Notice of Request for Proposal: Michigan Drilling Project

Procurement Package Folder

2026-15-EXP-00047 - Summer 2027 MI 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 55,000 feet of surface diamond core drilling in Baraga and Marquette Counties, Michigan, to take place from May through October 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 multiple locations throughout the performance period.

This Request for Proposal includes Scope of Work A for two track-mounted rigs capable of drilling HQ3 to 3000 feet and Scope of Work B for one track-mounted rig capable of drilling NQ3 to 2000 feet.

All work must comply with Michigan EGLE Part 625 and all applicable regulations.

2. PROPOSAL COST STRUCTURE

Bidders may submit proposals for Scope of Work A, Scope of Work B, or both. Bidders proposing both scopes shall provide separate, complete pricing for each scope, including all applicable equipment, personnel, support services, and mobilization costs.

HBM reserves the right to award both scopes to a single contractor or award each scope to a different contractor. Bidders may offer discounted pricing conditional upon receiving both scopes, provided that standalone pricing is also submitted for each scope.

3. 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.

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 the beginning of every shift and calibrated per the manufacturer's 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 are 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 traveling 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

4. SCOPE OF WORK A – TWO RIGS

The anticipated project time frame is May 15, 2027 through October 31, 2027. Total footage is expected to be 40,000 feet but may be more. Two track-mounted rigs capable of drilling HQ3 diameter to 3000 feet are required.

Most hole depths are expected to range between 1,500 and 2,500 feet deep. Surface casing will be set a minimum of 10 feet into competent bedrock before the drill hole is advanced. Re-entering existing holes to deepen them or establish directionally drilled branch holes may be required.

Directional drilling may be required on some holes. A 3rd-party directional driller will provide downhole tooling and direction in its use. Directional drilling is expected to be done using NQ rod string. After the correction is completed, reaming the hole to HQ diameter may be required. Due to the necessity of additional rod-tripping during directional drilling, a rig with automated rod handling is preferred, but not required.

Contractor will provide an NQ3 rod string and tooling if reducing the hole diameter is necessary to advance the hole.

Rig and support equipment must be able to set up on a drill site no larger than 80 feet by 80 feet. These rigs will drill multiple holes from each pad. Moves between pads will be infrequent and short distance.

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

5. SCOPE OF WORK B – ONE RIG

The anticipated project time frame is June 15, 2027 through October 1, 2027. Total footage is expected to be 15,000 feet but may be more. One track-mounted rig capable of drilling NQ3 diameter to 2000 feet is required.

Most hole depths are expected to range between 800 and 1200 feet deep. Surface casing will be set a minimum of 10 feet into competent bedrock before the drill hole is advanced. Automated rod handling is not required.

Rig and support equipment must be able to set up on a drill site no larger than 45 feet by 45 feet. This rig will drill 1-3 holes per site before moving to another location. Moves between pads will be frequent and may be long distance in some cases. Rig and support equipment should be configured to move between drill sites with minimal transport truck trips. HBM will provide locally sourced, contracted trucking for long-distance drill moves when needed.

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

The following sections apply to both Scope of Work A and Scope of Work B:

6. 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 labeled in feet.

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

HBM will supply core boxes.

7. PERSONNEL REQUIREMENTS & ACCOMMODATION

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.

8. 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 three-person crew, and the supervisor will not fill a Driller's position.

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.

Provide a mobilization and demobilization cost for each drill rig and define at what point mobilization ends and daily operational rates begin.

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.

The project area is remote with most access routes 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 range from approximately 30 minutes to one hour.

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.

A shipping container or large enclosed trailer should be provided for secure storage of downhole tooling, parts, and consumables.

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 100 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 borehole and a casing cap will be installed immediately after drilling is finished to prevent contamination of the hole. As a result, each hole will require new surface casing.

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. 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 borehole 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. BOREHOLE 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.

Borehole 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 summer 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 – 13 November 2026 by 5:30pm EDT
2. Period of performance: Scope of Work A — May 15 through October 31, 2027; Scope of Work B — June 15 through October 1, 2027.

3. The submissions will be opened on 16 November 2026 starting at 10am EDT by a Selection Committee comprising:
    - Steve Hovis
    - Patrick Farah
    - Nate Atkinson
    - 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 proposal/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

TALON METALS

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	15%			
Low OSHA Recordable Statistics	15%			
Low Workers' Comp Insurance EMR	15%			
Type of Drill Offered	10%			
Availability of Drill Rigs and Crews	20%			
Bid Meets Overall Requirements of the SOW	25%			
Total	100%			