Talon Metals Reports Second Quarter 2026 Results

Road Town, Tortola, British Virgin Islands – August 13, 2026 – Talon Metals Corp. (TSX: TLO / OTC: TLOFF) ("**Talon**" or the "**Company**") today reported its second quarter 2026 financial results. This is the second quarter in which results from the recently acquired Eagle Mine and Humboldt Mill ("**Eagle**") are included. Results from Eagle have been included commencing January 9, 2026, the closing date of the Company's acquisition of Eagle from Lundin Mining Corporation.

All dollar amounts presented in this news release are in U.S. dollars. On January 1, 2026, the Company changed its presentation currency from Canadian dollars to U.S. dollars.

Highlights

For the three-month period ended June 30, 2026, the Company reported:

- Revenue of $51.5 million (Q2 2025: $nil million);
- Net income of $3.2 million or $0.02 per share (basic and diluted) (Q2 2025: net loss of $0.8 million or (negative $0.01) per share (basic and diluted));
- EBITDA[1] of $11.4 million (Q2 2025: negative EBITDA of $0.8 million);
- Adjusted EBITDA[1] of $12.6 million (Q2 2025: negative adjusted EBITDA of $0.6 million);
- Cash provided by operating activities was $1.3 million (Q2 2025: $0.1 million).
- In connection with the acquisition of Eagle and Eagle Mining US Ltd., the Company received a cash payment of $11.5 million during Q2 2026 pursuant to a working capital adjustment in accordance with the share purchase agreement between the Company and Lundin Mining Corporation;
- Capitalized exploration and evaluation costs on the Tamarack Nickel-Copper-Cobalt Project for the three months ended June 30, 2026, amounted to $5.3 million (Q2 2025: $5.0 million).

As at June 30, 2026, the Company reported:

- Cash, cash equivalents, treasury bills, and term deposits of $46.6 million (December 31, 2025 - $25.4 million);
- Working capital of $61.3 million (December 31, 2025 - $19.3 million).

As at August 13, 2026, the Company reports cash and cash equivalents of $45.3 million.

Darby Stacey, Chief Executive Officer of Talon, commented: *"We achieved several important milestones in Q2 2026 that are moving our Company forward. Exploration continues to deliver exciting progress at the Tamarack Project, and we mobilized two rigs back into Michigan, where we continue to explore multiple targets. The feasibility study for the Tamarack Project continues to advance, and we reached an important permitting milestone during the quarter with the Minnesota Department of Natural Resources initiating the Environmental Impact Statement scoping process.*

Operations at Eagle Mine faced challenges early in the quarter, as mobile equipment availability negatively affected mine production and stope sequencing, which in turn negatively impacted production and mined grades. These issues were resolved in the second half of the quarter, and operations finished Q2 strongly as we entered the second half of the year."

Consolidated Financial Statements for the three and six months ended June 30, 2026 and 2025, together with Management's Discussion and Analysis, have been filed under the Company's profile on SEDAR+ and are available at www.sedarplus.com.

[1] EBITDA and Adjusted EBITDA are non-GAAP financial measures. Refer to the "Non-GAAP Performance Measures" section in this news release for more information, including reconciliations to the nearest comparable IFRS measure.

Changes to the Board of Directors

The Company also announces that Gregory Kinross and John Kaplan resigned from the Company's board of directors (the "**Board**"), effective August 13, 2026. Mr. Kinross and Mr. Kaplan were long-standing members of the Board, having served since 2005 and 2013, respectively. The Board and management of the Company thank Mr. Kinross and Mr. Kaplan for their contributions and service to the Company and wish both well in their future endeavors.

Talon is pleased to announce that Victoria McMillan joined the Board effective August 13, 2026.

Ms. McMillan is a Chartered Professional Accountant (CPA, CA) and Chief Financial Officer of Versamet Royalties Corporation. She brings more than 20 years of financial experience, including senior finance roles with mid-tier gold producers and within the royalty industry. Ms. McMillan also serves on the board of Lundin Mining Corporation, where she chairs the Audit Committee.

Earlier in her career, Ms. McMillan spent eight years with PwC in London and Vancouver, including as a Senior Manager in the assurance practice. She holds a Bachelor of Management Studies from the University of Nottingham in England and has completed the ICD-Rotman Directors Education Program. She is also a member of the Institute of Corporate Directors.

Juan Andrés Morel, Chairman of the Board, commented: *"I would like to thank Mr. Kinross and Mr. Kaplan for their longstanding leadership and service on the Board, including their significant contributions and guidance through their roles on the Audit and Corporate Governance Committees. I am grateful to have had the opportunity to work with both during my tenure on the Board. Their leadership over many years has played a meaningful role in the Company's success and has helped position Talon for an exciting future. On behalf of Talon, I thank them for their dedicated service and wish them well in the future. I am also pleased to welcome Ms. McMillan to the Board and look forward to the experience and perspective she will bring to the Company."*

Table 1 – Financial and Operating Metrics[4]

Summary Financial Results and Operating Statistics
All dollar amounts in US$ thousands except per share amounts and where noted

	2026 Q1[5]	2026 Q2	2026 H1[5]
Revenue	$ 46,947	$ 51,523	$ 98,470
Cost of goods sold			
Production costs	(37,288)	(38,545)	(75,833)
Depreciation, depletion and amortization	(6,082)	(6,583)	(12,665)
Gross profit	$ 3,577	$ 6,395	$ 9,972
Net income (loss)	1,646	3,216	4,862
Basic net income (loss) per share	$ 0.01	$ 0.02	$ 0.03
Diluted net income (loss) per share	$ 0.01	$ 0.02	$ 0.03
Revenue Breakdown			
Nickel	52%	53%	53%
Copper	43%	42%	43%
Other	5%	4%	5%
Total	100%	100%	100%
EBITDA and Adjusted EBITDA			
EBITDA	$ 7,820	$ 11,409	$ 19,229
Adjusted EBITDA	8,891	12,596	21,487
Condensed Interim Consolidated Statements of Financial Position			
ASSETS			
Total current assets	$ 81,149	$ 92,512	$ 92,512
Total non-current assets	432,012	440,568	440,568
Total assets	513,161	533,080	533,080
LIABILITIES			
Total current liabilities	$ 32,544	$ 31,256	$ 31,256
Total non-current liabilities	121,162	120,113	120,113
Total liabilities	153,706	151,369	151,369
SHAREHOLDERS' EQUITY			-
Total shareholders' equity	$ 359,455	$ 381,711	$ 381,711
Total liabilities and shareholders' equity	$ 513,161	$ 533,080	$ 533,080
Production Statistics			
Ore mined (kt)	125	157	282
Ore milled (kt)	140	151	292
Ore milled (tpd)	1,710	1,664	1,686
Nickel head grade (%)	1.41	1.48	1.44
Copper head grade (%)	1.20	1.22	1.21
Nickel recovery (%)	81.8	82.3	82.1
Copper recovery (%)	95.4	95.6	95.5
Nickel production (contained metal tonnes)	1,613	1,843	3,456
Copper production (contained metal tonnes)	1,600	1,771	3,371
Nickel sales volume (payable metal tonnes)	1,342	1,406	2,748
Copper sales volume (payable metal tonnes)	1,574	1,531	3,105
Cash cost metrics			
Cash cost excluding royalties[1] per pound of nickel ($/lb)	$ 3.73	$ 2.72	$ 3.21
Cash cost including royalties[2] per pound of nickel ($/lb)	5.00	4.25	4.61
All-in sustaining cost ("AISC")[3] per pound of nickel ($/lb)	7.16	5.97	$ 6.55
Sustaining capital expenditures (thousands of US$)	$ 4,900	$ 3,522	$ 8,422

[1] Cash cost includes at-mine cash operating costs, treatment and refining charges, selling costs, and transportation costs, and is reported on a $/lb of nickel sold basis. Cash cost may also include royalties, and so cash cost has been presented excluding and including royalties.

[2] Royalties include state and private royalties, and Michigan severance tax. Michigan severance tax, which is in lieu of state tax, is calculated similarly to a royalty as a percentage of revenue.

[3] All-in sustaining cost ("**AISC**") includes cash cost (as defined above), sustaining capital expenditure, current period closure costs (cash basis), and lease payments (cash basis).

[4] EBITDA, Adjusted EBITDA, cash costs, AISC, and sustaining capital expenditures are non-GAAP financial measures or ratios. Refer to the "Non-GAAP Performance Measures" section in this news release for more information, including reconciliations to the nearest comparable IFRS measure.

[5] Results from Eagle have been included commencing January 9, 2026.

Qualified Person

Etienne Dinel, Vice President, Geology of Talon, is a Qualified Person within the meaning of National Instrument 43-101. Mr. Dinel has reviewed and approved the scientific and technical information disclosed in this news release.

Non-GAAP Performance Measures

The Company uses certain performance measures in its analysis and disclosure. These performance measures have no standardized meaning within generally accepted accounting principles under IFRS Accounting Standards, and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. The following are the non-GAAP performance measures that the Company uses as key performance indicators that are included in this news release. The tables below provide a reconciliation of these non-GAAP performance measures to the most directly comparable IFRS measure as contained within the Company's issued financial statements for the three and six months ended June 30, 2026.

EBITDA and Adjusted EBITDA

EBITDA represents net earnings or loss for the period before income tax expense or recovery, depreciation and amortization, and finance costs, net.

Adjusted EBITDA removes the effects of items that do not reflect the Company's underlying operating performance and are not necessarily indicative of future operating results. These may include: unrealized foreign exchange, unrealized gains or losses from derivative contracts, revaluation gains or losses on marketable securities, derivative liabilities, contingent consideration and purchase options, expenses for acquisition-related fair value adjustments to inventory, non-cash impairment charges and reversals, non-cash stockpile inventory or fixed asset write-downs or reversals, goodwill impairment, insurance proceeds, and litigation and settlements. The following is a reconciliation from net income (loss) under IFRS to EBITDA and Adjusted EBITDA:

	2025 Q2	**2026 Q1[5]**	**2026 Q2**	**2026 H1[5]**
	US$ 000's	US$ 000's	US$ 000's	US$ 000's
Net income (loss)	(830)	1,646	3,216	4,862
Add back:		-		
Depreciation, depletion and amortization	-	6,082	6,583	12,665
Finance income	(23)	(113)	(167)	(280)
Finance costs	12	783	862	1,645
Income tax	9	(578)	915	337
EBITDA	(832)	7,820	11,409	19,229
Project development and business development	-	442	145	587
Equity compensation depreciation in cost of sales	-	-	399	399
Equity compensation depreciation G&A expense	52	210	397	607
Other (expense) income	-	(11)	(59)	(70)
Foreign currency gain (loss)	229	94	132	226
Non-cash inventory adjustment	-	336	173	509
Adjusted EBITDA	(552)	8,891	12,596	21,487

Cash Cost Including and Excluding Royalties

Cash cost excluding royalties includes costs directly attributable to mining operations (including mining, processing, and administration), treatment, refining, and transportation charges, but excludes royalty expenses, expenses associated with non-cash fair value adjustments to inventory, depreciation and amortization, and capital expenditures. Revenue from sales of by-products reduce cash cost.

Cash cost, including royalties, includes cash cost excluding royalties plus state royalties, private royalties, and state severance tax, which is administered as a royalty.

Cash cost per pound sold is calculated by dividing cash cost, including or excluding royalties, by the sales volume of the primary metal, which is nickel in the case of Eagle.

All-in Sustaining Costs

All-in sustaining cost ("**AISC**") includes cash cost (as defined above), sustaining capital expenditure (including underground mine development), current period closure costs (cash basis), and lease payments (cash basis). As this measure seeks to reflect the full cost of production from current operations, expansionary capital and certain exploration costs are excluded as these are costs typically incurred to extend mine life or materially increase the productive capacity of existing assets, or for new operations. Corporate general and administrative expenses have also been excluded, as any attribution of these costs to an operating site would not necessarily be reflective of costs directly attributable to the administration of the site. Certain other cash expenditures, including tax payments, financing charges (including capitalized interest), and costs related to business combinations, asset acquisitions, and asset disposals, are also excluded.

AISC per pound sold is calculated by dividing AISC by the sales volume of the primary metal, which is nickel in the case of Eagle. The following is a reconciliation from total production costs under IFRS to cash cost, including and excluding royalties, and to AISC.

Nickel sales volume (payable metal)	Unit		***2026 Q1***		***2026 Q2***		***2026 H1***
Tonnes	tonnes		1,342		1,406		2,748
Pounds	lbs.		2,958,600		3,099,696		6,058,296
Total production costs	US$ 000's	$	37,288	$	38,545	$	75,833
Less: Royalties			(2,748)		(3,061)		(5,809)
Less: Severance tax (royalty)			(1,024)		(1,659)		(2,683)
Less: Equity compensation depreciation in cost of sales			-		(399)		(399)
Less: Non-cash inventory adjustment			(336)		(173)		(509)
Total cost excluding royalties	US$ 000's	$	33,180	$	33,253	$	66,433
Less: By-product revenue			(22,155)		(24,812)		(46,967)
Cash cost excluding royalties	US$ 000's	$	11,025	$	8,441	$	19,466
Royalties and severance tax (royalty)			3,772		4,720		8,492
Cash cost including royalties	US$ 000's	$	14,797	$	13,161	$	27,958
Cash cost excluding royalties per pound sold	$/lb of Ni sold	$	3.73	$	2.72	$	3.21
Cash cost including royalties per pound sold	$/lb of Ni sold	$	5.00	$	4.25	$	4.61
Cash cost including royalties	US$ 000's	$	14,797	$	13,161	$	27,958
Sustaining capital expenditures			4,900		3,522		8,422
Lease cash payments			920		1,224		2,144
Closure cost payments			555		594		1,149
All-in sustaining cost ("AISC")	US$ 000's	$	21,172	$	18,501	$	39,673
AISC per pound sold	$/lb of Ni sold	$	7.16	$	5.97	$	6.55

Sustaining capital expenditures

The following is a reconciliation from total property, plant, and equipment additions under IFRS to sustaining capital expenditures:

		2026 Q1	2026 Q2	2026 H1
Total property, plant and equipment additions	US$ 000's	4,969	6,330	11,299
Less: Property, plant and equipment additions not related to Eagle and purchase of a royalty		(69)	(2,808)	(2,877)
Sustaining capital expenditures	US$ 000's	4,900	3,522	8,422

About Talon

Talon is a TSX-listed base metals company advancing and operating high-grade nickel-copper assets in the United States, including 100% ownership of the Eagle Mine and Humboldt Mill in Michigan, the only primary nickel mine currently operating in the United States, and the Tamarack Nickel-Copper-Cobalt Project in Minnesota. Talon is 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-Cobalt 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-Cobalt 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 a 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 and experienced exploration, mine permitting, mine development, operations, and community relations 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 operations after the end of Q2 2026 and the Company being well-positioned to execute on its exploration and development plans in Minnesota and Michigan. 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.