

## **US EV BATTERY SUPPLY CHAIN: TALON METALS ACQUIRES EXPLORATION RIGHTS FROM SWEETWATER ROYALTIES TO EXPLORE HISTORIC HENRY FORD LAND PACKAGE IN MICHIGAN**

*400,000 Acre Land Package in a Highly Prospective Nickel District, Currently Host to the Only Operating High-Grade Nickel Mine in the USA*

**Tamarack, Minnesota (August 10, 2022)** Talon Metals Corp. (“**Talon**” or the “**Company**”) (TSX:TLO, OTC:TLOFF) is pleased to announce that it has entered into an option and earn-in agreement (the “**Option Agreement**”) with UPX Minerals Inc. (a wholly-owned subsidiary of Sweetwater Royalties) (“**UPX**”) to acquire up to an 80% ownership interest in the mineral rights over a land package comprised of approximately 400,000 acres located in the Upper Peninsula of the State of Michigan (the “**Michigan Nickel Properties**”). This land package covers a highly prospective terrain within 1.7 miles (2.8km) of the high-grade Eagle Nickel Mine (the only active nickel mine in the USA today) and is only 0.4 miles (0.6km) from the Humboldt Mill (the concentrator which currently processes the raw nickel ore that is trucked from the Eagle Nickel Mine). The deal comes with a very large high quality geophysical data package and access to historic drill core that contain multiple high-grade nickel intercepts up to 7.4% Ni (i.e., similar grades to the Company’s Tamarack Nickel Project in Minnesota, USA). The land package was originally assembled by Henry Ford and owned for approximately 70 years by the Ford Motor Company.

Johnny DeCooman, President and CEO of Sweetwater Royalties said: “*After a competitive exploration partner search, we selected Talon’s proposal due to their track record for delivering exploration success. The Talon team have extraordinary in-house geophysics, geology and drilling capabilities to advance several targets as already demonstrated by their success at the Tamarack Nickel Project in Minnesota. We believe that Talon is ideally positioned to identify and prove out numerous high-grade nickel deposits near the only USA nickel processing facility.*”

Henri van Rooyen, CEO of Talon said: “*Talon’s acquisition of the Michigan Nickel Properties is directly responsive to Senator Manchin and other national leaders on both sides of the aisle to take urgent action to establish a battery mineral supply chain from mine to battery within the United States. Talon will bring its proven approach to exploration and use cutting-edge technology to explore for new high-grade nickel, iron and copper deposits in the Upper Peninsula of Michigan, currently the only region in the United States that produces nickel.*”

Mr. van Rooyen continued: “*The USA currently has only two known high-grade nickel deposits: Talon’s Tamarack Nickel Project in Minnesota and the Eagle Nickel Mine in Michigan. These two exceptional deposits of high-grade nickel are definitive proof of the nickel potential in the Lake Superior region; notwithstanding this, the amount of modern exploration of this nickel bearing region is miniscule in comparison to other nickel districts around the world. Talon’s experienced team of ‘nickel hunters’ has the benefit of technologies only dreamed of prior to 2020: new technologies mean faster data collection, processing, interpretation and drilling, culminating in the ability to generate and test a much larger number of high priority targets simultaneously.*”

“*Not only is Talon taking an innovative approach to discovery of high-grade battery nickel and battery-grade iron deposits in the USA for various battery chemistries (including NMC, NCA and LFP batteries), but Talon is also taking an industry leading approach to protecting the environment, partnering with unions and building broad-based community support where we operate,*” Mr. van Rooyen commented.

Sean Werger, President of Talon commented: *“Opportunities to obtain exploration rights in a proven prospective area like the Upper Peninsula of Michigan are rare. Henry Ford had the foresight to assemble this package of land as part of his integrated supply chain strategy as he helped the USA transition to motorized transportation. Now, Talon will explore that same land package for the battery minerals that are needed in the United States battery supply chain as the nation again fundamentally changes our transportation to electric vehicles”* said Sean Werger, President of Talon.

Mr. Werger continued: *“Nickel has been declared a critical mineral of national importance by President Biden and added to the authorities under the Defense Production Act. The Senate passed the Inflation Reduction Act of 2022 a few days ago and the House is expected to send it to President Biden for signature in a vote on Friday of this week. The bill includes numerous incentives for EV adoption that are linked to the production of battery materials like nickel in the USA and from allies that have free trade agreements with the USA. Much of the new investment in USA battery manufacturing announced over the last year depends on nickel chemistry. By surgically targeting high-grade nickel mineralization with our unique exploration capability in both Michigan and Minnesota, Talon is helping to build EV battery supply chain security for the United States”*.

### **Agreement between Talon and UPX:**

Talon has entered into an Option Agreement with UPX to acquire up to an 80% ownership interest in the Michigan Nickel Properties. Pursuant to the terms of the Option Agreement, Talon has agreed to a minimum spending obligation of up to US\$5 million in exploration expenditures or drilling of at least 7,500 meters. Talon has five years (until August 2027) to complete these minimum requirements. Talon will earn a 51% undivided interest in the Michigan Nickel Properties upon the completion of 25,000 meters of drilling (the **“Stage One Requirement”**). Talon will have five years (until August 2027) to complete the Stage One Requirement, which may be extended in certain circumstances.

Talon will then have the option to earn an additional 29% interest in the Michigan Nickel Properties (resulting in an 80% ownership interest) upon delivering a Feasibility Study prepared in accordance with National Instrument 43-101 over a portion of the Michigan Nickel Properties (the **“Stage Two Requirement”**). In the event that Talon does not complete the Stage Two Requirement within eight-years (which may be extended in certain circumstances) of determining a “mineral resource” at the Michigan Nickel Properties, Talon’s interest in the Michigan Nickel Properties will revert to 49%.

On execution of the Option Agreement, and as partial consideration for entering into the Option Agreement, Talon will issue Kennecott Exploration Company (**“KEX”**) 15,321,933 common shares of Talon at a deemed price of \$0.51 per share (based on the 5-day VWAP of the Talon shares on the TSX) in satisfaction of US\$6 million plus interest in payment obligations of UPX to KEX as a previous owner of the Michigan Nickel Properties. This share issuance is subject to the approval of the Toronto Stock Exchange. Upon Talon completing the Stage Two Requirement, UPX will be granted a 2% NSR royalty on the Michigan Nickel Properties and have the right to participate in proportion to its participating 20% joint venture interest or dilute its interest to an additional 1% NSR royalty.

## ABOUT TALON

Talon is a TSX-listed base metals company in a joint venture with [Rio Tinto](#) on the high-grade [Tamarack Nickel-Copper-Cobalt Project](#) located in central Minnesota. Talon's shares are also traded in the US over the OTC market under the symbol TLOFF. The Tamarack Nickel Project comprises a large land position (18km of strike length) with high-grade intercepts [outside the current resource area](#). Talon has an earn-in right to acquire up to 60% of the Tamarack Nickel Project, and currently owns 51%. Talon is focused on (i) expanding and infilling its current high-grade nickel mineralization resource prepared in accordance with NI 43-101 to shape a mine plan for submission to Minnesota regulators, (ii) following up on additional high-grade nickel mineralization in the Tamarack Intrusive Complex, and (iii) exploring the prospects for significant carbon storage in the ultra-mafic rocks that comprise the Tamarack Intrusive Complex through carbon mineralization. [Talon has an agreement with Tesla Inc.](#) to supply it with 75,000 metric tonnes (165 million lbs) of nickel in concentrate (and certain by-products, including cobalt and iron) from the Tamarack Nickel Project over an estimated six-year period once commercial production is achieved. Talon has well-qualified experienced exploration, mine development, external affairs and mine permitting teams.

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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## QUALIFIED PERSON

Dr. Etienne Diné, Vice President, Geology of Talon, is a Qualified Person within the meaning of National Instrument 43-101. Dr. Diné 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 disclosed in this news release, including sampling, analytical and test data underlying the technical information.

## 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 statements relating to the Company's ability to earn up to an 80% interest in the Michigan Nickel Properties from UPX; the geological and exploration potential of the Michigan Nickel Properties, including the potential for numerous high-grade nickel deposits therein; the Company's ability and success in using new technologies for exploration; the passing into law of the Inflation Reduction Act of 2022; and the issuance of common shares to KEX, including the approval of the Toronto Stock Exchange. 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.

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.