

TALON METALS ANNOUNCES A 7.8 KM EXTENSION OF DRILLED MINERALIZATION ON TARGET AREA 3 AT THE TRAIRÃO IRON PROJECT

NI 43-101 Mineral Resource Estimate for Target Area 3 Expected in August

Road Town, Tortola, British Virgin Islands (July 25, 2011) – Talon Metals Corp. (“Talon” or the “Company”) (TSX: TLO) is pleased to announce the results of 56 additional drill holes from the preliminary stage reverse circulation (“RC”) drilling program on Target Area 3, at its 100% owned Trairão Iron Project (“Trairão”), located in Pará State, Brazil. These results are in addition to the results from the initial drilling of 17 RC drill holes on Target Area 3 announced on April 6, 2011, and bring the total number of RC holes drilled on Target Area 3 to 73 holes (see Figure 1).

These 56 RC holes were all drilled to various depths, with the deepest being 112 metres, over some 7,800 metres of strike. Initially holes were drilled on 400 metre spaced lines with holes being drilled 200 metres apart along the lines and subsequently the grid was closed up to 200 metre by 200 metre locally. The drilling results reported to date, combined with the results of surface geological mapping and regional airborne magnetic surveys, indicate that the Banded Iron Formation (“BIF”) in Target Area 3 comprises two parallel units. These are a Southern unit and a Northern unit, which individually are between 200 and 500 metres wide and together, inclusive of the surficial deposit between the two parallel BIF units, form a target which is up to 1,000 metres wide. The mineralization overlying the BIF units consists of surficial deposits underlain by saprolite and then saprock and BIF. The results of all RC drill holes on Target Area 3 are shown in the Appendix of this news release.

Highlights of the recent drilling results on Target Area 3 are as follows:

Southern BIF unit

Hole TRC-0065 - 74 metres grading 42% Fe, including 26 metres grading 53% Fe.
Hole TRC-0157 - 94 metres* grading 39% Fe, including 47 metres grading 49% Fe.
Hole TRC-0161 - 84 metres* grading 41% Fe, including 22 metres grading 52% Fe.
Hole TRC-0151 - 63 metres* grading 40% Fe, including 16 metres grading 46% Fe.
Hole TRC-0163 – 80 metres grading 36% Fe, including 25 metres grading 52% Fe.

Northern BIF unit

Hole TRC-0147 – 49 metres* grading 37% Fe, including 16 metres grading 55% Fe.
Hole TRC-0142 – 104 metres* grading 33% Fe, including 23 metres grading 46% Fe.
Hole TRC-0125 – 93 metres* grading 33% Fe, including 13 metres grading 47% Fe.
Hole TRC-0067 – 73 metres* grading 34% Fe, including 24 metres grading 41% Fe.

Surficial Deposits between the BIF units

Hole TRC-0131 – 5 metres grading 49% Fe.
Hole TRC-0139 – 14 metres grading 49% Fe.
Hole TRC-0166 – 7 metres grading 49% Fe.
Hole TRC-0143 – 11 metres grading 45% Fe.

**Drilling on these holes stopped due to the limited capability of the drill rig, and not due to the limit of mineralization.*

“These drilling results are important as they confirm a continuation of the same type of mineralization at Target Area 3 as we have on Target Areas 1 and 2, and these results extend the combined drilled strike length on these three target areas to over 18 kilometres,” said Mr. Eddie Scholtz, President and CEO of Talon. “These results justify the early start we have made to the preliminary scoping studies on mining, metallurgical, logistical and environmental aspects, which are now well underway.”

The Southern BIF on Area 3 dips steeply (60°-70°) to the north on the western sector and to the south-west on the eastern sector. The deepest intersection on the Southern BIF has an apparent thickness of more than 109 metres (TRC-0137) and the average grades intersected are up to 49% Fe (TRC-0135).

The Northern BIF on Area 3 dips steeply (55°-80°) to the north on the western sector and to the south-west on the eastern sector. The deepest mineralization intersected on the Northern Unit BIF has an apparent thickness of more than 104 metres (TRC-0142), and average grades intersected are up to 45% Fe (TRC-0062).

The drilling in this area also intersected surficial deposits developed between the two BIF units, and although most are of limited depth, they generally have grades in excess of 45% Fe.

The mineralization in Target Area 3 is a continuation of the type of mineralization found on Target Areas 1 and 2, which tends to have higher grades in the oxidized, surficial deposits and saprolite, which are underlain by slightly lower grade mineralization in saprock and the fresh magnetite rich BIFs at depth. Target Areas 1 and 2 have cumulative strike length of 10.4 kilometres and a total inferred mineral resource estimate of approximately 688 million tonnes at an average grade of approximately 37% Fe at a 25% Fe cut-off (National Instrument 43-101 compliant).

All geological and analytical data obtained from the drilling of the 73 RC holes on Target Area 3 have been forwarded to Coffey Mining Ltd. (“Coffey”), independent technical consultants who have been engaged by Talon to conduct a National Instrument 43-101 (“NI 43-101”) compliant mineral resource estimate for this target area. A mineral resource estimate for Target Area 3 is expected to be announced in August 2011.

Since January 2011, Talon has completed 322 RC drill holes (17,774 metres) and 34 diamond drill holes (4,284 metres) at the Trairão Iron Project. Drilling continues with 2 RC rigs and 3 diamond drill rigs. The diamond rigs are now focusing on infill drilling on 200 by 200 metres drill grid on Target Areas 1 and 2. The RC rigs are currently conducting a preliminary scout drilling program over Target Areas 7 to 13.

Quality Assurance, Quality Control and Qualified Person

All drilling samples have been prepared and analyzed by SGS-Geosol Laboratórios Ltda (“SGS”) which is ISO14001:2004 and ISO 9001:2008 accredited and is independent of Talon. Sample preparation was conducted at SGS Parauapebas preparation facility whereas analyses were performed at the SGS laboratory based in Belo Horizonte, Brazil. The samples were analyzed by fusion with lithium tetraborate-XRF for SiO₂, Al₂O₃, CaO, Fe₂O₃, K₂O, MgO, TiO₂, P, Mn and Cr₂O₃ and retained moisture (LOI) by multi-temperature.

QA/QC procedures include the submission by Talon of systematic duplicates, blanks and standard samples within every sample batch submitted to SGS. In addition, SGS inserts its own standards, blanks and duplicate samples. The results from these control samples indicate acceptable consistency of analyses.

Talon's exploration programs are being managed by Talon's Mining Engineer, Mr. Ricardo Álvares de Campos Cordeiro. Mr. Cordeiro, a "qualified person" within the meaning of NI 43-101, has reviewed, approved and verified the data disclosed in this news release (other than the mineral resource estimate disclosed herein) including sampling, analytical and test data underlying the technical information.

The qualified person who prepared the mineral resource estimate mentioned in this news release is Mr. Bernardo Horta de Cerqueira Viana who is a geologist, independent of Talon and an employee of Coffey. Please refer to Talon's news release of June 29, 2011 entitled "Talon Metals Announces a 48% Increase in Mineral Resources at the Trairão Iron Project, Brazil" for additional information on this mineral resource estimate. Talon plans to file an updated technical report in respect of the results from Trairão shortly.

Coffey compiled a NI 43-101 compliant technical report on Target Areas 1 and 2 of the Trairão Iron Project entitled "Second Independent Technical Report on Mineral Resources" dated March 29, 2011, a copy of which is available under Talon's SEDAR profile at www.sedar.com.

About the Trairão Project

The Trairão Iron Project is situated within the Serra da Seringa Archean age greenstone belt, within the Carajás Mineral Province in Brazil, which also hosts numerous other iron ore deposits. The Trairão Project comprises eight exploration licences and four applications for exploration licences, for a total area of 76,523 hectares (189,092 acres). The primary protore iron mineralization in the project area is magnetite-rich BIFs. The BIFs are associated with positive magnetic anomalies and locally are overlain by extensive supergene enriched oxidized iron deposits in surficial and saprolite zones. Thirteen discreet target areas with iron deposits have been delineated within the licence area.

About Talon

Talon is a TSX-listed company focused on the exploration and development of its 100% owned Trairão Iron Project in Pará State, Brazil. The Company has a well-qualified exploration and management team with extensive experience in exploration and project management.

Talon has a treasury of approximately CDN\$31 million 91.7 million common shares outstanding and 107.6 million shares on a fully diluted basis.

For additional information on Talon please visit the Company's website at www.talonmetals.com or contact:

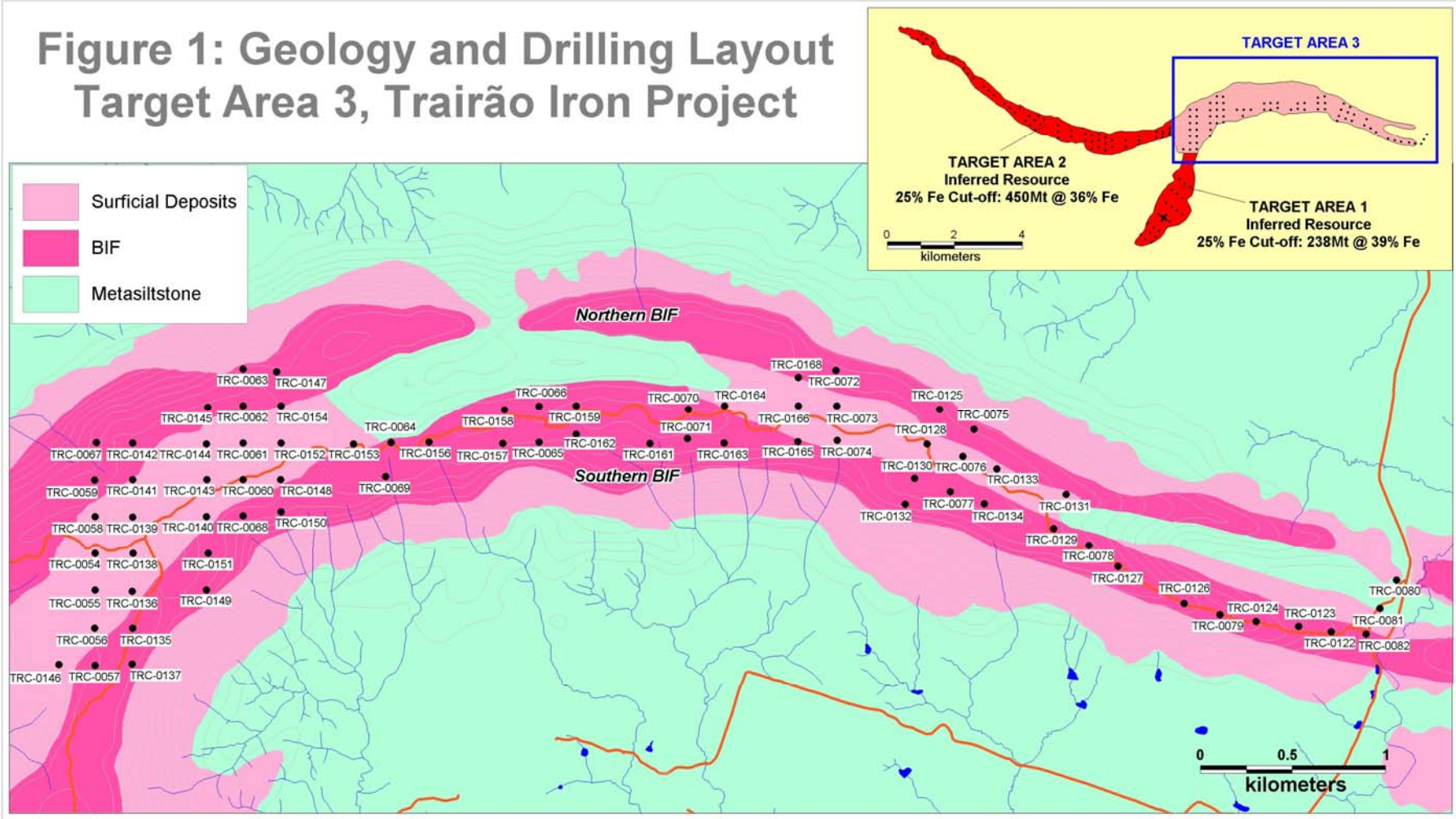
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Forward-Looking Information

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 Trairão Iron Project with respect to estimates in respect of mineral resource quantities, mineral resource qualities, the potential scope of the mineralized area, the preparation of a mineral resource estimate on Target Area 3 and the preparation of a further updated technical report for the Trairão Iron Project, together with the timing associated therewith, and targets, goals, objectives and plans (including the Company’s drilling-exploration plans and plans regarding scoping studies). 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 will not be consistent with the Company’s expectations (including identifying additional and/or deeper mineralization), changes in the price of iron ore, changes in equity markets, political developments in Brazil, 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.

Figure 1: Geology and Drilling Layout Target Area 3, Trairão Iron Project



APPENDIX

Table 1 – Drill Hole Intersections from Southern BIF on Target Area 3

Hole ID	E.O.H.* (m)	From (m)	To (m)	Interval** (m)	Grade*** (% Fe)	Geological Unit
TRC-0057^(x)	87.00	0.00	87.00	87.00[#]	43.40	Southern BIF
<i>(including)</i>		0.00	48.00	48.00	47.79	
TRC-0064^(x)	89.00	0.00	70.00	70.00	28.04	Southern BIF
<i>(including)</i>		0.00	22.00	22.00	35.18	
TRC-0065	75.00	0.00	74.00	74.00	42.15	Southern BIF
<i>(including)</i>		0.00	26.00	26.00	53.05	
TRC-0066	94.00	0.00	36.00	36.00	36.04	Southern BIF
<i>(including)</i>		0.00	11.00	11.00	46.37	
TRC-0068	40.00	0.00	40.00	40.00[#]	9.22	Southern BIF
TRC-0069	84.00	0.00	84.00	84.00[#]	25.38	Southern BIF
<i>(including)</i>		0.00	11.00	11.00	40.45	
TRC-0070	42.00	0.00	27.00	27.00	40.44	Southern BIF
<i>(including)</i>		0.00	10.00	10.00	50.99	
TRC-0071^(x)	100.00	0.00	100.00	100.00[#]	38.20	Southern BIF
<i>(including)</i>		0.00	24.00	24.00	54.24	
TRC-0077^(x)	100.00	0.00	89.00	89.00	30.51	Southern BIF
<i>(including)</i>		0.00	14.00	14.00	43.42	
TRC-0078	71.00	0.00	63.00	63.00	30.77	Southern BIF
<i>(including)</i>		0.00	25.00	25.00	36.32	
TRC-0079	98.00	0.00	74.00	74.00	29.45	Southern BIF
<i>(including)</i>		0.00	12.00	12.00	38.93	
TRC-0082	39.00	0.00	39.00	39.00[#]	30.72	Southern BIF
<i>(including)</i>		0.00	19.00	19.00	35.97	
TRC-0122	55.00	0.00	55.00	55.00[#]	31.71	Southern BIF
TRC-0123	46.00	0.00	46.00	46.00[#]	27.64	Southern BIF
TRC-0124	106.00	0.00	106.00	106.00[#]	18.78	Southern BIF
TRC-0126	112.00	0.00	88.00	88.00	27.53	Southern BIF
<i>(including)</i>		0.00	18.00	18.00	37.21	
TRC-0127	106.00	0.00	106.00	106.00[#]	25.87	Southern BIF
TRC-0129	100.00	0.00	54.00	54.00	31.36	Southern BIF
<i>(including)</i>		0.00	7.00	7.00	45.50	
TRC-0130	45.00	0.00	41.00	41.00	33.51	Southern BIF
<i>(including)</i>		0.00	14.00	14.00	44.92	
TRC-0132	87.00	0.00	79.00	79.00	34.69	Southern BIF
<i>(including)</i>		0.00	14.00	14.00	51.31	
TRC-0134	103.00	0.00	96.00	96.00	32.47	Southern BIF
<i>(including)</i>		0.00	14.00	14.00	42.76	
TRC-0135	51.00	0.00	46.00	46.00	48.64	Southern BIF
<i>(including)</i>		0.00	20.00	20.00	51.37	

Hole ID	E.O.H.* (m)	From (m)	To (m)	Interval** (m)	Grade*** (% Fe)	Geological Unit
TRC-0137	109.00	0.00	109.00	109.00[#]	26.62	Southern BIF
<i>(including)</i>		0.00	9.00	9.00	43.52	
TRC-0149	61.00	0.00	57.00	57.00	31.75	Southern BIF
<i>(including)</i>		0.00	3.00	3.00	48.67	
TRC-0150	79.00	0.00	79.00	79.00[#]	36.13	Southern BIF
<i>(including)</i>		0.00	5.00	5.00	42.52	
TRC-0151	63.00	0.00	63.00	63.00[#]	39.68	Southern BIF
<i>(including)</i>		0.00	16.00	16.00	46.22	
TRC-0156	81.00	0.00	59.00	59.00	30.40	Southern BIF
TRC-0157	94.00	0.00	94.00	94.00[#]	39.33	Southern BIF
<i>(including)</i>		0.00	47.00	47.00	49.44	
TRC-0158	43.00	0.00	38.00	38.00	35.56	Southern BIF
<i>(including)</i>		0.00	17.00	17.00	44.53	
TRC-0159	76.00	0.00	44.00	44.00	39.86	Southern BIF
<i>(including)</i>		0.00	21.00	21.00	45.83	
TRC-0161	84.00	0.00	84.00	84.00[#]	40.74	Southern BIF
<i>(including)</i>		0.00	22.00	22.00	51.96	
TRC-0162	83.00	0.00	83.00	83.00[#]	36.08	Southern BIF
<i>(including)</i>		0.00	15.00	15.00	52.49	
TRC-0163	85.00	0.00	80.00	80.00	36.12	Southern BIF
<i>(including)</i>		0.00	25.00	25.00	52.36	
TRC-0165	88.00	0.00	71.00	71.00	28.07	Southern BIF

Table 2 – Drill Hole Intersections from Northern BIF on Target Area 3

Hole ID	E.O.H.* (m)	From (m)	To (m)	Interval** (m)	Grade*** (% Fe)	Geological Unit
TRC-0059^(x)	76.00	0.00	76.00	76.00[#]	34.61	Northern BIF
<i>(including)</i>		33.00	45.00	12.00	46.33	
TRC-0062^(x)	84.00	0.00	84.00	84.00[#]	45.03	Northern BIF
<i>(including)</i>		0.00	9.00	9.00	50.54	
TRC-0063^(x)	89.00	0.00	89.00	89.00[#]	29.51	Northern BIF
<i>(including)</i>		0.00	28.00	28.00	37.81	
TRC-0067	73.00	0.00	73.00	73.00[#]	33.66	Northern BIF
<i>(including)</i>		0.00	24.00	24.00	41.21	
TRC-0072^(x)	84.00	0.00	84.00	84.00[#]	30.19	Northern BIF
TRC-0075	105.00	29.00	97.00	68.00	28.41	Northern BIF
TRC-0080	40.00	0.00	40.00	40.00	5.95	Northern BIF
TRC-0081	15.00	0.00	15.00	15.00	8.64	Northern BIF
TRC-0125	93.00	0.00	93.00	93.00[#]	32.95	Northern BIF
<i>(including)</i>		0.00	13.00	13.00	47.41	
TRC-0142	104.00	0.00	104.00	104.00[#]	33.41	Northern BIF
<i>(including)</i>		0.00	23.00	23.00	45.63	

Hole ID	E.O.H.* (m)	From (m)	To (m)	Interval** (m)	Grade*** (% Fe)	Geological Unit
TRC-0145	88.00	0.00	88.00	88.00 [#]	30.86	Northern BIF
<i>(including)</i>		0.00	12.00	12.00	48.35	
TRC-0147	49.00	0.00	49.00	49.00 [#]	37.32	Northern BIF
<i>(including)</i>		0.00	16.00	16.00	54.98	
		35.00	47.00	12.00	31.93	Northern BIF

Table 3 – Drill Hole Intersections from Surficial Deposits on Target Area 3

Hole ID	E.O.H.* (m)	From (m)	To (m)	Interval** (m)	Grade*** (% Fe)	Geological Unit
TRC-0054 ^(?)	25.00	0.00	17.00	17.00	44.32	Surficial Dep.
TRC-0055 ^(?)	58.00	0.00	11.00	11.00	42.50	Surficial Dep.
TRC-0056 ^(?)	33.00	0.00	10.00	10.00	40.98	Surficial Dep.
TRC-0058 ^(?)	40.00	0.00	12.00	12.00	45.03	Surficial Dep.
TRC-0060 ^(?)	37.00	0.00	9.00	9.00	46.41	Surficial Dep.
TRC-0061 ^(?)	33.00	0.00	11.00	11.00	46.26	Surficial Dep.
TRC-0073 ^(?)	27.00	0.00	8.00	8.00	46.46	Surficial Dep.
TRC-0074 ^(?)	36.00	0.00	3.00	3.00	31.73	Surficial Dep.
TRC-0076 ^(?)	40.00	0.00	8.00	8.00	48.00	Surficial Dep.
TRC-0128	34.00	0.00	8.00	8.00	42.13	Surficial Dep.
TRC-0131	45.00	0.00	5.00	5.00	49.38	Surficial Dep.
TRC-0133	45.00	0.00	7.00	7.00	45.73	Surficial Dep.
TRC-0136	34.00	0.00	18.00	18.00	38.26	Surficial Dep.
TRC-0138	45.00	0.00	18.00	18.00	42.87	Surficial Dep.
TRC-0139	33.00	0.00	14.00	14.00	48.70	Surficial Dep.
TRC-0140	33.00	0.00	13.00	13.00	41.34	Surficial Dep.
TRC-0141	40.00	0.00	3.00	3.00	49.37	Surficial Dep.
TRC-0143	45.00	0.00	11.00	11.00	45.53	Surficial Dep.
TRC-0144	43.00	0.00	9.00	9.00	41.20	Surficial Dep.
TRC-0146	42.00	0.00	8.00	8.00	37.94	Surficial Dep.
TRC-0148	25.00	0.00	8.00	8.00	31.66	Surficial Dep.
TRC-0152	45.00	0.00	14.00	14.00	37.04	Surficial Dep.
TRC-0153	40.00	0.00	7.00	7.00	42.54	Surficial Dep.
TRC-0154	45.00	0.00	5.00	5.00	39.80	Surficial Dep.
TRC-0164	54.00	0.00	9.00	9.00	40.89	Surficial Dep.
TRC-0166	42.00	0.00	7.00	7.00	48.74	Surficial Dep.
TRC-0168	36.00	0.00	5.00	5.00	43.66	Surficial Dep.

Notes:

^(?) Results released on 6 April 2011

^(*) E.O.H. means “End of the hole”

^(**) intervals do not represent the true widths

^(***) Fe grade are uncut

^(#) Mineralization open at depth

The prefix TRC on the Hole ID column indicates reverse circulation (“RC”) drill holes.

All RC drill holes were drilled vertically.