7.24 *
138 Zone	Inferred Resource	2,705	0.95	0.74	0.03	0.23	0.13	0.16	1.38
TOTAL	Inferred Resource	4,382	1.58	0.92	0.04	0.29	0.18	0.16	2.11

Effective date of resource estimate February 15th 2018. All resources reported at a 0.83% NiEq cut-off. No modifying factors have been applied to the estimates. Tonnage estimates are rounded to the nearest 1,000 tonnes. Metallurgical recovery factored in to the reporting cut-off. Where used in the Mineral Resource Estimate, NiEq% = $Ni\% + Cu\% \times \$3.00/\$8.00 + Co\% \times \$12.00/\$8.00 + Pt [g/t]/31.103 \times \$1,300/\$8.00/22.04 + Pd [g/t]/31.103 \times \$700/\$8.00/22.04 + Au [g/t]/31.103 \times \$1,200/\$8.00/22.04$

See Technical Reference slide for further information regarding the Initial PEA, which is available under the Company's issuer profile on SEDAR (www.sedar.com)

***Talon's focus is on expansion of the Massive Sulphide Unit (MSU)**

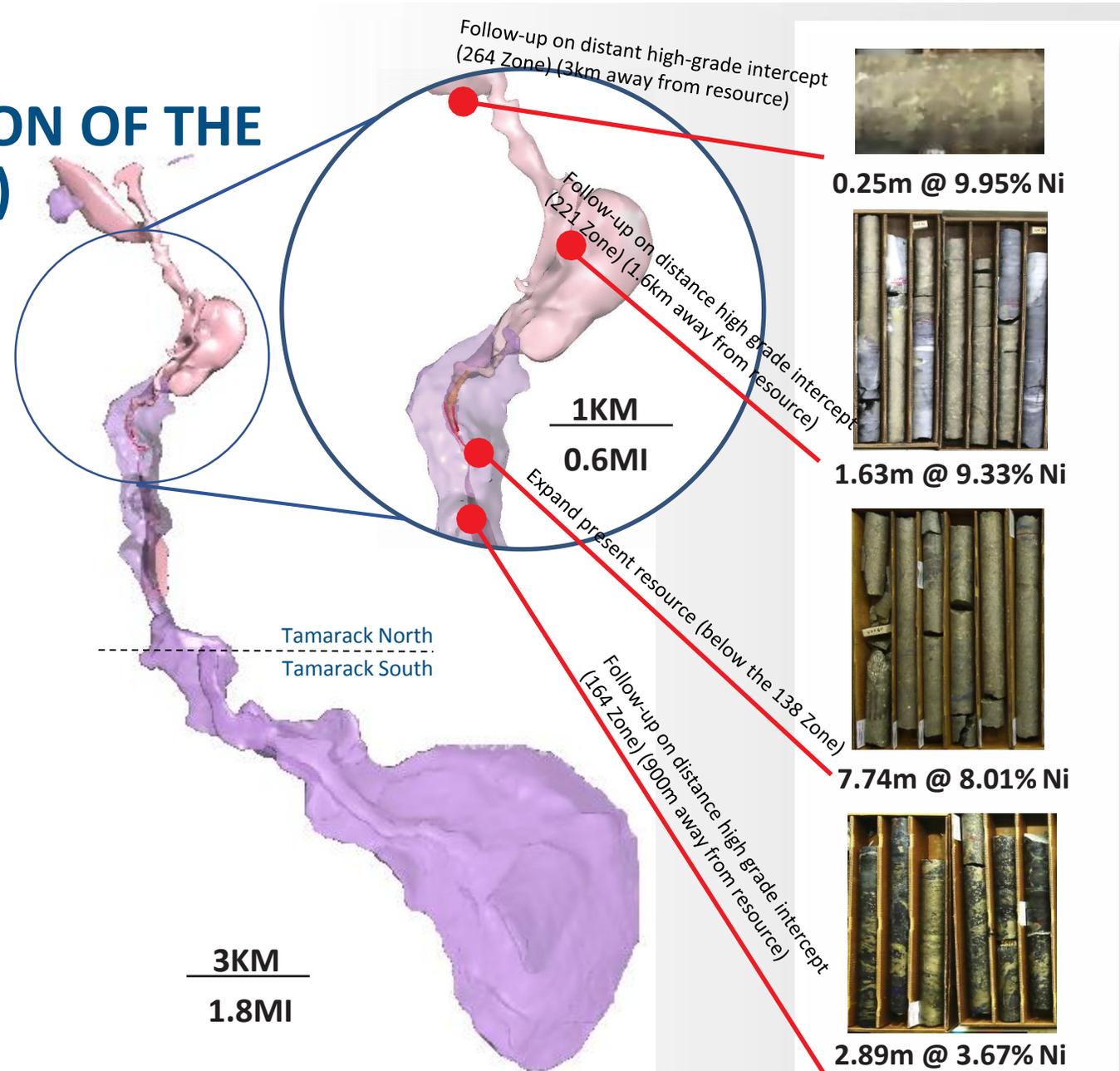
TALON'S FOCUS IS ON EXPANSION OF THE MASSIVE SULPHIDE UNIT (MSU)

- **TWO WAYS TO POTENTIALLY EXPAND:**

- (1) Expand present resource
- (2) Follow-up on distant high-grade intercepts

- **WE ARE PURSUING BOTH THROUGH:**

- (1) Effective drilling techniques
- (2) Advanced geophysical methods



(1) EXPAND THE PRESENT RESOURCE

Massive Sulphide Unit (MSU) Tamarack

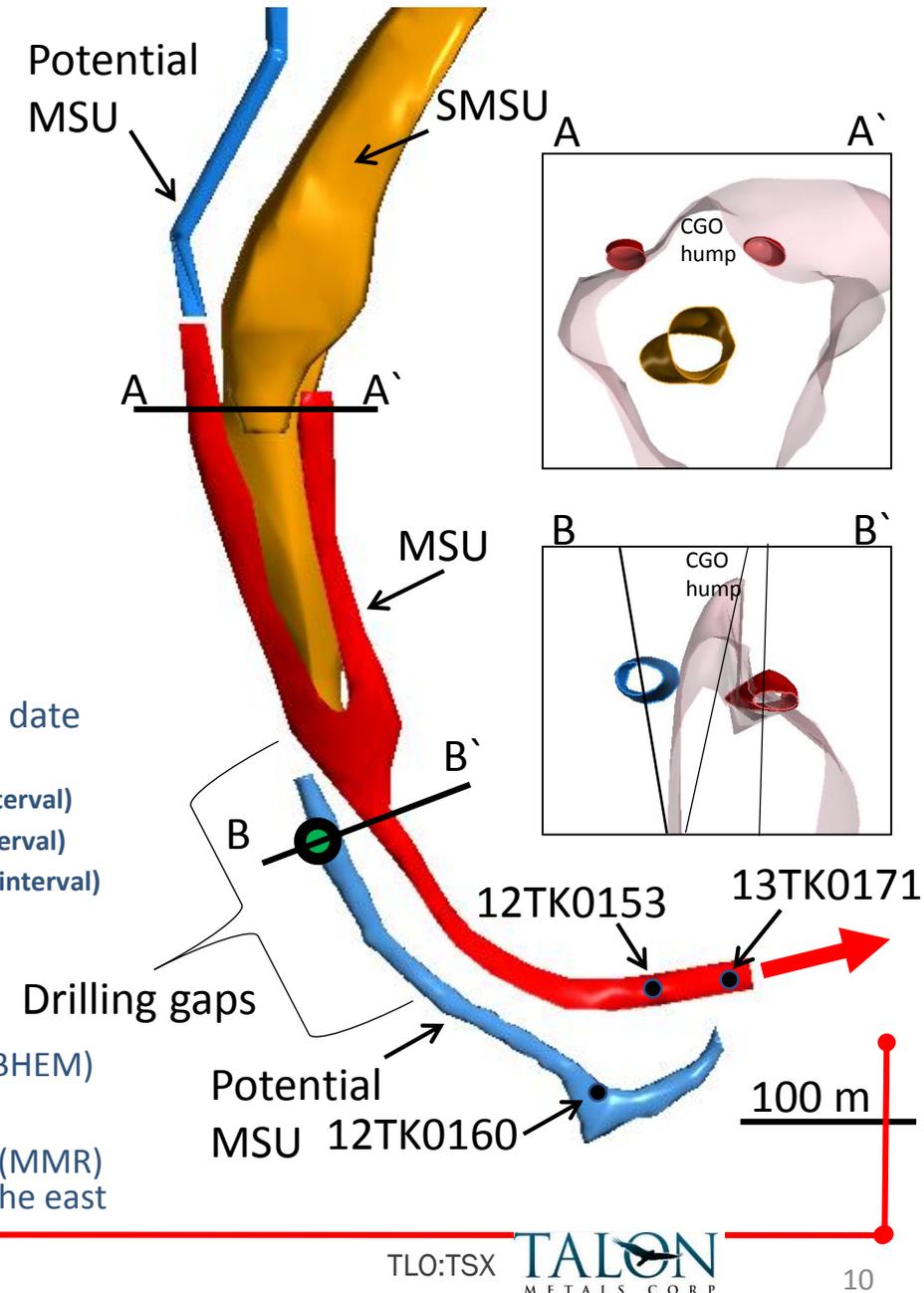
- MSU has grown over time and remains open in all directions:
 - Western MSU discovered in 2008
 - 138 Zone MSU discovered in 2012
 - Eastern MSU discovered in 2015
- Drill hole 12TK0160 intersected 6.67m of MMS outside of the MSU trend
- There is a 250m long gap in drilling where the western MSU is modeled

Massive Sulphide Unit (MSU) 138 Zone

- The last three MSU intercepts in the 138 Zone MSU were three of the best intercepts to date (included in the Initial PEA)
 - 12TK0153: **6.16% Ni**, 2.72% Cu, 0.11%Co, 0.11g/t Au, 0.44g/t Pt, 0.45g/t Pd from 554.5m to 568.05 (**13.55m interval**)
 - 12TK0153: **6.69% Ni**, 2.25% Cu, 0.12% Co, 0.31g/t Au, 0.79g/t Pt, 0.5g/t Pd from 572.75m to 575.25m (**2.5m interval**)
 - 13TK0171: **8.01% Ni**, 2.87% Cu, 0.14% Co, 0.21g/t Au, 0.41 g/t Pt, 0.54 g/t Pd from 573.3m to 581.04m (**7.74m interval**)
 - Contains highest grade sample collected on the project at 10.1% Ni

Methodology

- Previous expansion of the MSU has successfully relied on Borehole Electromagnetic Surveys (BHEM) with a significant increase in MSU as a result
- Talon plans to further increase the effectiveness of BHEM by using Magnetometric Resistivity (MMR) in combination with BHEM. A previous MMR survey pointed to a possible MSU extension to the east of the 138 Zone (see red arrow pointing east)



(2) FOLLOW UP ON DISTANT HIGH-GRADE INTERCEPTS

High grade intercepts from drill holes* show potential for resource expansion over a large distance

264 Zone

Drill hole 18TK0264 : 9.95% Ni, 5.4% Cu, 0.16% Co, 1.66 g/t Pd, 0.8 g/t Pt, 0.22 g/t Au over 0.25 m starting at 539.04 m



Last drill hole prior to Talon's March 2019 agreement with Rio Tinto (KEX)

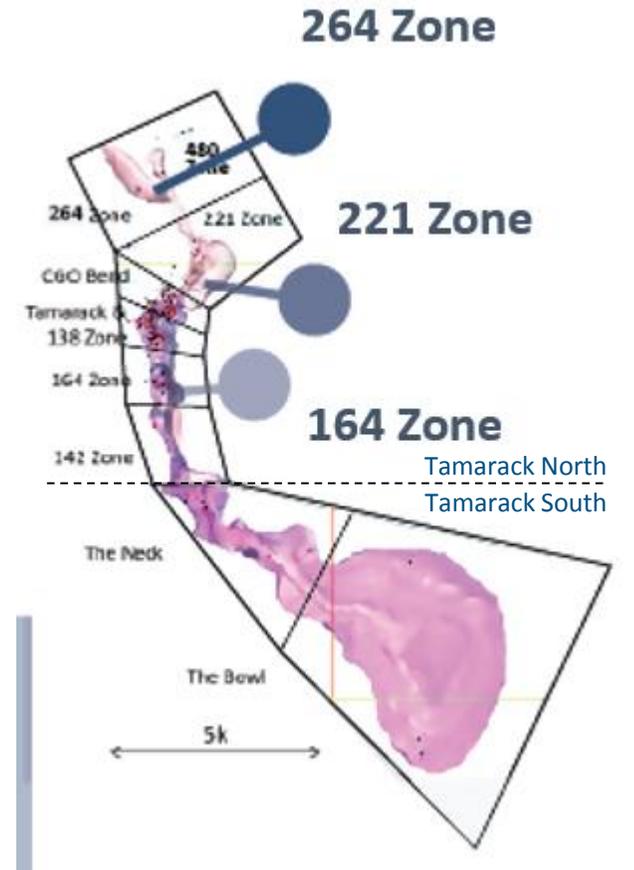
221 Zone

Drill holes 15TK0229: 9.4% Ni, 5.47% Cu, 0.18% Co, 1.42 g/t Pd, 2.41 g/t Pt, 0.86 g/t Au over 0.71 m starting at 702.04 m



164 Zone

Drill hole: 12TK0164 : 3.67% Ni, 1.97% Cu, 814 ppm Co, 0.12 g/t Pt, 0.11 g/t Pd and 0.10 g/t Au from 473.43 m to 476.32 m in the flank of the FGO keel



We are using various geophysical techniques over the Tamarack Zone where the Massive Sulphide Unit (MSU) exists. These techniques will then be tested in satellite areas where Kennecott has previously intersected massive sulphides.

*included in the Initial PEA

EXCELLENT METALLURGICAL RECOVERIES AND LOW DELETERIOUS ELEMENTS IN CONCENTRATES*

Ni 85.0%

RECOVERY

14.5% Grade

Cu 94.5%

TOTAL RECOVERY

28.9% Grade

EXCELLENT QUALITY

- High quality nickel concentrates are in high demand. We expect this trend to continue
- We are therefore investigating two possibilities:
 - Producing concentrates for smelters or
 - Producing nickel sulphates for the Electric Vehicle (EV) Market

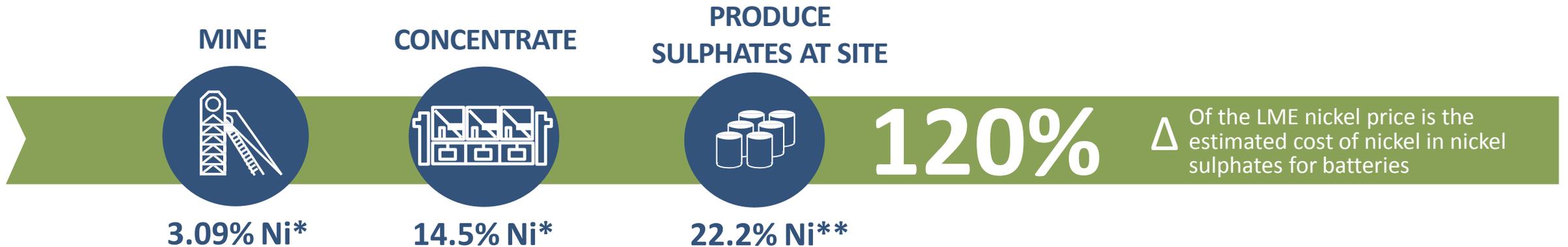
**Initial Preliminary Economic Assessment (PEA), December 14, 2018*

POTENTIAL PRODUCTION OPTIONS

OPTION 1: Produce Concentrates for Smelters (Traditional)



OPTION 2: Produce Sulphates for Electrical Vehicle Batteries (At Site)



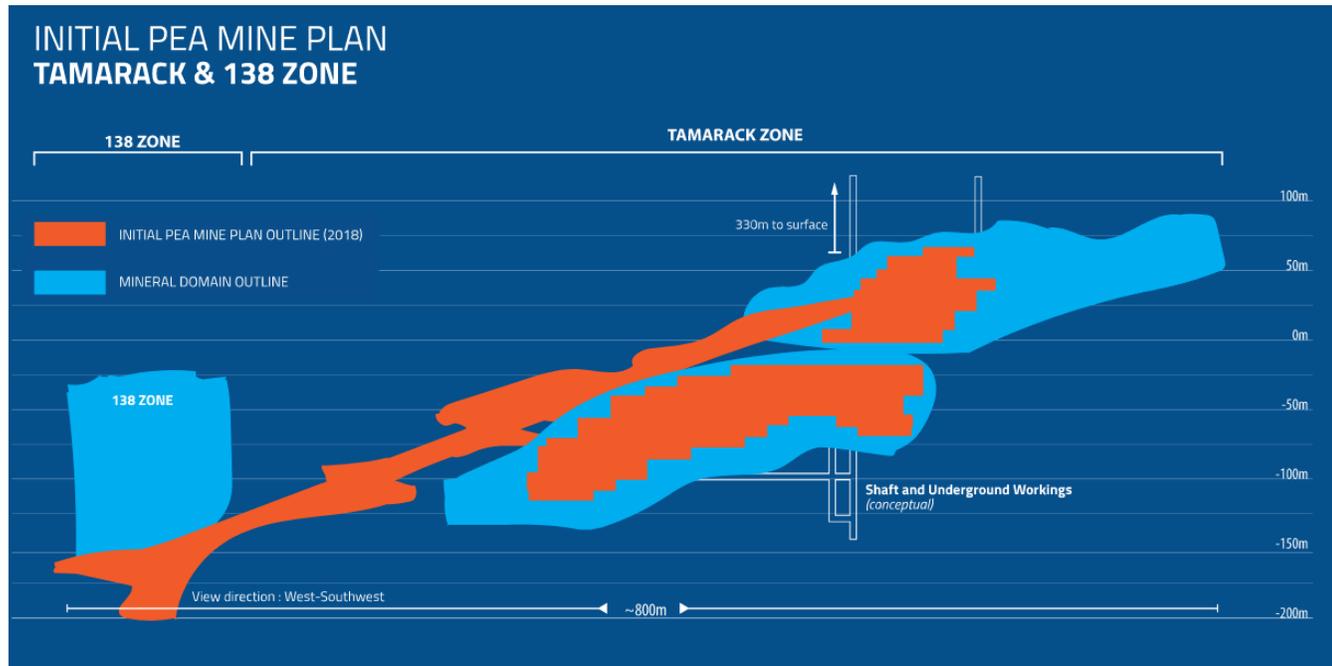
*NI 43-101 Technical Report, Preliminary Economic Assessment (PEA) of the Tamarack North Project – Tamarack, Minnesota, Effective Date: December 14, 2018

** Estimates – numbers may vary for different processes and facilities

Δ McKinsey & Company estimated this to be +30% premium - The Future of Nickel – A Class Act – November 2017

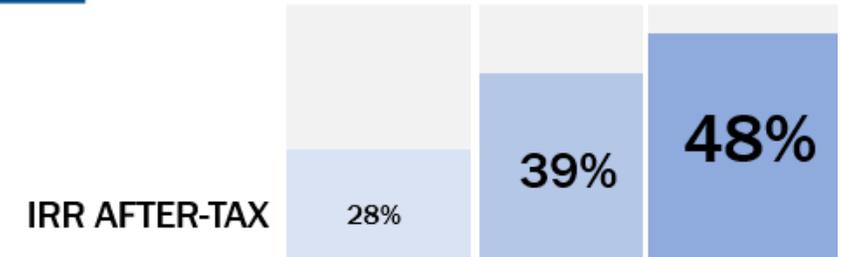
OUR INITIAL PRELIMINARY ECONOMIC ASSESSMENT, DATED DECEMBER 14, 2018 ASSUMED PRODUCTION OF NICKEL CONCENTRATES FOR SMELTERS FROM A SUBSET OF THE TOTAL RESOURCE

Long section looking east showing the outline of the Initial PEA mine plan against the mineral resource domain outline



This Initial PEA showed a positive IRR at various nickel prices*

	Unit	Low	Base case	Incentive pricing
Ni	US\$/lb	\$6.75	\$8.00	\$9.50
Cu	US\$/lb	\$2.75	\$3.00	\$3.25
Co	US\$/lb	\$20.00	\$30.00	\$40.00
Pt	US\$/oz	\$1,100	\$1,100	\$1,100
Pd	US\$/oz	\$800	\$800	\$800
Au	US\$/oz	\$1,200	\$1,200	\$1,200
C1 Cash Costs	US\$/lb of Ni	\$2.47	\$2.20	\$1.93
Payback	Years (pre/after-tax)	2.5 / 2.6	1.9 / 2.1	1.6 / 1.8



* See section 25 of initial PEA, available at the Company's profile on SEDAR (www.SEDAR.com)

IN SUMMARY

OUR IMMEDIATE POTENTIAL VALUE CATALYSTS ARE:



Expand the Massive Sulphide Unit (MSU)



Conduct a metallurgical test program to try to develop a process for a domestic US supply chain of nickel sulphates



Start to infill drill the Massive Sulphide Unit with an intention of moving resources from the inferred to the indicated category



Update the Initial PEA

CAPITAL STRUCTURE

Shares issued **494.3M**

Warrants outstanding **32.0M**

Options outstanding **56.4M**

Fully diluted **582.8M**

Share price (Dec. 31/19) **\$0.15**

Exchange symbol **TLO:TSX**

Market capitalization **C\$74M**

Cash (Dec. 31/19) **C\$7.7M**

Major shareholders*

Resource Capital Funds **48.3%**

Rio Tinto **6.1%**

Management and directors **3.8%**

CQS Natural Resources **3.6%**

*Based on publicly available information



CONTACT INFORMATION



Talon Metals Corp.
Sean Werger, President
swerger@talonmetals.com
B: (416) 361-9636 ext.102

www.talonmetals.com