

DEPARTMENT OF DEFENSE AND TALON SIGN AGREEMENT TO SUPPORT DOMESTIC NICKEL EXPLORATION

US\$20.6 million in DOD funding supports exploration to discover more high-grade nickel in Michigan and Minnesota

Washington, D.C. (September 12, 2023) – Talon Metals Corp. (“**Talon**” or the “**Company**”) (TSX:TLO), through its wholly owned subsidiary Talon Nickel (USA) LLC, has entered into a definitive agreement with the Department of Defense’s Office of Manufacturing Capability Expansion and Investment Prioritization to accelerate and expand the Company’s efforts to discover and secure additional domestic supply of nickel for the growing US battery manufacturing base and defense related supply chains. Utilizing *Defense Production Act (DPA) Title III authorities* and funds appropriated by the Additional Ukraine Supplemental Appropriations Act, the Department of Defense will contribute funding on a cost-share basis to Talon’s in-house drilling and geophysics teams to purchase more equipment, hire additional employees and accelerate the Company’s efforts to discover and delineate more high-grade nickel deposits within the Midcontinent Rift geology of the United States. As part of the agreement, the Department of Defense will contribute US\$20,607,146 and Talon will contribute US\$21,783,150 in matching funding on a cost-share basis (including, use of existing equipment and current employee cost) over a period of 39 months.

“This funding makes clear that domestic supply of nickel is a national security priority,” said Henri van Rooyen, CEO of Talon. *“Congress and the Biden Administration have created powerful new tools to build-up domestic supply of critical minerals required for clean energy systems and national defense. With this funding, Talon will be able to accelerate our efforts to discover domestic sources of battery grade nickel and help ensure that the United States is not dependent on Russia, China or Chinese companies operating in countries like Indonesia for nickel that is needed in both defense platforms and clean energy systems.”*

Highlights

- Funding underscores the long-term strategic importance of nickel for defense platforms, electric batteries and other clean energy systems.
- Aligns with Talon and US Geological Survey (USGS) view that the Midcontinent Rift in the Lake Superior region of Minnesota and Michigan is highly prospective for nickel sulfide deposits with potential for “district scale” mineralization.
- Deploys DPA Title III funding to build up domestic supply of nickel and secure American independence in the supply of critical minerals.
- Challenges Chinese and Russian dominance in supply of nickel for clean energy systems.
- If successful, would ensure that nickel produced for US defense requirements and battery supply chains is produced at high labor standards, environmental protections and participation of indigenous people.
- Utilizes best-in-class exploration practices to protect the natural environment where Talon’s exploration activities occur.

Mr. van Rooyen continued, *“With this funding comes a responsibility to demonstrate that we can discover the necessary ingredients like nickel required for national defense systems and clean energy while also making sure we protect the environment, create good jobs, engage and listen to communities and seek the participation of tribal sovereign governments and their members. Our team is ready to show that we can do things differently and achieve each of these objectives. It does not need to be a choice.*

Talon is currently exploring the Tamarack Intrusive Complex (TIC) in central Minnesota on a 24 hour a day basis with significant recent success. Talon also recently acquired the mineral rights contained in the historic Henry Ford Land package in the Upper Peninsula of Michigan proximate to the only operating nickel mine in the US. Talon is one of the few exploration and mine development companies that has its own in-house teams conducting drilling, geophysical analysis and geologic planning. With Talon’s fleet of 5 drill rigs and in-house geophysicists, Talon is well positioned to use the funding from the Department of Defense to expand and accelerate its exploration activities in Minnesota and Michigan.

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 additional 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, and (ii) following up on additional high-grade nickel mineralization in the Tamarack Intrusive Complex. [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 a [neutrality and workforce development agreement](#) in place with the United Steelworkers union. Talon’s Battery Mineral Processing Facility in Mercer County was [selected by the US Department of Energy](#) for US\$114 million funding grant from the Bipartisan Infrastructure Law. 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

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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 cost-share funding from the Department of Defense; and future exploration, drilling, and the results thereof. 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.