

TALON METALS TO ACQUIRE LUNDIN MINING'S EAGLE MINE & HUMBOLDT MILL OPERATIONS, CREATING A MULTI-ASSET U.S. NICKEL-COPPER COMPANY

Tamarack, Minnesota and L'Anse, Michigan (December 18, 2025) – Talon Metals Corp. (together with its subsidiaries, “**Talon**” or the “**Company**”) (TSX:TLO/OTC:TLOFF) is pleased to announce the signing of a share purchase agreement (the “**Share Purchase Agreement**”) with Lundin Mining Corporation (“**Lundin Mining**”) (TSX: LUN; Nasdaq Stockholm: LUMI). The Share Purchase Agreement provides for a transaction (the “**Transaction**”) that will result in the combination of Lundin Mining’s producing Eagle Mine and associated Humboldt Mill with Talon’s interest in the Tamarack Nickel-Copper-Cobalt Project (the “**Tamarack Nickel-Copper Project**”) and a prospective exploration land package of over 400,000 acres in Michigan, which includes the Boulderdash nickel/copper discovery 8-miles from the Eagle Mine, and Talon’s proposed North Dakota Beulah Minerals Processing Facility (the “**BMPF**”).

KEY TRANSACTION HIGHLIGHTS

- Talon will acquire 100% of the Eagle Mine and Humboldt Mill operations.
- Talon will issue 275,152,232 common shares to Lundin Mining, representing 18.73% of the Company on a non-diluted basis after the Concurrent Private Placement by the Lundin Family Trust. Together with Lundin Mining’s ownership interest in Talon before the Transaction, Lundin Mining will own 19.99% of Talon after closing of the Transaction on a non-diluted basis.
- A concurrent Private Placement with the Lundin Family Trust for approximately US\$5.6 million in gross proceeds, will result in the Lundin Family Trust owning approximately 1.26% of Talon after closing of the Transaction on a non-diluted basis.
- Jack Lundin and Juan Andrés Morel, the CEO and COO, respectively, of Lundin Mining will join the Talon Board.
- Lundin Mining will maintain all financial assurances for the Eagle Mine and Humboldt Mill reclamation until Talon’s Board approves development of a new mine, provided that Talon uses commercially reasonable efforts to amend or replace such financial assurances.

CREATING A UNIFIED, MULTI-ASSET U.S. NICKEL PLATFORM

“This transaction brings together the positive cash-flow-generating Eagle Mine and Humboldt Mill, the proven operating experience of the Eagle and Humboldt teams, and Talon’s in-house exploration capabilities to create the only operating primary nickel-copper company in the United States with expansion potential,” said Henri van Rooyen, Chief Executive Officer of Talon. *“The integration enables our combined team to advance our four strategic priorities in parallel - extending the Eagle mine life, accelerating exploration in Michigan and in Minnesota, advancing permitting at the Tamarack Nickel-Copper Project and the Beulah Minerals Processing Facility, and progressing engineering towards feasibility study and construction.”*

The unified Talon team will deploy the positive cash flow from the Eagle Mine and Humboldt Mill, together with an estimated US\$27 million of cash and cash equivalents, towards:

Extending Eagle Mine Life Through Modern Practices

The Eagle Mine and Humboldt Mill exemplify modern mining, built and operated to the highest standards of safety and environmental responsibility in Michigan's Upper Peninsula. Ongoing efficiency improvements and optimizations has the potential to extend the mine's life to maintain full capacity at the Humboldt Mill.

Accelerating Exploration in Michigan and at Tamarack

With the Humboldt Mill ideally positioned to process ore from Talon's Michigan discoveries such as Boulderdash - just 8 miles from the Eagle Mine - Talon's in-house exploration team, responsible for five discoveries in five years, plans to execute its most ambitious exploration program to date in 2026.

Advancing Tamarack and BMPF Environmental Review and Permitting

Building on the successful permitting and exemplary environmental performance of the Eagle Mine and Humboldt Mill, the unified team combines Eagle's operational experience with Talon's environmental specialists to advance the Tamarack Nickel-Copper Project through environmental review and permitting towards construction.

Progressing Engineering for the Future Tamarack Mine and BMPF

Following the iterative design process of the proposed Tamarack mine, driven by two years of collaboration with the Minnesota Department of Natural Resources and participating Tribal governments, Talon is proposing a "mine of the future" with all potential environmental impacts expected to be controlled within one fully enclosed facility. The proven Eagle team, with its track record in mine design, engineering, construction, and operations, will now integrate with the Talon team to complete the feasibility study in conjunction with environmental review and permitting, improving confidence in the design and long-term operability of these assets.

"Over the last decade, American policymakers have recognized that dependence on foreign sources for critical minerals is a national security risk," said Henri van Rooyen, Talon CEO. *"This transaction is a direct response, uniting modern nickel mining and processing operations with the Tamarack Nickel-Copper Project and exploration assets, including the Boulderdash discovery 8-miles from the Eagle mine, to ensure a domestic supply of nickel and other critical minerals for defense, energy and advanced technology manufacturing."*

ABOUT THE TRANSACTION

Pursuant to the terms of the Share Purchase Agreement, Talon will acquire 100% of the outstanding shares of Lundin Mining US Ltd. ("**Lundin SubCo**"), a wholly-owned subsidiary of Lundin Mining, which owns the Eagle Mine and Humboldt Mill, in exchange for: (i) 275,152,232 Talon Shares which will result in Lundin Mining increasing its interest in Talon from 1.57% to 19.99% of the outstanding Talon Shares on a non-diluted basis, based on the number of Talon Shares that are issued and outstanding as of the date of the Share Purchase Agreement (and assuming the issuance of Talon Shares pursuant to the Concurrent Private Placement); and (ii)

the grant of a production payment royalty (the “**Production Payment Royalty**”) on ore from sources other than the Eagle Mine that is processed through the Humboldt Mill at a rate of US\$1.00 per tonne, up to a maximum aggregate payment of US\$20.0 million, representing 20 million tonnes of ore.

The Share Purchase Agreement also provides that, concurrently with closing of the Transaction, Talon and Lundin Mining will enter into an investor rights agreement (the “**Investor Rights Agreement**”) and a lock-up agreement (the “**Lock-Up Agreement**”). The Investor Rights Agreement will provide Lundin Mining with certain board nomination rights, as well as participation rights in respect of future equity issuances by Talon to allow it to maintain its ownership interest, for so long as Lundin Mining has beneficial ownership of at least 10% of the Talon Shares. The Lock-Up Agreement will provide for limitations on sales of Talon Shares by Lundin Mining during the two-year period following the date of the Lock-Up Agreement. The Lock-Up Agreement will also provide that Lundin Mining will not acquire beneficial ownership of more than 19.99% of the Talon Shares during the one-year period following the date of the Lock-Up Agreement, subject to certain exceptions.

In addition, Lundin Mining has agreed to maintain and bear the cost of all financial assurances provided in respect of mining and reclamation operations of the Eagle Mine and Humboldt Mill until the board of directors of Talon (the “**Talon Board**”) makes a “Positive Final Investment Decision” in respect of developing a mine on any of Talon’s properties, provided that Talon uses commercially reasonable efforts to amend or replace such financial assurances.

Director and Officer Changes

At closing of the Transaction, the Talon Board will be reconstituted to consist of ten directors, including Jack Lundin and Juan Andrés Morel, the CEO and COO, respectively, of Lundin Mining and seven of the eight directors currently on the Talon Board. Darby Stacey, the current Managing Director of Eagle Mine, will be appointed to the Talon Board and appointed as CEO of Talon, overseeing the operations of the combined assets, with Henri van Rooyen being appointed Executive Chairman. On closing of the Transaction, Warren Newfield will be stepping down from the Talon Board and as Executive Chairman of Talon.

Henri van Rooyen, Talon CEO said: “*On behalf of Talon, I would like to sincerely thank Warren Newfield for his many years of support as Executive Chairman, during which Talon achieved numerous important milestones that created significant value for shareholders.*”

Concurrent Private Placement

Concurrently with the signing of the Share Purchase Agreement, Talon signed a subscription agreement with a trust settled by the late Adolf H. Lundin (the “**Lundin Family Trust**”) pursuant to which the Lundin Family Trust agreed to purchase 18,555,783 Talon Shares, at a price of C\$0.4194 per Talon Share (the “**Issue Price**”), which is the deemed value of the Talon Shares to be issued to Lundin Mining in connection with the Transaction, on a private placement basis for gross proceeds of approximately C\$7.8 million or US\$5.6 million (the “**Concurrent Private Placement**”).

The gross proceeds of the Concurrent Private Placement will be used to fund transition costs, due diligence costs, acquisition costs, and integration costs.

The Concurrent Private Placement is expected to close concurrently with the closing of the Transaction. It is also expected that Talon and the Lundin Family Trust will enter into an agreement in connection with the closing of the Concurrent Private Placement that provides the Lundin Family Trust with a contractual right in respect of future equity offerings by Talon, so it has the ability to maintain its ownership interest in Talon.

Share Consolidation

Under the terms of the Share Purchase Agreement, Talon agreed to complete a consolidation of the Talon Shares (the “**Consolidation**”) as soon as practicable after the closing of the Transaction. The Consolidation would be on the basis of one post-consolidation Talon Share for every ten pre-consolidation Talon Shares, as approved by the shareholders of Talon at the annual and special meeting of shareholders held on June 25, 2025. The Talon Board has approved the Consolidation and the date the Talon Board has determined to implement the Consolidation will be announced in connection with closing of the Transaction, together with additional details about the Consolidation.

Additional Transaction Details

The Transaction and the Concurrent Private Placement are anticipated to close in early January, subject to the approval of the Toronto Stock Exchange (the “**TSX**”), as well as the satisfaction or waiver of other customary closing conditions.

Further information regarding the terms of the Transaction are set out in the Share Purchase Agreement, which will be publicly filed by the Company under its SEDAR+ profile at www.sedarplus.ca.

Advisors

Canaccord Genuity Corp. was engaged as financial advisor to the Company. Cassels Brock & Blackwell LLP and Dorsey & Whitney LLP are acting as legal counsel to the Company.

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 Copper 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 Copper Project and currently owns 51%. Talon has a [neutrality and workforce development agreement](#) in place with the United Steelworkers union. Talon’s Beulah Mineral Processing Facility in Mercer County was [selected by the US Department of Energy](#) for US\$114.8 million funding grant from the Bipartisan Infrastructure Law and the [US Department of War awarded Talon a grant of US\\$20.6 million](#) to support and accelerate Talon’s exploration efforts in both Minnesota and Michigan. 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 or contact:

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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 Transaction and Concurrent Private Placement, including the impact and anticipated benefits of the Transaction; the anticipated timing of the completion of the Transaction and the Concurrent Private Placement; the grant of the Production Payment Royalty, entering into the Investor Rights Agreement, the Lock-Up Agreement, and the agreement in connection with the Concurrent Private Placement, and the terms thereunder, and the timing thereof; changes to the Talon Board; the use of proceeds of the Concurrent Private Placement; implementing the Consolidation and the effective date thereof; future exploration work, including future drill holes, drill results, assays, geophysics and geological interpretations. 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.