Notice of Request for Proposal: Michigan Winter Drilling Project

Procurement Package Folder

2026-15-EXP-00045 - Michigan Winter Drilling

Scope of the Procurement Package

1. PROJECT OVERVIEW

Houghton Battery Minerals LLC (HBM), an indirect subsidiary of Talon Metals Corp., is soliciting bids for approximately 15,000 feet of surface diamond core drilling in Baraga County, Michigan to take place during January through March 2027. Rock formations encountered during drilling are expected to be ultramafic intrusions hosted within a sedimentary basin composed of interlayered greywacke sandstone and slate units. Regional foliation in sedimentary rocks causes significant deflection of drill holes. Drilling will occur at one location. Two (2) track-mounted diamond core rigs are required. Holes will be drilled HQ diameter to a maximum of 2,800 feet. Average hole depths are expected to range between 1,800 and 2200 feet. Re-entering existing holes to deepen them may be required. All work must comply with Michigan EGLE Part 625 and all applicable regulations.

2. HEALTH, SAFETY & ENVIRONMENT (HSE)

The Contractor shall conduct all operations in a safe and workmanlike manner, maintain a site-specific safety program, conduct pre-shift safety meetings and inspections, and maintain up-to-date emergency response procedures appropriate for the work. HBM personnel will regularly inspect drill sites and equipment to verify that safety and environmental risks are adequately mitigated while working collaboratively with Contractor personnel to ensure a safe workplace.

As a greenfield exploration project in Michigan, the project is under the jurisdiction of the Michigan Occupational Safety and Health Administration general industry standards.

All personnel must complete a Project Operational and Safety Induction prior to beginning work at the Project. The Contractor shall ensure personnel are trained and competent to meet safety requirements, procedures, and policies appropriate for their work area. Basic first aid and CPR certification of crew members is preferred.

The Contractor shall use and store hydrocarbons and other hazardous materials in a manner that prevents spills to the environment while minimizing fire risks. The drill rig and all hydrocarbon storage locations must be fully contained while operating to prevent any hydrocarbon or hazardous material spill from contacting the ground surface. All spills shall be reported to HBM by the end of the shift in which they occurred, regardless of whether the spill was caught in containment.

Drill rigs and support equipment must be winterized in a manner that protects drill crew from excessive cold weather exposure. Temperatures ranging from -10*F to 32*F are expected during this timeframe. Snow will be a regular occurrence and will cover the ground for most of the duration of this program.

Intersecting gas in the borehole while drilling at the project is possible. The Contractor shall provide three gas monitors per drill rig. One monitor will be operational, at all times on site, properly maintained, and sampling for H2S/ O2/CH4/CO. Monitors must be bump tested at beginning of every shift and calibrated per the manufactures schedule. Records of bump checks and calibrations shall be maintained in a manner that is readily available.

The Contractor shall post a written procedure at the drill describing operation and use of the monitor and protocol for gas encounters in the hole.

Each drill rig is required to have a hydraulically operated core press to be used for removal of core from core tubes. The press will be used for core removal from tubes, at all times. Automated rod handling systems that reduce the amount of contact the drill crew has with downhole tooling is preferred but not required.

The drilling area is remote with unreliable cellular phone signal coverage. Contractor will provide a satellite internet connection at the drill rig to be used for emergency and routine communications as well as upload of data to HBM's cloud system. Secondly, Contractor will provide a reliable satellite based mobile communication device in each vehicle for the purpose of emergency communication when travelling to/from the drill site. An In-Reach or similar device is suitable.

The following documentation must be submitted with the bid:

- Corporate HSE Policy
- Site-Specific Safety Program Summary
- Summary of Training Plan
- EMR (last 3 years)
- OSHA/MSHA Recordable/Reportable Statistics (last 3 years)
- Emergency Response Plan Template

3. DRILL HOLE CONSTRUCTION REQUIREMENTS

Drill holes will be drilled HQ3 to a depth of up to 2,800 feet. Average hole depths are expected to range between 1,800 and 2200 feet. Surface casing will be set a minimum of 10ft into competent bedrock before the drill hole is advanced. Contractor will also provide an NQ3 rod string and tooling if reducing the hole diameter is necessary to advance the hole or directional drilling is required.

Re-entering existing holes to deepen them or establish directionally drilled branch holes may be required.

Limited directional drilling may be required during the performance period. A 3rd-party directional driller will provide down-hole tooling and direction in it's use. Due to the necessity of additional rod-tripping during directional drilling, a rig with automated rod handling is preferred, but not required.

4. DRILL CORE PRODUCTION REQUIREMENTS

HBM expects efficient production of drill core on each shift where drilling occurs (excluding time allotted to client directed moves, surveys, etc.). Rates of drill hole advance should be appropriate to minimize hole deviation and maximize core recovery.

A split tube coring system will be used (HQ3, NQ3). Drill core will be oriented using industry proven core orientation tools with drill crew placing accurate, legible orientation marks on core in every run. Contractor to provide core orientation tooling.

HBM may require Contractor crews to apply additional marks to the core. Drill crew will photograph each box of core at the rig with a Talon provided mobile device. Crew is responsible for uploading each photo via the onsite satellite internet connection. Core will be provided to client in a clean state with run blocks accurately labelled in feet.

Drill core will be delivered to the L'Anse Core Shed once per day at minimum.

HBM will supply core boxes.

5. PERSONNEL REQUIREMENTS & ACCOMODATION

A three-person drill crew is required for each 12-hour shift. All personnel must be trained, qualified, fit for duty, and compliant with HBM site requirements.

The base of operations will be L'Anse, Michigan, and crew accommodations should be located in or near L'Anse. The Contractor is responsible for providing local accommodations and subsistence for all personnel. While off duty, Contractor personnel must always act in a professional and respectful manner to support HBM's reputation in the local community.

6. SUPERVISION REQUIREMENTS

Minimum supervision requirements are for Contractor to provide a supervisor on-duty during day shift and on-call during night shift. The supervisor position will be in addition to the 3-man crew, and the supervisor will not fill a Driller's position.

7. PROJECT SCHEDULE

The anticipated project time frame is January 11 through March 15, 2027, but may be extended to May 1, 2027. Road restrictions are placed on State and County roads during spring break-up. The beginning date and duration of road restrictions are dependent on local weather conditions, which often vary year to year. For this reason, HBM may extend the length of the contract through break-up to May 1, which would increase the total footage drilled.

Drilling operations shall be conducted on a continuous basis, twenty-four (24) hours per day, seven (7) days per week (24/7).

8. WINTER OPERATING REQUIREMENTS

Weather conditions in the field area during the term of the contract will include temperatures ranging from -10*F to 32*F with regular snowfall. Drill rigs must be effectively winterized to allow continuous drilling operations while protecting drill crew from cold exposure injuries. Typically, this requires enclosure of the drill rig and rod table, as well as mud tanks and centrifuge with a heat source(s) sufficient to raise the inside temperature above 32*F to prevent drill fluid from freezing.

Drill crews will be responsible for snow removal on the drill site to ensure slips-trips-falling hazards are controlled for personnel and house keeping on the site is maintained to a high standard. Sanding of walking surfaces is acceptable, but salt or other chemical-based snow-melting products are not allowed to prevent environmental damage.

Driving in winter conditions is a critical risk on this project. In addition to the standard driving requirements, vehicles should have appropriate tires for snow traction and a secondary source of warmth in the event of stranding. Drivers must have prior experience driving safely in slick conditions.

Adequate supplies (food, water, dry clothing) should be kept at the drill site to support the crew for 24 hours in the event a winter storm delays their return to town.

9. MOBILIZATION & PROJECT MOVES

The Contractor is responsible for mobilization and demobilization to and from the project area. HBM will provide trucking by a local contractor for drill rigs and major equipment between project locations if needed.

10. SITE ACCESS & DRILL SITES

HBM will provide suitable drill sites and drill access trails to the Contractor. No earth moving or site construction is required of the Contractor.

Multiple drill holes will be drilled from each drill site (5 or more per site). During the winter season, drill moves will be limited with work occurring on 3-5 drill sites. Most drill moves will be less than one half mile.

The project area is remote with most access routes are on County roads. Where private roads or trails are utilized, HBM will provide access to the drill sites suitable for pickup trucks. Travel time from L'Anse to drill sites will be approximately 30 minutes depending on weather conditions.

HBM will clear snow from private (not County) roads and trails to maintain access to drill sites promptly during and after snowfall events. Contractor will be responsible for snow removal on the drill site.

The Contractor shall utilize track-mounted rigs configured to operate within small drill site footprints to minimize surface disturbance. Minimum pad size requirements must be included in the bid submission and should be no larger than 100 feet by 100 feet.

HBM will provide a north-seeking gyro 'rig aligner' for the drill crews to use to set the rig at the directed orientation. HBM personnel will confirm rig orientation before the drill hole is collared.

HBM maintains a Field Office, Core Shed, and Laydown Yard in L'Anse, MI which the Contractor may use for temporary storage of equipment. If needed, laydown areas will be designated in the field for temporary storage of equipment or supplies that do not fit on the drill site. Consideration should be given to providing shelter for storing downhole tooling, parts, and consumables in a manner that prevents or minimizes burial in snow (i.e. shipping container).

HBM will provide portable toilets at or near the drill sites.

11. SURFACE CASING AND HOLE ABANDONMENT

Overburden depths are expected to range from 30 feet to 120 feet. Surface casing will be installed into bedrock and bentonite pumped into the annulus to surface before coring begins.

Surface casing will be provided by the Contractor. In most cases, drill holes will not be cemented (abandoned) after drilling is complete. Surface casing will remain in the bore hole and a casing cap will be installed immediately after drilling is finished to prevent contamination of the hole. This requirement means that each hole will require new surface casing.

However, in limited cases, Contractor may be required to abandon drill holes by tremie line grouting with neat cement then remove surface casing. Drill rods may be used as the tremie line.

12. DRILL CUTTINGS MANAGEMENT AND WATER USAGE

Drilling fluid recirculation is required to minimize water usage. A closed-loop mud system with cuttings separation process is required. A centrifuge is the preferred equipment for separating cuttings from drilling fluid and is expected to be used during all drilling operations unless otherwise approved by HBM. Michigan EGLE regulations require all cuttings and fluid be contained and hauled off site.

HBM will provide temporary storage tanks and bins where the Contractor will deposit cuttings and used water (drilling mud) in a manner that prevents release to the environment. HBM will be responsible for removing drilling-related rock waste and disposing of it in a licensed facility.

Water for drilling will be sourced from local streams. A water hauling truck with pump is required. Average water hauling distances are approximately 1 mile. Water trucks and pumps should be configured to operate in freezing conditions. Water pumping locations are included in the Contractors responsibility to remove snow from work

areas. Once used water is available on site, make-up water shall preferentially be taken from storage tanks before withdrawing additional volumes from surface sources.

Water taken from surface sources (streams, ponds) shall be treated with chlorine to achieve potability prior to introduction into the bore hole in compliance with EGLE Part 625 requirements. The Contractor shall comply with all applicable water withdrawal, treatment, and reporting requirements under Michigan regulations. Contractor will supply chlorine bleach and will treat water drawn from surface sources. Contractor will supply chlorine 'test-strips' and document that fresh drilling water has been sufficiently treated with chlorine before pumping water into the drill hole.

13. BORE HOLE SURVEYING

The Contractor shall perform drill hole orientation surveys at HBM's direction, typically once per 12-hour shift. HBM will provide a north-seeking gyro orientation survey tool for the Contractor's use.

Bore hole geophysical surveys will be conducted on most drill holes. In some cases, surveys may be run from the drill rig platform using HBM personnel. The Contractor shall coordinate and work safely with HBM survey crews. A survey standby rate shall be provided and applicable during such operations.

14. INSURANCE REQUIREMENTS

The successful bidder ("Contractor") shall, at its own expense, maintain the following insurance coverage throughout the performance of the winter drilling services:

1. **Commercial General Liability:** At least US$1,000,000 per occurrence and US$1,000,000 aggregate for bodily injury and property damage.
2. **Automobile Liability:** At least US$1,000,000 per occurrence, covering all owned, non-owned, and hired vehicles used in connection with the services.
3. **Workers' Compensation:** Coverage meeting all applicable statutory requirements.
4. **Employer's Liability:** At least US$1,000,000.
5. **Umbrella or Excess Liability:** At least US$5,000,000 per occurrence and in the aggregate. This coverage shall follow the form of the underlying commercial general liability, automobile liability, workers' compensation, and employer's liability policies.
6. **Cargo Insurance:** At least US$5,000,000 per conveyance for equipment, materials, core, or other property transported in connection with the services, as applicable.

The Contractor shall maintain coverage without interruption throughout the performance of the services. Talon Nickel (USA) LLC and its applicable affiliates shall be named as additional insureds on the commercial general liability, automobile liability, and umbrella or excess liability policies, but only with respect to liability arising from the Contractor's performance of the services. Such coverage shall be primary and non-contributory to any insurance maintained by Talon.

Before commencing the services, the selected Contractor shall provide certificates of insurance demonstrating compliance with these requirements. Upon request, the Contractor shall also provide copies of the applicable policies or endorsements. The Contractor shall provide at least thirty (30) days' prior written notice of cancellation, non-renewal, or any material reduction in coverage that would cause the insurance to no longer comply with these requirements.

Each bidder must confirm in its proposal that it can satisfy these insurance requirements if selected.

Schedule

1. Due date for submission – 25 September 2026 by 5:30pm EST
2. Period of performance: January 11 to March 15, 2026, with option to extend to May 1, 2026.
3. The submissions will be opened on 28 September 2026 starting at 9:00am EST by a Selection Committee comprising:
    - Steve Hovis
    - Patrick Farah
    - Brian Goldner
    - Vince Conte

Additional Details

1. Minimum qualifications of vendor (if any)-
    - EMR <1.1
    - Business in operation and providing diamond core drilling services for >10 years
2. Required content/format of the proposals/bids
3. Bidders shall provide footage rates for each hole diameter with hourly rates for operating, standby, supervisor, and survey standby, casing installation and casing removal. Any additional pricing for use of closed-loop mud system including centrifuge. Daily rates for support equipment (water truck, skid steer, etc.). Lump sum mobilization and demobilization charge for each rig, support equipment, and crews.
4. Bidder Communication Requirements
    - All potential vendors must refrain from CC/BCC or directly contacting any other Talon personnel regarding the scope of work until a vendor has been formally selected.
    - Interpretation of written bid or proposal specifications shall not be made to prospective bidders or proposers. Any questions related to the RFP/sealed bid request must be made via email and directed to Emma Van Guilder (vanguilder@talonmetals.com) (not the requesting department). Any violation of this requirement will result in disqualification. Potential vendors are not permitted to contact the requesting department directly. All potential bidders will receive the same information.
    - All bids should be transmitted to Talon via vanguilder@talonmetals.com. Bids may include links to additional files, when applicable, which Talon will download and include in the bid package during its assessment process. Bidders cannot grant anyone else from Talon or its partners access to the bid.
5. The response must specify a guaranteed unit price.
6. Statement on the proposal/bid opening process and non-acceptance of late submissions.
    - All proposers/bidders must include a statement within their proposal/bid certifying that they are not suspended or debarred from participating in US government contracts, subcontracts, loans, grants, and other assistance programs. By submitting a proposer/bid, vendors are certifying that they understand the regulations included in the 2 CFR Section 200.214 (Uniform Guidance) and that their company is not currently suspended or debarred. Late submissions will not be considered.

Notice Approved by

Vince Conte, CFO

/s/ Vince Conte

Evaluation and Award Criteria and Specifications

Criteria	Weight	Vendor Score (1= low, 5=high)	Total	Notes
Quality of HSE Policy and Effectiveness of Implementation with Drill Crews	20%			
Low OSHA Recordable Statistics	15%			
Low Workman's Comp Insurance EMR	15%			
Type of Drill Offered	5%			
Availability of Drill Rigs and Crews	20%			
Bid Meets Overall Requirements of the SOW	25%			
Total	100%			