



**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF  
TALON METALS CORP.**

**TO BE HELD ON FEBRUARY 22, 2024**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**January 18, 2024**

**TALON METALS CORP.**

**Craigmuir Chambers  
P.O. Box 71, Road Town  
Tortola, British Virgin Islands  
Company No: 649782**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that a special meeting of shareholders (the “**Meeting**”) of Talon Metals Corp. (the “**Company**” or “**Talon**”) will be held at Suite 100, One Financial Place, Lower Collymore Rock, St. Michael, Barbados on February 22, 2024 at 10:00 a.m. (Barbados time) for the following purposes:

1. to consider and, if deemed advisable, pass a resolution, the full text of which is set out in the accompanying management proxy circular (the “**Circular**”), of disinterested shareholders to approve the re-pricing and extension of expiry dates of certain stock options previously granted to directors, officers, consultants and employees of the Company; and
2. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The attached Circular sets forth a description of the matters referred to above. A copy of the Circular, form of proxy (“**Form of Proxy**”) and a supplemental mailing list card accompany this Notice of Meeting.

Only registered shareholders at the close of business on January 18, 2024, who either personally attend the Meeting or who have completed and delivered a Form of Proxy, in the manner and subject to the provisions described in the Circular, shall be entitled to vote or to have their common shares of the Company (the “**Common Shares**”) voted, as the case may be, at the Meeting.

**Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the accompanying Form of Proxy in the enclosed return envelope. All instruments appointing proxies to be used at the Meeting or at any adjournment or postponement thereof must be deposited with Computershare Investor Services Inc., Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, in the case of registered holders of Common Shares, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof or with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof. Please also see the information contained in the Form of Proxy relating to voting by telephone or the Internet. Beneficial shareholders of Common Shares should refer to the heading “Advice to Non-Registered Shareholders” in the Circular for information regarding their voting rights.**

DATED this 18<sup>th</sup> day of January, 2024.

**By Order of the Board of Directors**

(Signed) “*Warren Newfield*”

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Warren Newfield  
Executive Chairman

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**TALON METALS CORP.**

**Craigmuir Chambers  
P.O. Box 71, Road Town  
Tortola, British Virgin Islands  
Company No: 649782**

**MANAGEMENT PROXY CIRCULAR**

***BVI Business Companies Act, 2004 of the British Virgin Islands***

In respect of the special meeting of shareholders (the “**Meeting**”) of Talon Metals Corp. (“**Talon**” or the “**Company**”) to be held on the 22<sup>nd</sup> day of February, 2024 at Suite 100, One Financial Place, Lower Collymore Rock, St Michael, Barbados at 10:00 a.m. (Barbados time).

**NOTICE REGARDING INFORMATION**

The information contained in this management proxy circular (the “**Circular**”) is given as at January 18, 2024, except where otherwise noted.

Any statement with respect to the number of common shares in the capital of the Company beneficially owned or over which control or direction is exercised by any person is in each instance based upon information furnished by such person.

**CURRENCY**

Unless stated otherwise, in this Circular, \$ means Canadian dollars.

**SOLICITATION ON BEHALF OF THE MANAGEMENT OF THE COMPANY**

**THIS MANAGEMENT PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION ON BEHALF OF THE MANAGEMENT OF THE COMPANY OF PROXIES TO BE USED AT THE MEETING (AND ANY ADJOURNMENT OR POSTPONEMENT THEREOF) TO BE HELD ON FEBRUARY 22, 2024 AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH ABOVE AND IN THE ACCOMPANYING NOTICE OF MEETING.** Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors, officers and employees of the Company without special compensation. The cost of solicitation by management of the Company will be borne by the Company.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Company (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Circular, the notice of meeting (the “**Notice of Meeting**”) and a form of proxy to the beneficial owners of such shares. The Company will provide, without cost to such persons, upon request to the Corporate Secretary of the Company, additional copies of the foregoing documents required for this purpose.

The contents and the sending of this Circular have been approved by the Company’s board of directors (“**Board**”).

No person is authorized to give any information or to make any representation other than those contained herein and, if given or made, such information or representation should not be relied upon as having been authorized by Talon. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are nominees of management of the Company. **A TALON SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON OR COMPANY, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO** by either filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy. A shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must, in all cases, deposit the completed proxy with the Company's transfer agent and registrar, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J 2Y1, facsimile (416) 263-9524 (local) or 1-866-249-7775 (toll free), not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment or postponement thereof at which the proxy is to be used, or deliver it to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof prior to the commencement of the Meeting. A proxy should be executed by the shareholder or his, her or its attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chair of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A registered shareholder attending the Meeting has the right to vote in person and, if he, she, or it does so, his, her or its proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

## EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy will be voted accordingly. **WHERE NO CHOICE IS SPECIFIED WITH RESPECT TO MATTERS WHICH ARE ADDRESSED BY THE NOTICE OF MEETING AND THIS CIRCULAR, THE SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF EACH MATTER SET OUT IN THE NOTICE OF MEETING. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS JUDGMENT MAY DETERMINE.** At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the date hereof: (i) the Company is authorized to issue one class and one series of shares divided into a maximum number of 100,000,000,000 common shares of no par value (each, a "**Common Share**"); and (ii) the Company has outstanding 934,061,553 Common Shares, each of which carries one vote.

The outstanding Common Shares were listed for trading on the Toronto Stock Exchange (the "**TSX**") on April 13, 2005 and are currently listed under the symbol "**TLO**". The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed as January 18, 2024 (the "**Record Date**"). As at the Record Date, the Company had outstanding 934,061,553 Common Shares. The Company's registrar and transfer agent, Computershare Investor Services Inc., will prepare an alphabetical list of shareholders as of such Record Date showing the number of Common Shares held by each shareholder. A shareholder may examine the list during usual business hours at the offices of Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J

2Y1, and at the Meeting. Each shareholder named in the list will be entitled to one vote per Common Share shown opposite his, her or its name on the said list, even though he, she or it has since that date disposed of his, her or its Common Shares.

As at the date of this Circular, to the knowledge of the directors and executive officers of the Company, other than Resource Capital Fund VI L.P. (“RCF”) and Pallinghurst Nickel International Ltd. (“Pallinghurst”), no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attaching to any class of outstanding voting securities of the Company. As at the date of this Circular, to the knowledge of the directors and executive officers of the Company, (i) RCF beneficially owns, controls or directs, directly or indirectly, 133,610,894 Common Shares representing approximately 14.3% of the issued and outstanding capital of the Company, and (ii) Pallinghurst beneficially owns, controls or directs, directly or indirectly, 146,986,407 Common Shares representing approximately 15.7% of the issued and outstanding capital of the Company.

### ADVICE TO NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they name as proxy holders are authorized to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either: (i) in the name of an intermediary (“**Intermediary**”) with whom the Non-Registered Shareholder deals with in respect of their Common Shares, such as a bank, a trust company, a stockbroker, or a trustee or manager of a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), registered education savings plan (“**RESP**”) or other similar self-administered plan; or (ii) in the name of a clearing agency of which the Intermediary is a member.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has delivered copies of the Notice of Meeting, together with the Circular and the form of proxy enclosed herewith (collectively, the “**Documents related to the Meeting**”) to the clearing agencies and Intermediaries so that they may forward them to the Non-Registered Shareholders. Intermediaries are required to forward to Non-Registered Shareholders the Documents related to the Meeting. Intermediaries typically use companies (such as Broadridge Financial Solutions (Canada) Inc.) to deliver the documents to Non-Registered Shareholders. Non-Registered Shareholders will:

(a) usually be provided by the Intermediary with an unsigned computerized form (often named “**voting instruction form**”) which, once it has been duly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or to the company used by the Intermediary for the delivery of the documents, will constitute the voting instructions which the Intermediary must follow. The Non-Registered Shareholder generally receives an instruction page containing an adhesive label on which a bar code and other information appear. To be considered as a valid voting instruction form, the Non-Registered Shareholder must remove the label from the voting instruction page and apply it on the computerized form which must be duly signed and completed before being returned to the Intermediary or its delivery company, in accordance with the instructions provided by the Intermediary or delivery company. In certain cases, a Non-Registered Shareholder may give the Intermediary or its delivery company such voting instructions via the Internet or by calling a toll free phone number; or

(b) as is less often the case, receive a proxy form already signed by the Intermediary (typically, the form is sent by fax with the Intermediary’s signature, either handwritten or stamped), relating strictly to the number of Common Shares beneficially owned by the Non-Registered Shareholder and otherwise left in blank. In such a case, the Non-Registered Shareholder who wishes to submit a proxy form should properly complete such form before filing it with Computershare Investor Services Inc. (Attention: Proxy Department), by mail to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 or by fax to 1-866-249-7775 (toll free) or (416) 263-9524 (local).

In each case, the purpose of these procedures is to enable Non-Registered Shareholders to give instructions in relation to the voting rights attached to Common Shares they beneficially own.

Should a Non-Registered Shareholder who receives a voting instruction form wish to vote in person at the Meeting, or to have another person attend and vote on his behalf, such Non-Registered Shareholder should print his own name or the name of such other person on the voting instruction form and return it to the Intermediary or its service company.

Should a Non-Registered Shareholder who receives a proxy form wish to attend and vote in person at the Meeting, or to have another person attend and vote on his behalf, such Non-Registered Shareholder should strike out the names of the persons indicated in the proxy form and add his own name or the name of such other person in the space provided for that purpose on the form and return it to Computershare Investor Services Inc. at the above mentioned address.

In either case, Non-Registered Shareholders should carefully read the directions given by their Intermediaries, including as to when, where and how the voting instruction form or proxy form should be delivered.

A Non-Registered Shareholder may revoke voting instructions given to an Intermediary by following the procedures set out in the voting instruction form (or similar document) provided by the Intermediary.

## **BUSINESS TO BE CONSIDERED AT THE MEETING**

At the Meeting, the shareholders will be asked to consider and vote upon: (i) the Option Amendment Resolution (defined below); and (ii) such other matters as may properly come before the Meeting.

### **Approval of Re-pricing and Extension of Term of Certain Options under the Company's Stock Option Plan**

At the Meeting, the shareholders of the Company will be asked to consider and approve a resolution (the “**Option Amendment Resolution**”) as set forth below to re-price and/or extend the term of an aggregate of 112,783,532 outstanding stock options of the Company (“**Talon Options**”) previously issued to directors, officers, consultants and employees of the Company pursuant to the Stock Option Plan. Certain of the Talon Options are proposed to be re-priced from a weighted average exercise price of \$0.52 per Common Share to an exercise price of either \$0.20 per Common Share or \$0.25 per Common Share (the “**Option Re-pricing**”) and certain of the Talon Options are proposed to have their terms extended (the “**Option Term Extension**”), all as described in further detail below. If all requisite approvals are obtained, each holder of Talon Options will be provided with the choice to either (i) maintain all of their Talon Options under the original terms, including the original exercise price and the original expiry date, or (ii) accept all of their Talon Options as amended pursuant to the Option Re-pricing and/or Option Term Extension, as applicable, and with all other terms of such Talon Options remaining unchanged, but subject to (a) a 12-month vesting period with respect to 50% of such Talon Options, with such Talon Options as amended vesting on the date which is 12 months from the date of receipt by the Company of the final approval of the TSX in respect of the Option Re-pricing and the Option Term Extension, and (b) an 18-month vesting period with respect to the remaining 50% of such Talon Options, with the remaining portion of such Talon Options as amended vesting on the date which is 18 months from the date of receipt by the Company of the final approval of the TSX in respect of the Option Re-pricing and the Option Term Extension. The Option Re-pricing and the Option Term Extension are subject to the final approval of the TSX.

Recognizing that the Talon Options are a critical element of the Company's compensation policy, as discussed in more detail below under “Executive Compensation”, the Board has determined that adverse changes in the market price of the Common Shares since the Talon Options were granted could materially interfere with the Company's efforts and ability to retain the service of its directors, officers, consultants and employees. The Board has further determined that it is in the best interest of the Company to approve the Option Re-pricing and the Option Term Extension to certain directors, officers, consultants and employees of the Company to be more in line with the market price of the Common Shares and with a view to motivating the achievement of the Company's long-term strategic objectives and thereby better aligning the interests of holders of Talon Options with those of the shareholders of the Company. As such, the Option Re-pricing and the Option Term Extension were unanimously approved by the Board on December 21, 2023 and on January 17, 2024, subject to approval by the Disinterested Shareholders (as defined below) and approval of the TSX. Talon Options are a key component of overall compensation for directors, officers, consultants and employees of the Company and are intended to provide long-term rewards linked directly to the market price of the Common Shares. The Option Re-pricing and the Option Term Extension decision was taken as existing strike prices and terms of the Talon Options did not achieve this alignment given recent broader economic and industry trends and developments and the current market price of the Common Shares. The Talon Options subject to the Option Re-pricing are proposed to be repriced at either \$0.20 per Common Share or \$0.25 per Common Share, in each case being a price greater than the five-day volume weighted average trading price of the Common Shares on the TSX as at December 20, 2023.

The Talon Options subject to the Option Amendment Resolution are as follows:

<b>Name of Optionee and Position</b>	<b>Original Date of Grant</b>	<b>Number of Talon Options Held</b>	<b>Original Exercise Price</b>	<b>Amended Exercise Price</b>	<b>Original Expiry Date</b>	<b>Amended Expiry Date</b>
Henri van Rooyen (Chief Executive Officer)	March 22, 2019	8,876,557	\$0.095	N/A	March 22, 2024	March 22, 2029
	June 6, 2019	1,998,417	\$0.18	N/A	June 6, 2024	June 6, 2029
	December 28, 2020	2,521,000	\$0.51	\$0.25	December 28, 2025	December 28, 2030
	May 28, 2021	500,000	\$0.59	\$0.25	May 28, 2026	N/A
	December 20, 2022	500,000	\$0.445	\$0.25	December 20, 2027	N/A
Sean Werger (President)	March 22, 2019	7,401,628	\$0.095	N/A	March 22, 2024	March 22, 2029
	June 6, 2019	1,831,882	\$0.18	N/A	June 6, 2024	June 6, 2029
	December 28, 2020	1,984,000	\$0.51	\$0.25	December 28, 2025	December 28, 2030
	May 28, 2021	500,000	\$0.59	\$0.25	May 28, 2026	N/A
	December 20, 2022	500,000	\$0.445	\$0.25	December 20, 2027	N/A
Vincent Conte (Chief Financial Officer)	March 22, 2019	3,481,599	\$0.095	N/A	March 22, 2024	March 22, 2029
	June 6, 2019	1,132,436	\$0.18	N/A	June 6, 2024	June 6, 2029
	December 28, 2020	1,330,000	\$0.51	\$0.25	December 28, 2025	December 28, 2030
	May 28, 2021	250,000	\$0.59	\$0.25	May 28, 2026	N/A
	December 20, 2022	500,000	\$0.445	\$0.25	December 20, 2027	N/A
Warren Newfield (Director)	December 28, 2020	815,000	\$0.51	\$0.25	December 28, 2025	December 28, 2030
	May 28, 2021	500,000	\$0.59	\$0.25	May 28, 2026	N/A
David Deisley (Director)	March 22, 2019	646,132	\$0.095	N/A	March 22, 2024	March 22, 2029
	December 28, 2020	300,000	\$0.51	\$0.25	December 28, 2025	December 28, 2030
	May 28, 2021	500,000	\$0.59	\$0.25	May 28, 2026	N/A
Arne Frandsen (Director)	January 13, 2022	800,000	\$0.72	\$0.25	January 13, 2027	N/A



<b>Name of Optionee and Position</b>	<b>Original Date of Grant</b>	<b>Number of Talon Options Held</b>	<b>Original Exercise Price</b>	<b>Amended Exercise Price</b>	<b>Original Expiry Date</b>	<b>Amended Expiry Date</b>
John Kaplan (Director)	December 28, 2020	300,000	\$0.51	\$0.25	December 28, 2025	December 28, 2030
	May 28, 2021	500,000	\$0.59	\$0.25	May 28, 2026	N/A
Greg Kinross (Director)	March 22, 2019	786,127	\$0.095	N/A	March 22, 2024	March 22, 2029
	December 28, 2020	365,000	\$0.51	\$0.25	December 28, 2025	December 28, 2030
	May 28, 2021	500,000	\$0.59	\$0.25	May 28, 2026	N/A
David Singer (Director)	March 22, 2019	646,132	\$0.095	N/A	March 22, 2024	March 22, 2029
	December 28, 2020	300,000	\$0.51	\$0.25	December 28, 2025	December 28, 2030
	May 28, 2021	500,000	\$0.59	\$0.25	May 28, 2026	N/A
Frank Wheatley (Director)	January 13, 2022	800,000	\$0.72	\$0.25	January 13, 2027	N/A
Brian Goldner (Chief Exploration and Operations Officer)	October 28, 2019	5,000,000	\$0.165	N/A	October 28, 2024	October 28, 2029
	December 28, 2020	2,000,000	\$0.51	\$0.20	December 28, 2025	December 28, 2030
	December 20, 2022	1,000,000	\$0.445	\$0.20	December 20, 2027	N/A
Todd Malan (Chief External Affairs Officer & Head of Climate Strategy)	June 25, 2021	7,000,000	\$0.52	\$0.20	June 25, 2026	N/A
	December 20, 2022	1,000,000	\$0.445	\$0.20	December 20, 2027	N/A
Michael Kicis (Chief Legal Officer)	March 22, 2019	1,492,264	\$0.095	N/A	March 22, 2024	March 22, 2029
	December 28, 2020	400,000	\$0.51	\$0.20	December 28, 2025	December 28, 2030
	March 19, 2021	607,736	\$0.70	\$0.20	March 19, 2026	N/A
	May 28, 2021	250,000	\$0.59	\$0.20	May 28, 2026	N/A
	February 3, 2022	1,500,000	\$0.66	\$0.20	February 3, 2027	N/A
	December 20, 2022	200,000	\$0.445	\$0.20	December 20, 2027	N/A

<b>Name of Optionee and Position</b>	<b>Original Date of Grant</b>	<b>Number of Talon Options Held</b>	<b>Original Exercise Price</b>	<b>Amended Exercise Price</b>	<b>Original Expiry Date</b>	<b>Amended Expiry Date</b>
Mark Groulx (Vice President, Project Development and Innovation)	March 13, 2020	3,000,000	\$0.10	N/A	March 13, 2025	March 13, 2030
	December 28, 2020	500,000	\$0.51	\$0.20	December 28, 2025	December 28, 2030
Christopher Wallace (Vice President, Environmental and Permitting)	February 3, 2022	2,500,000	\$0.66	\$0.20	February 3, 2027	N/A
	December 20, 2022	200,000	\$0.445	\$0.20	December 20, 2027	N/A
Etienne Dinel (Vice President, Geology)	March 22, 2019	1,192,264	\$0.095	N/A	March 22, 2024	March 22, 2029
	December 28, 2020	1,300,000	\$0.51	\$0.20	December 28, 2025	December 28, 2030
	December 20, 2022	200,000	\$0.445	\$0.20	December 20, 2027	N/A
Brian Bengert (Vice President, Geophysics)	March 22, 2019	500,000	\$0.095	N/A	March 22, 2024	March 22, 2029
	October 2, 2019	1,000,000	\$0.18	N/A	October 2, 2024	October 2, 2029
	December 28, 2020	750,000	\$0.51	\$0.20	December 28, 2025	December 28, 2030
	December 20, 2022	200,000	\$0.445	\$0.20	December 20, 2027	N/A
Daniel Heidt (Vice President, Information and Project Services)	March 9, 2022	750,000	\$0.78	\$0.20	March 9, 2027	N/A
	December 20, 2022	250,000	\$0.445	\$0.20	December 20, 2027	N/A
Steven Hovis (General Manager, Tamarack Project)	March 13, 2020	500,000	\$0.10	N/A	March 13, 2025	March 13, 2030
	December 28, 2020	250,000	\$0.51	\$0.20	December 28, 2025	December 28, 2030
	December 20, 2022	500,000	\$0.445	\$0.20	December 20, 2027	N/A
<b>Current optionholders as a group (excluding directors, officers and other insiders)</b>		37,175,358 <sup>(1)</sup>				
<b>TOTAL TALON OPTIONS TO BE RE-PRICED AND/OR EXTENDED</b>		<b>112,783,532</b>				

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**Notes:**

- (1) An aggregate of 31,000,000 of the Talon Options held by current optionholders, including those held by employees and consultants of Talon as a group (excluding directors, officers and other insiders) are proposed to be re-priced from a weighted average exercise price of \$0.50 per Common Share to an exercise price of \$0.20 per Common Share, and an aggregate of 11,075,358 of the Talon Options held by current optionholders including those held by employees and consultants of Talon as a group (excluding directors, officers and other insiders) with expiry dates ranging from March 22, 2024 to December 28, 2025 are proposed to have their terms extended for a period of five years from the original expiry date.

In order to pass, the Option Amendment Resolution must be approved by a majority of the votes cast at the Meeting by all shareholders, present in person or represented by proxy, excluding votes attaching to Common Shares beneficially owned by directors and officers of the Company who hold Talon Options which are subject to the Option Re-pricing and/or the Option Term Extension, as well as any Common Shares owned by the associates of such directors and officers of the Company (the “**Disinterested Shareholders**”). Based on the present shareholdings of the directors and officers of the Company who are holders of the Talon Options and the associates of such directors and officers, a total of 32,212,041 Common Shares will be excluded from voting on the Option Amendment Resolution, representing approximately 3.5% of the total issued and outstanding Common Shares as of the Record Date. Accordingly, the Disinterested Shareholders will be asked at the Meeting to pass the following Option Amendment Resolution:

“**BE IT RESOLVED**, as a resolution of Disinterested Shareholders of the Company, that:

1. subject to the final acceptance of the TSX, the exercise price of certain of the Talon Options exercisable for an aggregate of up to 52,357,736 Common Shares, as more particularly described in the Circular, are hereby amended to an exercise price of \$0.20;
2. subject to the final acceptance of the TSX, the exercise price of certain of the Talon Options exercisable for an aggregate of up to 14,765,000 Common Shares, as more particularly described in the Circular, are hereby amended to an exercise price of \$0.25;
3. subject to the final acceptance of the TSX, the expiry date of certain of the Talon Options exercisable for an aggregate of up to 63,675,796 Common Shares, as more particularly described in the Circular, are hereby extended to the respective expiry dates as more particularly described in the Circular;
4. the Board is hereby authorized in its absolute discretion to determine whether or not to proceed with the above resolutions without further ratification or approval by the shareholders of the Company; and
5. any one director or officer of the Company is authorized, on behalf of the Company, to execute and deliver all other documents and do all such other acts and things as may be necessary or desirable to give effect to the foregoing resolutions.”

**The Board recommends that Disinterested Shareholders vote FOR the Option Amendment Resolution, and the persons named in the enclosed Form of Proxy intend to vote FOR the approval of the Option Amendment Resolution at the Meeting unless such Disinterested Shareholder has specified that the Common Shares represented by such proxy are to be voted against such resolution.**

The Option Re-pricing and the Option Term Extension in respect of certain of the Talon Options constitute a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as it involves the amendment of securities of the Company that are beneficially owned by related parties. The Company is exempt from the minority approval requirement in MI 61-101 because the fair market value of such Option Re-pricing and Option Term Extension does not exceed 25% of the Company’s market capitalization. However, pursuant to the requirements of the TSX, the Company is still required to obtain approval of the Disinterested Shareholders for the Option Re-pricing and the Option Term Extension. This means that in order for the Option Amendment Resolution to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Disinterested Shareholders present in person or by proxy at the Meeting. Directors and officers of the Company who hold any of the Talon Options which are subject to the Option Re-pricing

and/or the Option Term Extension and the associates of such directors and officers of the Company may not vote on the Option Amendment Resolution.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis (“**CD&A**”) is to provide information about the Company’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company’s named executive officers (the “**NEOs**”) in 2023. Throughout this Executive Compensation section of the Circular, the term “Company” or “Talon” includes the Company’s subsidiaries, as applicable. The NEOs who are the focus of the CD&A and who appear in the compensation tables of the Circular are:

1. Henri van Rooyen, Chief Executive Officer of the Company,
2. Vincent Conte, Chief Financial Officer of the Company,
3. Sean Werger, President of the Company,
4. Todd Malan, Chief External Affairs Officer & Head of Climate Strategy of the Company,
5. Brian Goldner, Chief Exploration and Operating Officer of the Company, and
6. Kyle Mehalek, the former Chief Technical Officer of the Company.

The Company notes that it is in an exploration and pre-development phase with respect to its project, the Tamarack Nickel-Copper-Cobalt Project (the “**Tamarack Project**”). In order to meet its objectives, the Company needs to control costs. However, the Company understands the competitive nature of the mining industry for experienced executives, which has only escalated in recent years. This includes other companies trying to attract current executives of the Company through higher compensation offers. As such, the Company’s goal is to balance controlling costs with providing sufficient incentives to attract and retain qualified individuals to help ensure the success of the Company.

### **Corporate Governance and Compensation Committee**

In order to assist the Board in fulfilling its oversight responsibilities with respect to human resources and corporate governance related matters, the Board has established the corporate governance and compensation committee (the “**CGC Committee**”). During the most recently completed fiscal year, the CGC Committee was comprised of three directors, all of whom are independent within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), namely Messrs. John Kaplan (Chair), Gregory Kinross and David Singer.

Pursuant to its written charter and pursuant to the additional authority delegated to it by the Board, the CGC Committee’s purpose with respect to compensation matters is to: (i) oversee and recommend compensation paid to the members of the Board; (ii) oversee and approve the compensation and benefits paid to the senior officers; (iii) recommend to the Board for approval executive and other compensation and benefits plans and arrangements; and (iv) oversee and administer the Company’s compensation plans, including the Company’s stock option plan (the “**Stock Option Plan**”). In performing its duties, the CGC Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

### **Compensation Process**

The CGC Committee primarily relies on the knowledge and experience of the members of the CGC Committee to set appropriate levels of compensation for senior officers, including NEOs. However, the CGC Committee understands the need to offer competitive compensation that attracts and retains qualified NEOs. The CGC Committee believes that one of the most effective ways to ensure this is through the evaluation of the compensation paid by industry peers.

In addition, it has become more prevalent for NEOs to be approached for employment by other companies offering higher compensation. These are the main factors, coupled with the CGC Committee members' knowledge and experience, which have formed the basis for the compensation offered to NEOs.

The CGC Committee's members come from diverse business backgrounds, each providing different insight into executive compensation through their work experience and, in certain cases, the other public company boards on which they currently sit on or have previously sat on. In particular:

- Mr. John Kaplan (Chair of the CGC Committee): Mr. Kaplan has extensive experience leading both public and private companies. In this role, he has made recommendations and decisions on executive and other compensation related matters.
- Mr. Gregory Kinross: Mr. Kinross mainly draws his experience relating to executive compensation from his time as President of CIC Energy, which was listed on the TSX up to October 2012 when it was acquired and taken private. His past role at CIC Energy routinely required him to make recommendations to the corporate governance and compensation committee of CIC Energy on executive compensation matters.
- Mr. David Singer: Mr. Singer has broad business experience, coupled with a foundation of legal knowledge from his many years as an attorney. This diverse background and experience gives him insight into issues surrounding executive and other compensation related matters.

The experience of the CGC Committee's members enables the CGC Committee to make decisions on the suitability of the Company's compensation policies and practices.

Neither the Company nor the CGC Committee currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer or director compensation.

When determining changes to NEO compensation, the CGC Committee evaluates the NEO's performance, including reviewing the Company's performance as against its business plans and the NEO's achievements during the relevant period (which achievement criteria tend to be subjective). In addition, offers of employment by other companies to NEOs at higher levels of compensation play a part in changes to NEO compensation.

The CGC Committee uses all data available to it to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and sufficient to retain personnel it considers essential to the success of the Company. In reviewing comparative data, the CGC Committee does not engage in ongoing benchmarking for the purpose of maintaining compensation levels relative to any predetermined level and does not, on an ongoing basis, compare its compensation to a specific peer group of companies. External data is considered, along with an assessment of individual performance and experience, the Company's business strategy, best practices/trends in human resources, and general economic considerations.

The CGC Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including, salary and prior awards under the Stock Option Plan) and recommends the NEOs' compensation packages.

The Board has delegated to the CGC Committee the authority to issue stock options of the Company (the "**Stock Options**") under the Stock Option Plan. From time to time, the CGC Committee grants Stock Options as part of an NEO's compensation or in recognition of the achievement of a particular business goal or extraordinary service. Generally, the CGC Committee determines the particulars with respect to all Stock Options granted, though in certain instances the decision is made by the Board. The exercise price of each Stock Option awarded under the Stock Option Plan is generally set by the CGC Committee (and ratified by the Board), but in any event, is no less than the closing price of the Common Shares on the TSX on the day preceding the grant.

## Compensation Program

### Principles/Objectives of the Compensation Program

The primary goal of the Company's executive compensation program is to ensure that the compensation provided to the Company's NEOs is determined with regard to the Company's business strategy and objectives, such that the financial interests of the NEOs are matched with the financial interests of the shareholders. The program is designed to attract, motivate and retain top quality individuals at the executive level.

### Compensation Program Design and Analysis of Compensation Decisions

Standard compensation arrangements for the Company's NEOs are composed of the following elements, which are linked to the Company's compensation and corporate objectives as follows:

COMPENSATION ELEMENT	LINK TO COMPENSATION OBJECTIVES	LINK TO CORPORATE OBJECTIVES
<ul style="list-style-type: none"><li>• Base Salary</li></ul>	<ul style="list-style-type: none"><li>• Attract and Retain, Reward</li></ul>	<ul style="list-style-type: none"><li>• Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.</li></ul>
<ul style="list-style-type: none"><li>• Stock Options</li></ul>	<ul style="list-style-type: none"><li>• Motivate and Reward</li><li>• Align interests with shareholders</li></ul>	<ul style="list-style-type: none"><li>• Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.</li></ul>

The Company's NEOs generally do not get paid annual bonuses. The Company maintains (i) a 401(k) defined contribution pension plan for US based NEOs where the Company will match US based NEOs 401(k) contributions up to 6% of their base salary, and (ii) a RRSP matching program for Canadian based NEOs where the Company will match Canadian based NEOs contributions up to 6% of their base salary to a maximum of 50% of the annual allowable RRSP contribution as set by the Canada Revenue Agency.

The Company is an exploratory and pre-development stage mining company and will not be generating revenues from operations in the short-term. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the CGC Committee to be appropriate in the evaluation of corporate or NEO performance. The compensation of NEOs is based, in substantial part, on the financial resources of the Company, trends in the mining industry, as well as achievement of the Company's business plans. The CGC Committee did not establish any quantifiable criteria in 2023 with respect to base salaries payable or the amount of equity compensation granted to NEOs. The CGC Committee also recognizes that Canada and the US are in a period of high inflation where living costs have increased dramatically. As such, effective January 1, 2023, the CGC Committee approved a 3% inflationary increase in the annual salaries of NEOs ("**Inflationary Increase**"). This increase is much lower than the actual rate of inflation.

### NEO Contracts

#### *Henri van Rooyen – CEO*

Effective January 1, 2021, as a result of the closing by the Company of a short form prospectus offering (in March 2021) for aggregate proceeds of \$34,500,000, in an effort to thank Mr. van Rooyen for his continued service to the Company and his agreement to, on numerous occasions, reduce and/or defer his salary, Talon Metals Services Inc. ("**TMSI**"), a wholly-owned Canadian subsidiary of Talon, entered into an amended and restated employment agreement with Mr. van Rooyen, pursuant to which Mr. van Rooyen was paid an annual salary of \$400,000. In addition, a total amount of \$150,000 of salary that had been deferred by Mr. van Rooyen from January 1, 2016 to

December 31, 2018 was immediately paid to Mr. van Rooyen (the “**HVR Deferred Salary**”). As a result of the amended and restated employment agreement, no deferred amounts remain payable to Mr. van Rooyen. Effective January 1, 2023, Mr. van Rooyen’s annual salary was increased to \$412,000 as a result of the Inflationary Increase.

TMSI may terminate Mr. van Rooyen’s employment at any time without “cause” by providing him with twenty-four months’ notice, or pay in lieu of notice, or a combination thereof.

In the event of a Change of Control, in certain circumstances, Mr. van Rooyen is immediately entitled to a lump sum payment equal to twenty-four months’ salary. In certain other circumstances, in the event Mr. van Rooyen is terminated for any reason (other than for cause, incapacity or death) within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to twenty-four months’ salary. In certain circumstances, in the event Mr. van Rooyen resigns within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to eighteen months’ salary.

In either case of termination (i.e. without cause or pursuant to a Change of Control) Mr. van Rooyen’s benefits will continue until the earlier of (i) him obtaining new employment and eligibility for comparable benefits thereunder, and (ii) twenty-four months.

In the case of resignation by Mr. van Rooyen within 12 months of a Change of Control, Mr. van Rooyen’s benefits will continue until the earlier of (i) him obtaining new employment and eligibility for comparable benefits thereunder, and (ii) eighteen months.

In the event Mr. van Rooyen’s employment with TMSI is terminated for any reason (i.e., with or without cause or pursuant to a Change of Control), in certain circumstances, a portion of Mr. van Rooyen’s unvested Stock Options will immediately vest and the expiry thereof will be the later of (i) three years following the termination date, and (ii) the expiry date of the Stock Options. With respect to the remaining Stock Options, such will expire in accordance with the Stock Option Plan.

#### ***Vincent Conte – CFO***

Effective January 1, 2021, as a result of the closing by the Company of a short form prospectus offering (in March 2021) for aggregate proceeds of \$34,500,000, in an effort to thank Mr. Conte for his continued service to the Company and his agreement to, on numerous occasions, reduce and/or defer his salary, TMSI entered into an amended and restated employment agreement with Mr. Conte, pursuant to which Mr. Conte was paid an annual salary of \$250,000. Effective July 1, 2022, Mr. Conte’s annual salary was increased to \$290,000. Effective January 1, 2023, Mr. Conte’s annual salary was increased to \$298,700 as a result of the Inflationary Increase.

TMSI may terminate Mr. Conte’s employment at any time without “cause” by providing him with twenty-four months’ notice, or pay in lieu of notice, or a combination thereof.

In the event of a Change of Control, in certain circumstances, Mr. Conte is immediately entitled to a lump sum payment equal to twenty-four months’ salary. In certain other circumstances, in the event Mr. Conte is terminated for any reason (other than for cause, incapacity or death) within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to twenty-four months’ salary. In certain circumstances, in the event Mr. Conte resigns within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to eighteen months’ salary.

In either case of termination (i.e. without cause or pursuant to a Change of Control) Mr. Conte’s benefits will continue until the earlier of (i) him obtaining new employment and eligibility for comparable benefits thereunder, and (ii) twenty-four months.

In the case of resignation by Mr. Conte within 12 months of a Change of Control, Mr. Conte’s benefits will continue until the earlier of (i) him obtaining new employment and eligibility for comparable benefits thereunder, and (ii) eighteen months.

In the event Mr. Conte's employment with TMSI is terminated for any reason (i.e., with or without cause or pursuant to a Change of Control), in certain circumstances, a portion of Mr. Conte's unvested Stock Options will immediately vest and the expiry thereof will be the later of (i) three years following the termination date, and (ii) the expiry date of the Stock Options. With respect to the remaining Stock Options, such will expire in accordance with the Stock Option Plan.

### ***Sean Werger - President***

Effective January 1, 2021, as a result of the closing by the Company of a short form prospectus offering (in March 2021) for aggregate proceeds of \$34,500,000, in an effort to thank Mr. Werger for his continued service to the Company and his agreement to, on numerous occasions, reduce and/or defer his salary, TMSI entered into an amended and restated employment agreement with Mr. Werger pursuant to which Mr. Werger was paid an annual salary of \$290,000. In addition, a total amount of \$150,000 of salary that had been deferred by Mr. Werger from January 1, 2016 to December 31, 2018 was immediately paid to Mr. Werger (the "**SW Deferred Salary**"). As a result of the amended and restated employment agreement, no deferred amounts remain payable to Mr. Werger. Effective January 1, 2023, Mr. Werger's annual salary was increased to \$298,700 as a result of the Inflationary Increase.

The Company may terminate Mr. Werger's employment at any time without "cause" by providing him with twenty-four months' notice, or pay in lieu of notice, or a combination thereof.

In the event of a Change of Control, in certain circumstances, Mr. Werger is immediately entitled to a lump sum payment equal to twenty-four months' salary. In certain other circumstances, in the event Mr. Werger is terminated for any reason (other than for cause, incapacity or death) within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to twenty-four months' salary. In certain circumstances, in the event Mr. Werger resigns within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to eighteen months' salary.

In either case of termination (i.e. without cause or pursuant to a Change of Control) Mr. Werger's benefits will continue until the earlier of (i) him obtaining new employment and eligibility for comparable benefits thereunder, and (ii) twenty-four months.

In the case of resignation by Mr. Werger within 12 months of a Change of Control, Mr. Werger's benefits will continue until the earlier of (i) him obtaining new employment and eligibility for comparable benefits thereunder, and (ii) eighteen months.

In the event Mr. Werger's employment with the Company is terminated for any reason (i.e., with or without cause or pursuant to a Change of Control), in certain circumstances, a portion of Mr. Werger's unvested Stock Options will immediately vest and the expiry thereof will be the earlier of (i) three years following the termination date, and (ii) the expiry date of the Stock Options. With respect to the remaining Stock Options, such will expire in accordance with the Stock Option Plan.

### ***Todd Malan - Chief External Affairs Officer & Head of Climate Strategy***

Effective September 1, 2021, Talon Nickel (USA) LLC ("**Talon Nickel**"), a wholly-owned American subsidiary of Talon, entered into an employment agreement with Mr. Malan pursuant to which he was appointed to the role of Chief External Affairs Officer & Head of Climate Strategy. Under the terms of his employment agreement, Mr. Malan was paid an annual salary of US\$337,000. Effective January 1, 2023, Mr. Malan's employment agreement was amended pursuant to which his annual salary was increased to US\$347,110 as a result of the Inflationary Increase. In addition, the termination without "cause" and Change of Control provisions were amended to bring them in line with those of the CEO, President and CFO.

Talon Nickel may terminate Mr. Malan's employment at any time without "cause" by providing him with twenty-four months' notice, or pay in lieu of notice, or a combination thereof.

In the event of a Change of Control, in certain circumstances, Mr. Malan is immediately entitled to a lump sum payment equal to twenty-four months' salary. In certain other circumstances, in the event Mr. Malan is terminated



for any reason (other than for cause, incapacity or death) within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to twenty-four months' salary. In certain circumstances, in the event Mr. Malan resigns within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to eighteen months' salary.

Upon a termination of Mr. Malan's employment, the expiry and vesting of his Stock Options will be determined in accordance with the Stock Option Plan.

#### ***Brian Goldner - Chief Exploration and Operating Officer***

Effective March 18, 2021, Talon Nickel entered into an employment agreement with Mr. Goldner pursuant to which he was appointed to the role of Vice President, Exploration. Under the terms of his initial employment agreement, Mr. Goldner was paid an annual salary of US\$220,000 and received a sign-on bonus of US\$165,000 (the "**Goldner Sign-on Bonus**"). Effective August 1, 2021, Mr. Goldner's salary was increased to US\$250,000. Effective January 1, 2022, Mr. Goldner's salary was increased to US\$320,000 and his role/title was changed to Chief Exploration and Operating Officer. Effective January 1, 2023, Mr. Goldner's employment agreement was amended pursuant to which his annual salary was increased to US\$329,600 as a result of the Inflationary Increase. In addition, the termination without "cause" and Change of Control provisions were amended to bring them in line with those of the CEO, President and CFO.

Talon Nickel may terminate Mr. Goldner's employment at any time without "cause" by providing him with twenty-four months' notice, or pay in lieu of notice, or a combination thereof.

In the event of a Change of Control, in certain circumstances, Mr. Goldner is immediately entitled to a lump sum payment equal to twenty-four months' salary. In certain other circumstances, in the event Mr. Goldner is terminated for any reason (other than for cause, incapacity or death) within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to twenty-four months' salary. In certain circumstances, in the event Mr. Goldner resigns within twelve months of a Change of Control, he is immediately entitled to a lump sum payment equal to eighteen months' salary.

Upon a termination of Mr. Goldner's employment, the expiry and vesting of his Stock Options will be determined in accordance with the Stock Option Plan.

#### ***Kyle Mehalek – Former Chief Technical Officer***

Effective April 19, 2021, Talon Nickel entered into an employment agreement with Mr. Mehalek pursuant to which he was appointed to the role of Chief Mining Engineer. Under the terms of his initial employment agreement, Mr. Mehalek was paid an annual salary of US\$154,000. Effective January 1, 2022, Mr. Mehalek's salary was increased to US\$190,000. Effective July 1, 2022, Talon Nickel entered into an amended and restated employment agreement with Mr. Mehalek pursuant to which he was appointed to the role of Chief Technical Officer and his annual salary was increased to US\$290,000. Effective January 1, 2023, Mr. Mehalek's amended and restated employment agreement was amended pursuant to which his annual salary was increased to US\$298,700 as a result of the Inflationary Increase. In addition, the termination without "cause" and Change of Control provisions were amended to bring them in line with those of the CEO, President and CFO.

Effective December 18, 2023, Mr. Mehalek resigned from his role as Chief Technical Officer with Talon Nickel. Pursuant to the terms of the Stock Option Plan, (i) the expiration date of Mr. Mehalek's vested Stock Options was amended to 90 days after his resignation (March 15, 2024), and (ii) Mr. Mehalek's unvested Stock Options were cancelled on the date of resignation.

#### **Termination and Change of Control Benefits**

Other than as disclosed above, the Company and its subsidiaries do not currently have any contract, agreement, plan or arrangement pursuant to which NEOs are entitled to receive additional benefits or payments following or in

connection with any (i) termination, (ii) resignation or retirement, (iii) change of control of the Company, or (iv) change in responsibilities.

### **Base Salaries**

The Company provides NEOs with base salaries which represent their minimum compensation for services rendered during the fiscal year. NEOs' base salaries depend on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness, and the Company's financial resources. Base salaries are reviewed periodically by the CGC Committee.

### **Stock Options**

The grant of Stock Options to purchase Common Shares pursuant to the Stock Option Plan is an integral component of the compensation packages of NEOs of the Company. The CGC Committee believes that the grant of Stock Options to NEOs and Common Share ownership by such NEOs serves to motivate achievement of the Company's long-term strategic objectives and the result will benefit all shareholders. Stock Options are awarded to NEOs by the CGC Committee, or by the Board (which may be on the recommendation of the CGC Committee), which bases its decisions upon the level of responsibility and contribution of the individuals toward the Company's goals and objectives. The CGC Committee considers the overall number of Stock Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Stock Options and the size of such grants. Since the Company does not grant Stock Options at a discount to the prevailing market price of Common Shares, the Stock Options granted to NEOs have value only if, and to the extent that, the market price of Common Shares increases, thereby linking equity-based executive compensation to shareholder returns. In addition, beginning in 2020, Stock Options issued to NEOs have all been subject to vesting over a minimum period of one (1) year. The CGC Committee believes that vesting assists with incentivising NEOs over a longer period of time and also aids with retention of NEOs.

### **Compensation-Related Risk**

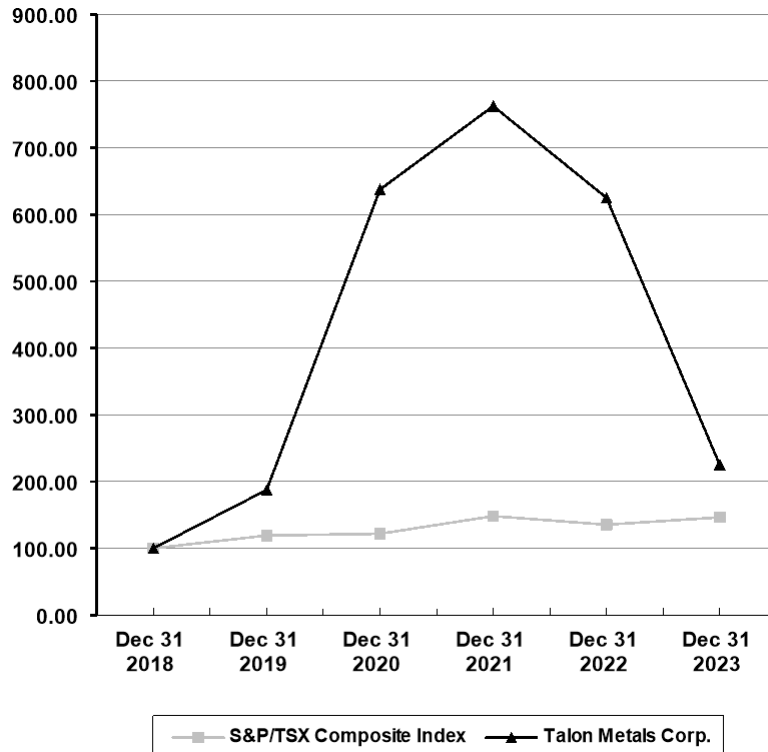
The CGC Committee considers and assesses, as necessary, risks relating to compensation prior to entering into or amending employment contracts with NEOs and when setting the compensation of directors. The CGC Committee believes that the Company's compensation policies and practices are appropriate for its industry and stage of business and that such policies and practices do not have associated with them any risks that are reasonably likely to have a material adverse effect on the Company or which would encourage a NEO to take any inappropriate or excessive risks. The CGC Committee will continue to review the Company's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on the Company or encourage a NEO to take any inappropriate or excessive risks.

### **Financial Instruments**

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

### Share Performance Graph

The following graph illustrates the Company's cumulative shareholder return (assuming the re-investment of dividends of which there have been none) from December 31, 2018 to December 31, 2023 on an annual basis, based upon a \$100 investment made on December 31, 2018 in Common Shares, and compares the Company's cumulative shareholder return to the cumulative total shareholder return from a similar investment in the Total Return Index Value of the S&P/TSX Composite Index.



As described above, the CGC Committee considers various factors in determining the compensation of NEOs. The performance of Common Shares is one performance measure that is reviewed but there is no direct correlation between Common Share performance and NEO compensation.

The Company operates in a commodity business and the Common Share price is impacted by the market price of nickel/copper and other minerals, which may fluctuate widely and are affected by numerous factors that are difficult to predict and beyond the Company's control. The Common Share price is also affected by other factors beyond the Company's control, including general and industry-specific economic and market conditions. The CGC Committee evaluates performance by reference to its business plan rather than by short-term changes in Common Share price based on its view that its long-term operating performance will be reflected by stock price performance over the long-term. The trend shown by the performance graph reflects an increasing cumulative total shareholder return from December 31, 2018 until approximately December 31, 2019 and then a large increase in cumulative total shareholder return from December 31, 2019 until December 31, 2021. Thereafter, cumulative total shareholder return has decreased. Over the same period, the total compensation received by the NEOs increased in 2019 and then remained for the most part stable in 2020. In 2021, the total compensation received by the NEOs increased and then in 2022 and again in 2023 total compensation received by NEOs decreased.

## Executive Compensation: Tables and Narrative

### Summary Compensation Table

The following table provides a summary of the compensation earned by the NEOs for services rendered in all capacities during the fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	All other Compensation (\$)	Total Compensation (\$)
<b>Henri van Rooyen</b> <sup>(2)</sup> CEO	2023	412,000	N/A	-	15,390 <sup>(9)</sup>	427,390
	2022	400,000	N/A	118,907 <sup>(6)</sup>	7,303 <sup>(9)</sup>	526,210
	2021	400,000	N/A	169,949 <sup>(7)</sup>	N/A	569,949
<b>Vincent Conte</b> CFO	2023	298,700	N/A	-	15,390 <sup>(9)</sup>	314,090
	2022	270,000	N/A	118,907 <sup>(6)</sup>	7,303 <sup>(9)</sup>	396,210
	2021	250,000	N/A	84,974 <sup>(7)</sup>	N/A	334,974
<b>Sean Werger</b> <sup>(11)</sup> President	2023	298,700	N/A	-	15,390 <sup>(9)</sup>	314,090
	2022	290,000	N/A	118,907 <sup>(6)</sup>	7,303 <sup>(9)</sup>	416,210
	2021	286,250	N/A	169,949 <sup>(7)</sup>	N/A	456,199
<b>Todd Malan</b> <sup>(3)</sup> Chief External Affairs Officer & Head of Climate Strategy	2023	468,156	N/A	-	N/A	468,156
	2022	438,684	N/A	237,813 <sup>(6)</sup>	N/A	676,497
	2021	140,830	N/A	2,099,726 <sup>(7)</sup>	N/A	2,240,556
<b>Brian Goldner</b> <sup>(4)</sup> Chief Exploration and Operating Officer	2023	444,540	N/A	-	26,672 <sup>(9)</sup>	471,212
	2022	416,555	N/A	237,813 <sup>(6)</sup>	23,822 <sup>(9)</sup>	678,189
	2021	267,054	N/A	N/A	276,789 <sup>(10)</sup>	543,843
<b>Kyle Mehalek</b> <sup>(5)</sup> Former Chief Technical Officer	2023	386,078	N/A	-	35,936 <sup>(8)</sup>	422,014
	2022	312,416	N/A	237,813 <sup>(6)</sup>	18,745 <sup>(9)</sup>	568,974
	2021	135,412	N/A	703,394 <sup>(7)</sup>	8,125 <sup>(9)</sup>	846,931

#### Notes:

- (1) The grant date fair values of Stock Options awarded were calculated using the Black-Scholes model as the Company determined this to be the most accurate measure of value of the Stock Options.
  - (2) Represents compensation paid to Mr. van Rooyen in his role as CEO of the Company. The HVR Deferred Salary was paid to Mr. van Rooyen in 2021, however the deferred amounts were recognized in "All Other Compensation" in the years earned (2016, 2017 and 2018) despite not being paid until 2021.
  - (3) Mr. Malan began his employment with Talon Nickel on September 1, 2021.
  - (4) Mr. Goldner began his employment with Talon Nickel on March 18, 2021. Prior to such time and commencing on March 13, 2019, he was seconded to Talon Nickel from Kennecott Exploration Company ("KEX"). Compensation amounts prior to March 18, 2021 are based on amounts paid directly to KEX for his compensation.
  - (5) Mr. Mehalek began his employment with Talon Nickel on April 19, 2021. Effective December 18, 2023, Mr. Mehalek resigned from his role as Chief Technical Officer with Talon Nickel but has continued as a part time consultant to Talon Nickel.
  - (6) Amount represents the grant date fair value of Stock Options awarded in 2022. Grant date fair value was calculated in accordance with the Black-Scholes model using the Common Share price on the date of grant. All 2022 Stock Options were valued based on the following assumptions: expected volatility of 60%, risk-free interest rate of 1.52% to 3.76%, no dividend yield and expected life of five years.
  - (7) Amount represents the grant date fair value of Stock Options awarded in 2021. Grant date fair value was calculated in accordance with the Black-Scholes model using the Common Share price on the date of grant. All 2021 Stock Options were valued based on the following assumptions: expected volatility of 70%, risk-free interest rate of 0.92% to 1.38%, no dividend yield and expected life of five years.
  - (8) Amount includes paid time off, 401(k) retirement plan matching contributions and consulting fees paid to Mr. Mehalek's consulting company for work done as a part time consultant.
  - (9) Represents retirement plan employer matching contributions to 401(k) retirement plan for U.S. based NEOs and to RRSP for Canadian based NEOs.
  - (10) Amount includes the Goldner Sign-on Bonus, 401(k) retirement plan matching contributions and other KEX compensation.
  - (11) The SW Deferred Salary was paid to Mr. Werger in 2021, however the deferred amounts were recognized in "All Other Compensation" in the years earned (2016, 2017 and 2018) despite not being paid until 2021.
- \* Amounts in the table originally in U.S. dollars were converted to Canadian dollars at the following average monthly exchange rates from the Bank of Canada: 2023 – 1.3487, 2022 – 1.3017, 2021 - 1.2537

## Incentive Plan Awards

The following table provides details regarding outstanding NEO option-based awards as at December 31, 2023. The Company did not have any share-based awards outstanding as at December 31, 2023.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options (\$) <sup>(1)</sup>
<b>Henri van Rooyen<sup>(2)</sup></b>	8,876,557	0.095	March 22, 2024	754,507
	1,998,417	0.18	June 6, 2024	-
	2,521,000	0.51	December 28, 2025	-
	500,000	0.59	May 28, 2026	-
	500,000	0.445	December 20, 2027	-
<b>Vincent Conte</b>	3,481,599	0.095	March 22, 2024	295,936
	1,132,436	0.18	June 6, 2024	-
	1,330,000	0.51	December 28, 2025	-
	250,000	0.59	May 28, 2026	-
	500,000	0.445	December 20, 2027	-
<b>Sean Werger</b>	7,401,628	0.095	March 22, 2024	629,138
	1,831,882	0.18	June 6, 2024	-
	1,984,000	0.51	December 28, 2025	-
	500,000	0.59	May 28, 2026	-
	500,000	0.445	December 20, 2027	-
<b>Todd Malan</b>	7,000,000	0.52	June 25, 2026	-
	1,000,000	0.445	December 20, 2027	-
<b>Brian Goldner</b>	5,000,000	0.165	October 28, 2024	75,000
	2,000,000	0.51	December 28, 2025	-
	1,000,000	0.445	December 20, 2027	-
<b>Kyle Mehalek<sup>(3)</sup></b>	1,000,000	0.70	March 15, 2024	-
	1,000,000	0.52	March 15, 2024	-
	1,000,000	0.66	March 15, 2024	-
	1,000,000	0.51	March 15, 2024	-
	750,000	0.445	March 15, 2024	-

### Notes:

- (1) Based on the TSX closing price for Common Shares on December 31, 2023 of \$0.18.
- (2) Mr. van Rooyen acts as both a director and officer of the Company. The Stock Option grants identified represent all Stock Options granted to such Mr. van Rooyen in both capacities.
- (3) Effective December 18, 2023, Mr. Mehalek resigned from his role as Chief Technical Officer with Talon Nickel. Pursuant to the terms of the Stock Option Plan, (i) the expiration date of Mr. Mehalek's vested Stock Options was amended to 90 days after his resignation, and (ii) Mr. Mehalek's unvested Stock Options were cancelled on the date of resignation.

Please see "Securities Authorized for Issuance under Equity Compensation Plans" (below) for details regarding the Stock Option Plan.

The following table provides details regarding outstanding NEO option-based awards, share-based awards and non-equity incentive plan compensation, which vested and/or were earned during the year ended December 31, 2023.

<i>Incentive plan awards - value vested or earned during the year</i>			
<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
<b>Henri van Rooyen</b>	Nil <sup>(2)</sup>	N/A	N/A
<b>Vincent Conte</b>	Nil <sup>(2)</sup>	N/A	N/A
<b>Sean Werger</b>	Nil <sup>(2)</sup>	N/A	N/A
<b>Todd Malan</b>	Nil <sup>(2)</sup>	N/A	N/A
<b>Brian Goldner</b>	Nil <sup>(2)</sup>	N/A	N/A
<b>Kyle Mehalek</b>	Nil <sup>(2)</sup>	N/A	N/A

**Notes:**

- (1) Calculated based on the amount that would have been realized if the Stock Options had been exercised on the vesting date.  
(2) Options that vested in 2023 were not “in-the-money”.

**Director Compensation**

Non-executive directors receive the following fees for their work as directors of the Company: basic annual remuneration - \$10,000, member of the Audit Committee - \$5,000 and member of the CGC Committee - \$2,500.

Directors may also receive Stock Option grants as recommended by the CGC Committee and determined by the Board. The exercise price of such Stock Options are determined by the CGC Committee and ratified by the Board, but in any event the exercise price is not less than the market price of the Common Shares at market close the trading day immediately before the grant of the Stock Options. Please see “Securities Authorized for Issuance under Equity Compensation Plans” (below) for a detailed description of the Stock Option Plan.

Directors are also reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Company. There were no director reimbursements during the year-ended December 31, 2023.

**Director Summary Compensation Table**

The following compensation table sets out the compensation paid to each of the Company’s directors during the year ended December 31, 2023. During 2023, Mr. van Rooyen and Mr. Newfield were both directors and officers of the Company. Amounts received by Mr. van Rooyen for services provided as a director, if any, are reported in the Summary Compensation Table under “Executive Compensation: Tables and Narrative” (above).

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Option-based awards<sup>(1)</sup> (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
<b>Warren E. Newfield</b>	N/A	N/A	100,000 <sup>(2)</sup>	100,000
<b>David L. Deisley</b>	10,000	N/A	N/A	10,000
<b>Arne H. Frandsen</b>	10,000	N/A	N/A	10,000
<b>John D. Kaplan</b>	17,500	N/A	N/A	17,500
<b>Gregory S. Kinross</b>	17,500	N/A	N/A	17,500

Name	Fees earned (\$)	Option-based awards <sup>(1)</sup> (\$)	All other compensation (\$)	Total (\$)
David E. Singer	17,500	N/A	N/A	17,500
Frank D. Wheatley	10,000	N/A	N/A	10,000

**Notes:**

- (1) No Stock Options were granted in 2023.
- (2) Represents compensation paid to Mr. Newfield in his role as Executive Chairman of the Company. He receives no additional compensation in his role as a director of the Company.

### Incentive Plan Awards

The following table provides details regarding the outstanding option-based awards held by directors as at December 31, 2023. The Company did not have any share-based awards outstanding to directors as at December 31, 2023. At December 31, 2023, Mr. van Rooyen and Mr. Newfield were each a director and officer of the Company. Option-based awards received by Mr. van Rooyen for services provided as a director, if any, are reported in the Incentive Plan Awards Tables under “Executive Compensation: Tables and Narrative” (above).

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options (\$) <sup>(1)</sup>
Warren E. Newfield <sup>(2)</sup>	815,000	0.51	December 28, 2025	-
	500,000	0.59	May 28, 2026	-
David L. Deisley	646,132	0.095	March 22, 2024	54,921
	300,000	0.51	December 28, 2025	-
	500,000	0.59	May 28, 2026	-
Arne H. Frandsen	800,000	0.72	January 13, 2027	-
John D. Kaplan	300,000	0.51	December 28, 2025	-
	500,000	0.59	May 28, 2026	-
Gregory S. Kinross	786,127	0.095	March 22, 2024	66,821
	365,000	0.51	December 28, 2025	-
	500,000	0.59	May 28, 2026	-
David E. Singer	646,132	0.095	March 22, 2024	54,921
	300,000	0.51	December 28, 2025	-
	500,000	0.59	May 28, 2026	-
Frank D. Wheatley	800,000	0.72	January 13, 2027	-

**Notes:**

- (1) Based on the TSX closing price for Common Shares on December 31, 2023 of \$0.18.
- (2) Mr. Newfield acts as both a director and officer of the Company. The Stock Option grants identified represent all Stock Options granted to Mr. Newfield in both capacities.

The following table provides details regarding outstanding director option-based awards, share-based awards and non-equity incentive plan compensation, which vested and/or were earned during the year ended December 31, 2023. Details regarding the outstanding option and share based awards vested and exercisable and non-equity incentive plan compensation earned, if any, by Mr. van Rooyen are reported in the Incentive Plan Awards Tables under “Executive Compensation: Tables and Narrative” (above).

<i>Incentive plan awards - value vested or earned during the year</i>			
<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
Warren E. Newfield	N/A	N/A	N/A
David L. Deisley	N/A	N/A	N/A
Arne H. Frandsen	Nil <sup>(2)</sup>	N/A	N/A
John D. Kaplan	N/A	N/A	N/A
Gregory S. Kinross	N/A	N/A	N/A
David E. Singer	N/A	N/A	N/A
Frank D. Wheatley	Nil <sup>(2)</sup>	N/A	N/A

**Notes:**

- (1) Calculated based on the amount that would have been realized if the Stock Options had been exercised on the vesting date.  
(2) Stock Options that vested in 2023 were not “in-the-money”.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2023 with respect to Common Shares that may be issued under the Stock Option Plan and those that may be issued outside of the Stock Option Plan.

### Equity Compensation Plan Information

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	124,267,682	\$0.37	15,841,550
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	124,267,682	\$0.37	15,841,550

## STOCK OPTION PLAN

The following is a summary of the material terms of the Stock Option Plan.

The purpose of the Stock Option Plan is to develop and increase the interest of certain Eligible Persons in the growth and development of the Company by providing them with the opportunity to acquire a proprietary interest in the Company through the grant of Stock Options to purchase Common Shares.



Under the Stock Option Plan, stock options may be granted to Eligible Persons. The term “**Eligible Person**” includes, subject to all applicable laws, directors, senior officers, employees and consultants of the Company, an Affiliated Entity (as defined below), or a company providing management or administrative consulting services to the Company, and certain “**Permitted Assigns**” of the foregoing persons, including: (i) a trustee, custodian, or administrator acting on behalf of, or for the benefit of, such person; (ii) a personal holding corporation of such a person; (iii) an RRSP or a RRIF established by or for such a person under which such a person is the beneficiary; (iv) a spouse of such a person; (v) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of such a person; (vi) a personal holding corporation of the spouse of such a person; or (vii) an RRSP or an RRIF established by or for the spouse of such a person under which the spouse of such person is the beneficiary. An “**Affiliated Entity**” means a person or company that is controlled by the Company.

The Stock Option Plan must be administered by the Board or, in the Board’s discretion, a committee appointed by the Board for that purpose. Currently, for the most part, the Stock Option Plan is administered by the CGC Committee.

The aggregate number of Common Shares which may be issued under the Stock Option Plan may not exceed 15% of the aggregate number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time. Any Stock Option granted under the Stock Option Plan which has been exercised shall again be available for subsequent grant under the Stock Option Plan, effectively resulting in a re-loading of the number of Common Shares available for grant under the Stock Option Plan. Any Common Shares subject to an option granted under the Stock Option Plan, which for any reason is surrendered, cancelled or terminated or expires without having been exercised, shall again be available for subsequent grant under the Stock Option Plan. The plan does not limit insider participation. The plan does not provide for a maximum number of Common Shares which may be issued to an individual pursuant to the plan and any other share compensation arrangement (expressed as a percentage or otherwise).

The purchase price (the “**Price**”) per Common Share subject to each Stock Option is determined by the Board (or committee appointed by the Board). The Price shall not be lower than the closing market price on the TSX, or another stock exchange where the majority of the trading volume and value of Common Shares occurs, on the trading day immediately preceding the date of the grant, or if not so traded, the average between the closing bid and asked prices thereof as reported for the trading day immediately preceding the date of the grant; provided that if the Common Shares have not traded on the TSX or another stock exchange for an extended period of time, the “market price” will be the fair market value of the shares at the time of grant, as determined by the Board (or committee appointed by the Board). The Board (or committee appointed by the Board) may determine that the Price may escalate at a specified rate dependent upon the date on which a Stock Option may be exercised by the Eligible Person.

Stock Options shall not be granted for a term exceeding ten years (the “**Option Period**”). Stock Options may be exercised by an Eligible Person in whole at any time, or in part from time to time, during the Option Period, subject to the provisions of the Stock Option Plan. Generally, Stock Options granted under the Stock Option Plan may not be assigned or otherwise transferred by an Eligible Person other than to certain other Eligible Persons and Permitted Assigns or pursuant to a will or by the laws of descent and distribution. However, pursuant to the amendment provision of the Stock Option Plan, the Board has the authority to amend the assignability and transferability provisions of the Stock Option Plan generally or any Stock Options granted to any Eligible Person.

Stock Options granted under the Stock Option Plan may vest at the discretion of the Board (or committee appointed by the Board). Stock Options granted under the Stock Option Plan to employees and consultants of the Company may vest on a periodic basis, including, in certain instances, subject to the achievement of specified corporate or project milestones established by the Board (or committee appointed by the Board) on the date of grant.

If the termination date of a Stock Option falls during or within three business days of a blackout period, during which the policies of the Company prevent persons in a “special relationship” with the Company from trading in the securities of the Company, the expiry date for the Stock Option will be extended for an additional period expiring on the tenth business day following the end of the blackout period.

By its terms, the Stock Option Plan may be amended by the Board without further approval of the Talon shareholders, to the extent that such amendments relate to: (a) complying with the requirements of any applicable regulatory authority; (b) complying with the rules, policies and notices of the TSX or of any stock exchange on which the Company’s securities are listed; (c) altering, extending or accelerating the terms and conditions of vesting of any Stock

Options; (d) extending the term of Stock Options held by a person other than a person who, at the time of the extension, is an insider of the Company, provided that Stock Options shall not be granted for a term exceeding ten years; (e) determining, subject to all applicable regulatory requirements, that the provisions of the Stock Option Plan concerning the effect of termination of a participant's status as an Eligible Person shall not apply to a participant for any reason acceptable to the Board; (f) accelerating the expiry date of any Stock Options; (g) amending the definitions contained within the Stock Option Plan; (h) amending the categories of persons who are Eligible Persons and entitled to be granted Stock Options pursuant to the Stock Option Plan; (i) allowing the grant of short-term financial assistance to participants for the purpose of exercising Stock Options granted hereunder, subject to compliance with all applicable regulatory requirements; (j) authorizing the addition or modification of a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve; (k) the assignability or transferability of Stock Options, with respect to Eligible Persons generally and/or with respect to any participant; (l) amending or modifying the mechanics of exercise of Stock Options; and (m) amendments of a "housekeeping" nature, including, without limitation, amending the wording of any provisions of the Stock Option Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan.

Notwithstanding the above, shareholder approval is required with respect to amendments that relate to any of the following: (a) a reduction in the price or extension of the term of Stock Options granted to an insider of the Company; (b) an increase in the fixed percentage of the issued and outstanding Common Shares issuable under the Stock Option Plan; and (c) changes to the amendment provisions of the Stock Option Plan.

The Board may terminate the Stock Option Plan at any time.

In the event of the death of an Eligible Person prior to a Stock Option's expiry date, the Stock Option may be exercised by the legal representatives of such participant at any time up to and including the date which is the first anniversary of the date of death of such participant or the expiry date of such Stock Option, whichever is the earlier, after which the Stock Option shall in all respects cease and terminate. In the event an Eligible Person resigns as an employee or senior officer of the Company or an Affiliated Entity or resigns, is removed or otherwise ceases to be a member of the Board or of the board of directors of an Affiliated Entity (other than upon the death of such Eligible Person), all Stock Options granted to such Eligible Person which are then outstanding (whether vested or unvested) shall cease and terminate 90 days after such resignation, removal or other cessation of the term of office of the Eligible Person. In the event an Eligible Person (a) is an employee or senior officer of the Company or an Affiliated Entity and is discharged by reason of a wilful and substantial breach of such person's employment duties, or (b) is a consultant to the Company and the agreement or engagement between the Company and such consultant is terminated by either party, all Stock Options granted to such Eligible Person under the Stock Option Plan which are then outstanding (whether vested or unvested) shall cease and terminate in accordance with the provisions of the Stock Option Plan, unless, under the terms of the Stock Option Plan, the Board (or committee appointed by the Board) waives such provisions. In the event of a termination of employment or engagement of an Eligible Person (including the expiry of an agreement or engagement between the Company and a consultant) other than in the event of death or in the circumstances set out above, such Eligible Person may exercise each Stock Option then held by such participant under the Stock Option Plan at any time up to and including the 90<sup>th</sup> day (or such later date as the Board, or committee appointed by the Board, in its sole discretion may determine) following the effective date upon which the participant ceases to be an Eligible Person or the expiry date of such Stock Option, whichever is earlier, after which time the Stock Option shall in all respects cease and terminate.

The Stock Option Plan contains provisions for adjustment of the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of Common Shares, a merger, or other relevant changes in the Company's capitalization. Currently, the Stock Option Plan does not contain any provision for financial assistance by the Company in respect of Stock Options granted under the Stock Option Plan.

The below table sets out information as of December 31, 2023 on the number of Stock Options issuable, granted and available for grant pursuant to the Stock Option Plan. It also provides the information expressed as a percentage of the total Common Shares issued and outstanding as of December 31, 2023.

	Number	Percentage
Maximum Stock Options Issuable	140,109,232	15.00%
Total Stock Options Granted	124,267,682	13.30%
Remaining Stock Options Available for Grant	15,841,550	1.70%

The below table sets out information as of the date hereof on the number of Stock Options issuable, granted and available for grant pursuant to the Stock Option Plan. It also provides the information expressed as a percentage of the total Common Shares issued and outstanding as of the date hereof.

	Number	Percentage
Maximum Stock Options Issuable	140,109,232	15.00%
Total Stock Options Granted	125,267,682	13.41%
Remaining Stock Options Available for Grant	14,841,550	1.59%

### **Annual Burn Rate**

The following table sets out the annual burn rate for the Stock Option Plan as of December 31<sup>st</sup> for each of the last three years. The annual burn rate represents the total number of stock options granted during the year, divided by the weighted average number of shares outstanding during the year.

	2021	2022	2023
Annual Burn Rate	3.74%	3.22%	1.35%

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Since the beginning of the Company's most recently completed financial year, there is no, and there has not been any, outstanding indebtedness owing to the Company or any subsidiary of the Company in connection with the issuance of securities or otherwise by: (i) any director, executive officer or employee of the Company or any of its subsidiaries; (ii) any former director, executive officer or employee of the Company or any of its subsidiaries; (iii) any proposed nominee for election as a director of Company; (iv) any associate of any individual who is, or at any time during the Company's most recently completed financial year was, a director or executive officer of the Company; or (v) any associate of any proposed nominee for election as a director of the Company.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of the Company, no director, executive officer, any person or company beneficially owning, controlling or directing, directly or indirectly (or a combination thereof), Common Shares carrying more than ten percent of the voting rights of Common Shares, any directors or executive officers of such shareholders, or any associate or affiliate of any of the foregoing persons, have had a material interest, direct or indirect, in any transaction since the commencement of Talon's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect Talon or any of its subsidiaries.

### **INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as otherwise disclosed herein, no person who has been a director or executive officer of Talon at any time since January 1, 2023, and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

## MANAGEMENT CONTRACTS

There are no management functions of Talon or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers of Talon or its subsidiaries.

## AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is MNP LLP. The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1.

## OTHER BUSINESS

Except as otherwise indicated, information contained herein is given as of January 18, 2024. Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, COMMON SHARES REPRESENTED BY THE ACCOMPANYING FORM OF PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

## ADDITIONAL INFORMATION

Additional information relating to Talon may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information relating to Talon is provided in Talon's comparative financial statements and related management's discussion and analysis for the financial year ended December 31, 2022. To request copies of Talon's financial statements and related management's discussion and analysis, please contact Mike Kicis, Chief Legal Officer and Corporate Secretary, at:

Talon Metals Corp.  
Craigmuir Chambers  
P.O. Box 71  
Road Town, Tortola  
British Virgin Islands

Tel: (416) 361.9636  
Fax: (416) 361.0330

Email: [mkicis@talonmetals.com](mailto:mkicis@talonmetals.com)

**APPROVAL**

The undersigned hereby certifies that the contents of this Circular and the sending thereof to the shareholders of Talon have been approved by the Board.

**DATED** January 18, 2024

By Order of the Talon Board of Directors

(Signed) "Warren Newfield"

Warren Newfield  
Executive Chairman