Management's Discussion and Analysis

For the three and nine months ended September 30, 2026

This management's discussion and analysis ("MD&A") has been prepared as of November 16, 2026, and should be read in conjunction with Talon Metals Corp.'s ("Talon" or the "Company") unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2026 (the "Consolidated Financial Statements"). The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting, including IAS 34 Interim Financial Reporting. The Company's presentation currency is United States ("US") dollars. Reference herein of $ or USD is to United States dollars, and C$ or CAD is to Canadian dollars. "This quarter" or "The quarter" means the third quarter ("Q3") of 2026. Unless otherwise indicated, all monetary statements in this document are in United States dollars.

Additional information relating to the Company, including the Company's Annual Information Form for the year ended December 31, 2025, is available on SEDAR+ at www.sedarplus.com.

About Talon Metals Corp.

Talon Metals Corp. is a base metals exploration, development and mining company focused on the exploration and development of the Tamarack nickel-copper-cobalt project (the "Tamarack Project") in Minnesota, USA (which comprises the "Tamarack North Project" and the "Tamarack South Project") and on the producing Eagle Mine in Michigan, USA, an underground nickel and copper mine with ore being processed at the Company's Humboldt Mill (collectively "Eagle"). The Company is also exploring a large land package of over 400,000 acres in Michigan's Upper Peninsula (the "Michigan Properties") within close proximity to Eagle, including the Boulderdash discovery, approximately 8 miles from the Eagle Mine.

On January 9, 2026, the Company acquired Eagle Mining US Ltd. ("Eagle Mining"), which owns Eagle, from Lundin Mining Corporation ("Lundin Mining") by issuing 27,515,223 common shares and granting a production payment royalty, in favor of Lundin Mining, on ore from sources other than the Eagle Mine that is processed through the Humboldt Mill at a rate of $1.00 per tonne, up to a maximum aggregate payment of $20.0 million representing 20 million tonnes of ore. The acquisition resulted in Talon becoming a multi-asset U.S. nickel-copper company and expanded the Company's operational portfolio. The Company is currently assessing the fair value allocation of the acquired assets and assumed liabilities, which have been reflected on a provisional basis in the Company's financial statements for the three and nine months ended September 30, 2026.

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Cautionary Statement on Forward-Looking Information

This MD&A contains certain "forward-looking information" within the meaning of applicable securities laws. All information contained herein, other than statements of historical fact, may constitute forward-looking information. Forward-looking information includes, but is not limited to, statements regarding the Company's expectations, plans, objectives, assumptions, estimates, intentions, and future performance.

Forward-looking information in this MD&A includes, among other things, statements relating to: the Company's plans, objectives, and expectations in respect of the Tamarack Project, Eagle Mine and the Michigan Properties; the timing, scope and results of exploration, drilling, geophysical, metallurgical, engineering, permitting, environmental review and feasibility study work; the timing and outcome of the Environmental Assessment Worksheet and Environmental Impact Statement processes; the completion and timing of a feasibility study for the Tamarack Project; the Company's ability to earn a 60% interest in the Tamarack Project pursuant to the 2018 Option Agreement; expectations regarding the operation, mine life, production, grades, recoveries, costs, technical reports and future cash flow generation of Eagle; trade-off studies relating to potentially processing Tamarack ore at the Humboldt Mill; the development, permitting and financing of the Beulah Minerals Processing Facility; expected government funding and cost-share payments pursuant to the DOE BMPF Grant (defined below) and DOW Exploration Grant (defined below); the timing and amount of grant reimbursements; expectations regarding mineral resource and mineral reserve estimates and future production; anticipated demand for nickel, copper, cobalt and other metals; the Tesla Supply Agreement; future capital expenditures; the Company's liquidity, working capital, financing plans and ability to raise additional capital; anticipated cash flows from Eagle; and the Company's business strategies, development plans, milestones and operational outlook.

Forward-looking information reflects management's current beliefs, expectations and assumptions based on information currently available to the Company. Such assumptions include, among other things: future metal prices and demand; future exchange and interest rates; stable regulatory, permitting and political environments; the availability of financing, government funding, contractors, equipment, supplies and skilled labour; the ability to operate Eagle in accordance with current expectations; the accuracy of mineral resource and reserve estimates; and the Company's ability to advance the Tamarack Project and Minerals Processing Facility on expected timelines.

Forward-looking information is subject to significant known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking information. These risks and uncertainties include, but are not limited to: risks relating to underground mining operations at Eagle, including geotechnical instability, equipment failure, operational interruptions and adverse weather conditions; risks relating to integration of Eagle into the Company's operations; uncertainty relating to mineral resource and mineral reserve estimates; fluctuations in nickel, copper and other commodity prices; global oversupply conditions in nickel markets, including increased Indonesian nickel production; inflationary pressures, trade wars, tariffs, recessionary conditions and global economic uncertainty; disruptions to transportation, logistics, rail and supply chains; delays in permitting or environmental review processes; opposition from stakeholders or Indigenous groups; risks relating to water quality standards and environmental compliance; uncertainty relating to government grant funding, reimbursement timing and compliance with grant conditions; the ability to secure financing and maintain sufficient liquidity; changes in laws, regulations and government policy; labour shortages and workforce retention challenges; cybersecurity and information systems risks; risks associated with tailings management and

processing performance; risks relating to royalties and restrictive covenants under royalty agreements; the ability to satisfy the conditions of the Tesla Supply Agreement; and the other risks described under the heading “Risks and Uncertainties” in this MD&A and in the Company’s Annual Information Form.

Although the Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable, there can be no assurance that such information will prove to be accurate. Forward-looking information is not a guarantee of future performance and actual results or developments may differ materially from those anticipated in the forward-looking information. Readers should not place undue reliance on forward-looking information.

Forward-looking information contained in this MD&A is made as of the date hereof, and the Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Mineral resource estimates referred to in this MD&A are estimates only and no assurance can be given that the anticipated tonnages or grades will be achieved or that mineral resources will be converted into mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource and mineral reserve estimates are based on geological interpretation and statistical inferences that may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this may have a material adverse effect on the Company.

Going Concern

The consolidated financial statements of the Company have been prepared on a going concern basis, which presumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

On January 9, 2026, the Company acquired Eagle Mining, which owns Eagle, located in Michigan, USA.

The Company's ability to continue as a going concern is dependent on cash flows from Eagle combined with existing working capital and the receipt of government grant cost-share payments. There are risks and uncertainties regarding the cash flows from Eagle, including prevailing market prices for nickel and copper, operating costs, capital costs, operational risks and other factors, which in turn are impacted by global events such as wars and recessions. In order to develop and construct the Tamarack Project, the Company will need to raise additional capital. The Company has a track record of raising capital; however, amounts, timing, and the terms of capital raises are uncertain and may be unfavorable to the Company. To support raising capital, the Company focuses its efforts on achieving milestones and value-added activities, such as cost and productivity improvements at Eagle, a feasibility study for the Tamarack Project, and exploration at the Tamarack Project and in Michigan. There can be no assurance that the Company will be successful in carrying out any of these activities to meet the Company's future working capital requirements and commitments and continue operations for the foreseeable future.

These circumstances create a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and ultimately on the appropriateness of the use of accounting principles applicable to a going concern.

The consolidated financial statements do not give effect to any adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

The Company has not earned any revenue to date from the Tamarack Project. The Company and its joint venture partner, Kennecott Exploration Company ("Kennecott"), are in the process of exploring the Tamarack Project, and the Company has not yet determined whether the Tamarack Project contains ore reserves that are economically recoverable. The recoverability of the Company's property carrying value and of the related deferred exploration and evaluation expenditures depends on the Company's ability to maintain an interest in the Tamarack Project, discover economically recoverable reserves, and on the Company's ability to obtain necessary financing to complete the development and to establish profitable production in the future, or the receipt of sufficient proceeds on disposal of its interest in the Tamarack Project.

Highlights

For the three-month period ending September 30, 2026, the Company reported the following:

- Revenue of $58.4 million (Q3 2025 - $nil);
- Net income of $0.1 million (Q3 2025 - net loss of $9,000);
- EBITDA[1] of $12.2 million (Q3 2025 - negative EBITDA of $ 0.3 million);
- Adjusted EBITDA of $13.4 million (Q3 2025 - negative EBITDA of $ 0.5 million);
- Cash provided by operating activities was $15.1 million (Q3 2025 - used by operating activities $0.9 million); and
- Capitalized exploration and evaluation costs on the Tamarack Project for the three months ended September 30, 2026, amounted to $10.1 million (Q3 2025 - $4.1 million).

As at September 30, 2026, the Company reported the following:

- Cash, cash equivalents, treasury bills, and term deposits of $42.5 million (December 31, 2025 - $25.4 million);
- Working capital (current assets less current liabilities) of $55.0 million (December 31, 2025 - $19.3 million);

For the nine-month period ending September 30, 2026, the Company reported the following:

- Revenue of $156.9 million (2025 - $nil);
- Net income of $5.0 million (2025 - net loss of $1.4 million);
- EBITDA[1] of $31.4 million (2025 - negative EBITDA of $1.7 million);
- Adjusted EBITDA[1] of $34.9 million (2025 - negative EBITDA of $1.5 million);
- Cash provided by operating activities was $21.6 million (2025 - $4.3 million); and
- Capitalized exploration and evaluation costs on the Tamarack Project for the nine months ended September 30, 2026, amounted to $22.7 million (2025 - $11.7 million).

As at November 16, 2026, the Company had cash and cash equivalents of $50.0 million and expects to receive approximately $5.0 million in government grants over the next three months.

On April 30, 2026, the Company announced the results of an independent National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report for Eagle, including the Eagle, Eagle East, and Keel deposits (the "Eagle Technical Report"), establishing a reserve-backed mine plan to the second half of 2030.

On July 14, 2026, the Company announced the Minnesota Department of Natural Resources' release of scoping documents for public comment as part of the state EIS process for the Tamarack Project.

[1] EBITDA and Adjusted EBITDA are non-GAAP financial measures or ratios. Refer to the "Non-GAAP and Other Performance Measures" section in this MD&A for more information, including reconciliations to IFRS measures.

On July 21, 2026, the Company announced that it had completed the exercise of its contractual right to reduce the existing net smelter returns royalty held by Triple Flag USA Royalties Ltd ("Triple Flag") on Talon's interest in the Tamarack Nickel-Copper-Cobalt Project (the "Tamarack Project") in central Minnesota. In exchange for a payment of $5.0 million from the Company to Triple Flag, the royalty rate was reduced from 3.52% to 2.85% of Talon's interest in the Tamarack Project.

On July 27, 2026, the Company announced that Mike Kicis would step down as President effective August 1, following more than 15 years of service. On August 13, 2026, Gregory Kinross and John Kaplan resigned from the Company's board of directors, and Victoria McMillan joined the board of directors.

On September 9, 2026, the Company announced assay results from drill hole 25TK0562A in the Vault Zone at the Tamarack Project, returning a 46.43-metre interval grading 13.37% nickel, 16.54% copper, 0.10% cobalt, 7.85 g/t palladium, 14.49 g/t platinum and 8.56 g/t gold (see press release dated September 9, 2026 for more details). The interval represents the longest combined massive sulphide and mixed massive sulphide intercept reported to date at the Tamarack Project. The length is a drill intersection and not necessarily a true width.

On September 10, 2026, the Company announced that it had selected its existing Humboldt Mill in Michigan as the processing location for material from the Tamarack Project and would not advance construction of the previously proposed Beulah Minerals Processing Facility in North Dakota.

On September 15, 2026, the Company announced the completion of the Minnesota Department of Natural Resources 60-day public scoping comment period for the Tamarack Mining Project's EIS, which concluded on September 14, 2026.

Summary of Quarterly Results

The following table provides selected quarterly consolidated financial information for the periods ended as indicated. It is derived from the unaudited interim consolidated financial statements and the audited annual consolidated financial statements of the Company. All numbers below are unaudited.

	2026			2025				2024
US$ thousands except per share amounts	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Revenue	58,426	51,523	46,947	-	-	-	-	-
Interest income	166	167	113	135	342	23	4	41
Gross profit	2,791	6,395	3,577	-	-	-	-	-
Net income (loss)	149	3,216	1,646	(2,187)	(9)	(830)	(592)	(542)
Basic net income (loss) per share	nil	0.02	0.01	(0.02)	nil	nil	nil	nil
Diluted net income (loss) per share	nil	0.02	0.01	(0.02)	nil	nil	nil	nil
Total comprehensive income (loss)	(2,155)	5,731	1,447	21,253	3,002	(10,124)	(722)	10,397

Prior to Q1 2026, quarterly trends in interest income reflected, for the most part, interest received on cash equivalents, treasury bills, and term deposits, and trends in quarterly expenses were driven primarily by administration expenses and share-based compensation. The variation in interest income is primarily the result of the Company's cash equivalents balance, which can vary based on financings and the level of interest rates.

Commencing with Q1 2026, the quarterly results include Eagle. Q1 2026 includes a partial quarter for Eagle commencing January 9, 2026, given that the acquisition of Eagle closed on January 9, 2026. The volatility in revenue reflects the combination of varying nickel and copper prices and increases in tonnes of ore processed. The volatility in gross profit reflects the volatility in revenue along with changes in production costs. Net income is extremely volatile due to the factors impacting gross profit combined with non-operating items such as general and administrative expenses and other income and their effect on a relatively low base of gross profit.

Financial and Operational Performance – Quarterly Results

The Company's financial and operating performance is primarily driven by the operations of Eagle. The following table summarizes the Company's financial and operating performance for Q3 2026:

Summary Financial Results and Operating Statistics

All dollar amounts in US$ thousands except per share amounts and where noted

	2026 Q1	2026 Q2	2026 Q3	2026 YTD Q3
Revenue	$ 46,947	$ 51,523	$ 58,426	$ 156,896
Cost of goods sold				
Production costs	(37,288)	(38,545)	(44,965)	(120,798)
Depreciation, depletion and amortization	(6,082)	(6,583)	(10,670)	(23,335)
Gross profit	$ 3,577	$ 6,395	$ 2,791	$ 12,763
Net income (loss)	1,646	3,216	149	5,011
Basic net income (loss) per share	$ 0.01	$ 0.02	$ 0.00	$ 0.03
Diluted net income (loss) per share	$ 0.01	$ 0.02	$ 0.00	$ 0.03
Revenue Breakdown				
Nickel	52%	54%	52%	53%
Copper	43%	42%	42%	42%
Other	5%	4%	6%	5%
Total	100%	100%	100%	100%
EBITDA and Adjusted EBITDA				
EBITDA[4]	$ 7,820	11,409	$ 12,157	$ 31,386
Adjusted EBITDA[4]	8,891	12,596	13,369	34,856
Condensed Interim Consolidated Statements of Financial Position				
ASSETS				
Total current assets	$ 81,149	92,512	$ 91,544	$ 91,544
Total non-current assets	432,012	440,568	428,795	428,795
Total assets	513,161	533,080	520,339	520,339
LIABILITIES				
Total current liabilities	$ 32,544	31,256	$ 36,544	$ 36,544
Total non-current liabilities	121,162	120,113	107,473	107,473
Total liabilities	153,706	151,369	144,017	144,017
SHAREHOLDERS' EQUITY				
Total shareholders' equity	$ 359,455	381,711	$ 376,322	$ 376,322
Total liabilities and shareholders' equity	$ 513,161	533,080	$ 520,339	$ 520,339
Production Statistics				
Ore mined (kt)	125	157	164	446
Ore milled (kt)	140	151	172	463
Increase (decrease) quarter over quarter in ore milled		8%	13%	
Ore milled (tpd)	1,710	1,664	1,866	1,749
Nickel head grade (%)	1.41	1.48	1.46	1.45
Copper head grade (%)	1.20	1.22	1.22	1.21
Nickel recovery (%)	81.8	82.3	83.2	82.5
Copper recovery (%)	95.4	95.6	95.6	95.5
Nickel production (contained metal tonnes)	1,613	1,843	2,088	5,544
Copper production (contained metal tonnes)	1,600	1,771	2,004	5,375
Nickel sales volume (payable metal tonnes)	1,342	1,406	1,825	4,573
Copper sales volume (payable metal tonnes)	1,574	1,531	1,761	4,866
Cash cost metrics				
Cash cost excluding royalties[1,4] per pound of nickel ($/lb)	3.73	2.72	2.54	2.94
Cash cost including royalties[2,4] per pound of nickel ($/lb)	5.00	4.25	3.92	4.34
All-in sustaining cost ("AISC")[3,4] per pound of nickel ($/lb)	7.16	5.97	5.42	6.10
Sustaining capital expenditures (thousands of US$)[4,5]	4,900	3,522	4,119	12,541

[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 expenitures are non-GAAP financial measures or ratios. Refer to the "Non-GAAP and Other Performance Measures" section in this MD&A for more information, including reconciliations to the nearest comparable IFRS measure.

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

Summary - Eagle

During Q3 2026, the Company reported a total recordable injury frequency ("TRIF") rate[2] of 4.95.

Ore production in Q3 was improved versus previous quarters in 2026 due to strong underground mining performance over the first half of the period. Mining performance benefited from better mucking and hauling rates achieved with improved equipment availability compared with previous quarters. Mill performance was steady during the period, with throughput matching ore deliveries from the mine while metallurgy was in line with plan.

Mine

Mine production was above plan in July and August as improved mucking rates and equipment availability enabled better execution of the plan throughput at the mine. However, ore production was more constrained in September with planned electrical outage work underground, unplanned maintenance required on the ventilation system, and limited mucker availability; ore flow was unaffected downstream to end the quarter at the mill as inventories were worked down from production earlier in the period.

Development in the lower keel zone achieved breakthrough on the main ramp on August 4, 2026. Further capital development was completed in the footwall drives for various levels in the lower keel in accordance with the long-term mine plan, where production is scheduled to ramp up in 2027.

Mill

Mill throughput matched the over-the-road trucking during the quarter. A reline was completed on Ball Mill #1 on plan in July. Nickel recovery was 83.2% for the period, which was in line with plan.

[2] TRIF rate is a measure of workplace safety. It is the number of recordable injuries per 100 full-time workers annually.

Non-GAAP and Other 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, 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. The following are non-GAAP measures that the Company uses as key performance indicators.

Non-GAAP financial measure or ratio	Definition	Most directly comparable IFRS measure	Why management uses the measure and why it may be useful to investors
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 reduces cash cost.	Production costs	Nickel and cash cost per pound sold are useful measures to assess the operating performance of the Company's mine and its ability to generate cash. The inclusion of by-product credits incorporates the benefit of other metals extracted in the production of the primary metal. Cash cost is calculated, including and excluding royalties, since some industry measures of cash cost exclude royalties while others include royalties.
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 excluding royalties per pound sold	This ratio is calculated by dividing cash cost excluding royalties by the sales volume of the primary metal, which is nickel in the case of Eagle.		
Cash cost including royalties per pound sold	This ratio is calculated by dividing cash cost, including royalties, by the sales volume of the primary metal, which is nickel in the case of Eagle.		
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	Production costs	AISC per pound sold is a useful measure to understand the full cost of producing and selling metal at the Company's mine, and its ability

Non-GAAP financial measure or ratio	Definition	Most directly comparable IFRS measure	Why management uses the measure and why it may be useful to investors
	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.		to generate cash while sustaining production at current levels.
AISC per pound sold	This ratio is calculated by dividing AISC by the sales volume of the primary metal, which is nickel in the case of Eagle.		
Sustaining capital expenditures	This supplementary financial measure is defined as cash-basis expenditures that maintain existing operations and sustain production levels.	Investment in property, plant, and equipment	Sustaining capital expenditures provide an understanding of costs required to maintain existing production levels.
Earnings before interest, taxes, depreciation, and amortization (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, equity compensation, 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, transaction costs of acquisitions, business development costs, and litigation and settlements.	Net income (loss)	EBITDA and Adjusted EBITDA are used to evaluate the Company's operational performance and its ability to generate cash from core operations.

The following is a reconciliation from net income (loss) under IFRS to EBITDA and Adjusted EBITDA:

	2026 Q3	2025 Q3	2026 YTD Q3	2025 YTD Q3
	US$ 000's	US$ 000's	US$ 000's	US$ 000's
Net income (loss)	$ 149	$ (9)	$ 5,011	$ (1,431)
Add back:				
Depreciation, depletion and amortization	10,670	-	23,335	-
Finance income	(166)	(338)	(446)	(365)
Finance costs	1,798	13	3,443	37
Income tax	(294)	4	43	15
EBITDA	$ 12,157	$ (330)	$ 31,386	$ (1,744)
Business development	1	-	588	-
Equity compensation depreciation in cost of sales	507	-	906	-
Equity compensation depreciation in G&A expense	532	32	1,139	156
Other (expense) income	(315)	-	(385)	-
Foreign currency gain (loss)	-	(156)	226	104
Non-cash inventory adjustment	487	-	996	-
Adjusted EBITDA	$ 13,369	$ (454)	$ 34,856	$ (1,484)

The following is a reconciliation from total production costs under IFRS to cash cost, including and excluding royalties, and to AISC.

	2026 Q3	2025 Q3	2026 YTD Q3	2025 YTD Q3
	US$ 000's	US$ 000's	US$ 000's	US$ 000's
Net income (loss)	$ 149	$ (9)	$ 5,011	$ (1,431)
Add back:				
Depreciation, depletion and amortization	10,670	-	23,335	-
Finance income	(166)	(338)	(446)	(365)
Finance costs	1,798	13	3,443	37
Income tax	(294)	4	43	15
EBITDA	$ 12,157	$ (330)	$ 31,386	$ (1,744)
Business development	1	-	588	-
Equity compensation depreciation in cost of sales	507	-	906	-
Equity compensation depreciation in G&A expense	532	32	1,139	156
Other expense (income)	(315)	-	(385)	-
Foreign currency (gain) loss	-	(156)	226	104
Non-cash inventory adjustment	487	-	996	-
Adjusted EBITDA	$ 13,369	$ (454)	$ 34,856	$ (1,484)

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

		2026 Q1	*2026 Q2*	*2026 Q3*	*2026 YTD Q3*
Total property, plant and equipment additions	US$ 000's	4,969	6,330	4,984	16,283
Less: Property, plant and equipment additions not related to Eagle and purchase of a royalty		(69)	(2,808)	(865)	(3,742)
Sustaining capital expenditures	US$ 000's	4,900	3,522	4,119	12,541

Eagle Description

History

Kennecott started working in the Midcontinental Rift region in 1991. Nickel exploration in the vicinity of Eagle started in 1995, and in 2002, the Eagle deposit was first drilled by Kennecott, with economic-grade mineralization being intersected. By the end of 2003, two separate high-grade sulfide zones were identified at Eagle. An extensive resource and geotechnical drill program was completed in 2004, supplying the data to connect the former upper and lower zones and to better establish the geometries of the massive sulfide, semi-massive sulfide, and host intrusive bodies. The result of this work was a pre-feasibility study.

Construction of the Eagle Mine commenced in 2010, and underground development began in September 2011. The Humboldt Mill was purchased by Rio Tinto in 2008. After several years of environmental reclamation and clean-up, refurbishment of the Humboldt Mill commenced in 2012 to prepare the facility to process its first ore in 2014.

Lundin Mining acquired Eagle in 2013, and commercial production of nickel and copper concentrates was achieved in November 2014.

From the first commercial production in November 2014 to the end of 2025, Eagle has produced approximately 195.0 thousand tonnes (kt) of nickel and 187.0 kt of copper. The nickel and copper concentrates are sold under long-term contracts directly to smelters.

On January 9, 2026, Talon acquired the producing Eagle Mine and associated Humboldt Mill from Lundin Mining.

Resources and Reserves

The Eagle Mine resources estimate (the "Eagle Mine Resources Estimate") has an effective date of February 28, 2026, and was prepared by independent "Qualified Person" (as that term is defined in NI 43-101), Mr. Brian Thomas of WSP Global Inc. ("WSP"), and is summarized below.

The Eagle Mine mineral reserves estimate (the "Eagle Mine Reserves Estimate") has an effective date of February 28, 2026, and was prepared by independent "Qualified Person" (as that term is defined in NI 43-101), Mr. Khalid Mounhir, P.Eng. (QC) of WSP, and is summarized below.

In support of the Eagle Mine Resources Estimate and the Eagle Mine Reserves Estimate, on April 30, 2026, Talon released an independent technical report prepared in accordance with NI 43-101 in respect of the Eagle Mine (the "Eagle Mine Technical Report"). The Eagle Mine Technical Report is entitled "NI 43-101 Technical Report on the Eagle Mine, Michigan, USA" with a report effective date of April 29, 2026.

Eagle Mine Mineral Resources Estimate (Effective February 28, 2026):

Domain	Category	Tonnes (kt)	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Ag (g/t)	Pt (g/t)	Pd (g/t)
Eagle	Measured (M)	39	1.21	1.40	0.03	0.20	7.35	0.38	0.24
Eagle East		-	-	-	-	-	-	-	-
Keel		-	-	-	-	-	-	-	-
Total Measured		**39**	**1.21**	**1.40**	**0.03**	**0.20**	**7.35**	**0.38**	**0.24**
Eagle	Indicated (I)	43	1.17	1.26	0.03	0.18	6.45	0.34	0.21
Eagle East		1,164	1.54	1.29	0.04	0.16	5.40	0.39	0.27
Keel		2,053	1.14	0.78	0.03	0.08	3.12	0.20	0.14
Total Indicated		**3,260**	**1.28**	**0.97**	**0.03**	**0.11**	**3.98**	**0.27**	**0.18**
Eagle	M&I	82	1.19	1.33	0.03	0.19	6.88	0.36	0.22
Eagle East		1,164	1.54	1.29	0.04	0.16	5.40	0.39	0.27
Keel		2,053	1.14	0.78	0.03	0.08	3.12	0.20	0.14
Total M&I	**M&I**	**3,299**	**1.28**	**0.97**	**0.03**	**0.11**	**4.02**	**0.27**	**0.19**
Eagle	Inferred	19	0.99	0.82	0.03	0.09	3.50	0.21	0.14
Eagle East		-	-	-	-	-	-	-	-
Keel		113	0.92	0.69	0.02	0.06	2.54	0.11	0.13
Total Inferred		**132**	**0.93**	**0.71**	**0.03**	**0.07**	**2.68**	**0.13**	**0.13**

Notes:

1. The mineral resource estimate ("MRE") has been reported in-situ and has been prepared in accordance with the CIM Standards (2014) and follows Best Practices outlined by the CIM (2019).
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. The Qualified Person (for purposes of NI 43-101) for the updated MRE is Brian Thomas, P.Geo., an employee of WSP, and is "independent" of the Company within the meaning of Item 1.5 of NI 43-101.
4. The effective date of the MRE is February 28, 2026.
5. Mineral Resources are reported inclusive of Mineral Reserves at an NSR cut-off value of $150.61/t.
6. Metal Prices used: $9.37/lb Ni, $5.69/lb Cu, $20.00/lb Co, $3,825/oz Au, $44.50/oz Ag, $1,500/oz Pt, $1,205/oz Pd.
7. Rounding may result in apparent summation differences between tonnes, grade, and metal content.

Eagle Mine Mineral Reserves Estimate (Effective February 28, 2026)

Domain	Category	(kt)	Grade							Contained Metal						
			Ni	Cu	Au	Ag	Co	Pt	Pd	Ni	Cu	Au	Ag	Co	Pt	Pd
			(%)	(%)	(g/t)	(g/t)	(%)	(g/t)	(g/t)	(kt)	(kt)	(koz)	(koz)	(kt)	(koz)	(koz)
Eagle	Proven	27	1.16	1.36	0.18	6.94	0.03	0.35	0.22	0.31	0.36	0.15	5.92	0.01	0.30	0.19
	Probable	14	1.04	1.08	0.15	5.74	0.03	0.28	0.18	0.14	0.15	0.07	2.58	0.00	0.13	0.08
	Sub Total	41	1.12	1.27	0.17	6.52	0.03	0.32	0.20	0.45	0.51	0.22	8.50	0.01	0.42	0.27
Eagle East	Proven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Probable	1 155	1.31	1.09	0.13	4.62	0.03	0.33	0.23	15.15	12.61	4.99	171.7	0.40	12.2	8.36
	Sub Total	1 155	1.31	1.09	0.13	4.62	0.03	0.33	0.23	15.15	12.61	4.99	171.7	0.40	12.2	8.36
Keel	Proven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Probable	2 290	0.94	0.68	0.07	2.71	0.03	0.17	0.12	21.50	15.48	5.52	199.4	0.59	12.8	8.81
	Sub Total	2 290	0.94	0.68	0.07	2.71	0.03	0.17	0.12	21.50	15.48	5.52	199.4	0.59	12.8	8.81
Total	Proven	27	1.16	1.36	0.18	6.94	0.03	0.35	0.22	0.31	0.36	0.15	5.9	0.01	0.30	0.19
	Probable	3 459	1.06	0.82	0.09	3.36	0.03	0.23	0.16	36.79	28.25	10.57	373.6	0.99	25.2	17.3
	Total P&P	**3 486**	**1.06**	**0.82**	**0.09**	3.39	**0.03**	**0.23**	**0.16**	**37.10**	**28.61**	**10.73**	**379.6**	**1.00**	**25.5**	**17.4**

Notes:

1. The Mineral Reserves disclosed are classified as Proven and Probable and are based on the 2014 CIM Definition Standards and 2019 CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines.
2. Mineral Reserves are estimated at a stope full cost NSR cut-off of $150.61/t, a stope marginal cost NSR cut-off of $107.29/t, and a development NSR cut-off of $52.30/t
3. Mineral Reserves are estimated using average long-term prices of $8.15/lb Ni, $4.95/lb Cu, $20/lb Co, $3825/oz Au, $44.50/oz Ag, $1500/oz Pt, $1205/oz Pd.
4. Bulk density interpolated in block model ranges from 2.98 t/m3 to 4.44 t/m3 and averages 4.11 t/m3.
5. The reference point at which the Mineral Reserves are defined is where the ore is delivered to the process plant and therefore not inclusive of milling recoveries or payable metal deductions.
6. Contained Metal for Au, Ag, Pt, and Pd is reported in Troy Ounces and calculated as follows:
   Contained Metal, (koz) = Tonnage (kt) * Grade (g/t) *0.032151
7. Numbers may not add due to rounding.
8. The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, or political factors that might affect the estimate of Mineral Reserves, other than those specified in Section 15.10 of the Eagle Mine Technical Report.

Please refer to the Eagle Mine Technical Report for further information. The Eagle Mine Technical Report is available under Talon's SEDAR+ profile at www.sedarplus.com and on the Company's website at www.talonmetals.com.

Tamarack Project Description

Tamarack Earn-in Agreement

On January 11, 2018, Talon Nickel and Kennecott entered into the mining venture agreement in respect of the Tamarack Project (the "Mining Venture Agreement").

During the term of the 2018 Option Agreement (defined below), the Mining Venture Agreement is in abeyance, and the terms of the 2018 Option Agreement govern the relationship between Talon Nickel and Kennecott in respect of the Tamarack Project.

2018 Option Agreement

On November 7, 2018, Talon Nickel entered into an exploration and option agreement (the "2018 Option Agreement") with Kennecott, which provides Talon Nickel with the right to acquire up to a 60% interest in the Tamarack Project. The 2018 Option Agreement has an effective date of March 13, 2019.

Pursuant to the terms of the 2018 Option Agreement, Talon Nickel has taken over operatorship of the Tamarack Project, and Talon had the right to acquire a 51% interest in the Tamarack Project.

In late September 2021, Talon completed all of the requirements and earned a 51% interest in the Tamarack Project.

On October 17, 2025, pursuant to an amendment to the 2018 Option Agreement, as amended, Talon was granted a 12-month extension for delivering a feasibility study on the Tamarack Project and making a $10 million payment to KEX (the "60% Earn-in Requirement"), moving the deadline from March 14, 2026, to March 14, 2027. Upon completion of the 60% Earn-in Requirement, Talon will increase its ownership interest in the Tamarack Project from 51% to 60%.

Upon Talon Nickel vesting with its applicable joint venture interest in the Tamarack Project, the parties have agreed to enter into a new joint venture agreement, pursuant to which, so long as Talon Nickel has a majority interest, Talon Nickel will continue to act as operator of the Tamarack Project. In the event Talon Nickel has delivered a feasibility study on the Tamarack Project, upon the completion thereof, the parties have agreed to fund the Tamarack Project in accordance with their respective ownership interests or be subject to dilution.

Tamarack North Project

The Tamarack North Project is located adjacent to the town of Tamarack in north-central Minnesota, approximately 100 km west of Duluth and 200 km north of Minneapolis, in Aitkin County.

The Tamarack Intrusive Complex ("TIC"), which sits within the Tamarack North Project boundaries, is an ultramafic intrusion associated with the early evolution of the failed Midcontinental Rift (dated at 1105ma +/- 1.2). This age is significantly older than the Duluth Complex Intrusions, which consistently date at 1099ma and is consistent with other earlier intrusions of the Midcontinental Rift that are often characterized by more primitive melts.

The TIC has intruded into Thomson Formation siltstones and sandstones of the Animikie Group and is preserved beneath shallow Quaternary glacial sediments.

To date, exploration by Kennecott and Talon has included diamond drilling and sampling, as well as a range of geophysical surveys, including airborne magnetic and electromagnetic (EM, MegaTEM and AeroTEM), ground magnetic and EM, magnetotelluric (MT), gravity, seismic, resistivity/induced polarization, and downhole EM.

On June 21, 2023, Talon Nickel submitted its Environmental Assessment Worksheet ("EAW") to the Minnesota Department of Natural Resources ("MDNR") to begin the State's Environmental Impact Statement scoping process for a proposed small-footprint, high-grade underground nickel mine that would be located within the Tamarack North Project. The EAW is the first step in the state environmental review process and is a document that provides a description of the proposed project, a brief analysis and overview of the potential environmental effects, and identifies the permits and approvals required for the proposed project. On September 18, 2023, the MDNR (as the responsible government unit on behalf of itself, other Minnesota government agencies, and proximate sovereign tribal governments) provided a first round of comments on the EAW to which Talon responded on October 10, 2023. A second round of comments on the EAW was received on February 5, 2024, to which Talon responded on December 19, 2024. A third round of comments was received in April 2025, and in June 2025, Talon submitted its responses to this third round of comments. In September 2025, the MDNR returned the latest comments on the EAW, and Talon submitted its response in December 2025, followed by an updated EAW data submittal in March 2026. See the section entitled "Upcoming Work - Tamarack North Project" for further information.

On October 19, 2022, Talon released an updated mineral resource estimate prepared in accordance with NI 43-101 (the "Tamarack Resource Estimate"). In support of the Tamarack Resource Estimate, on November 2, 2022, Talon released an independent technical report prepared in accordance with NI 43-101 in respect of the Tamarack North Project (the "Tamarack November 2022 Technical Report"). The Tamarack November 2022 Technical Report is entitled "November 2022 National Instrument 43-101 Technical Report of the Tamarack North Project – Tamarack, Minnesota" with an effective date of November 2, 2022.

The Tamarack Resource Estimate has an effective date of October 10, 2022, and was prepared by independent "Qualified Persons" (as that term is defined in NI 43-101), Mr. Brian Thomas and Mr. Roger Jackson of WSP, and is summarized below.

Domain	Classification	%Ni Cut-off	Tonnes (000)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Fe in Sulphides (%)	NiEq (%)
CGO East MMS/MSU	Indicated Resource	0.5	228	2.84	1.19	0.09	0.31	0.20	0.21	21	3.66
CGO East Disseminated	Indicated Resource	0.5	1,083	0.64	0.44	0.02	0.21	0.11	0.13	2	0.94
CGO West MMS/MSU	Indicated Resource	0.5	330	4.11	1.68	0.11	0.37	0.28	0.19	27	5.22
CGO West Disseminated	Indicated Resource	0.5	586	0.67	0.46	0.02	0.11	0.07	0.07	2	0.96
MSU	Indicated Resource	0.5	490	5.60	2.44	0.12	0.68	0.46	0.26	26	7.10
USMSU	Indicated Resource	0.5	3,338	1.24	0.74	0.03	0.20	0.12	0.12	5	1.70
LSMSU	Indicated Resource	0.5	2,506	1.94	1.05	0.05	0.57	0.34	0.26	8	2.68
Total Indicated	**Indicated Resource**	**0.5**	**8,564**	**1.73**	**0.92**	**0.05**	**0.34**	**0.21**	**0.17**	**8**	**2.34**
CGO East MMS/MSU	Inferred Resource	0.5	158	2.53	1.09	0.08	0.28	0.18	0.19	19	3.29
CGO East Disseminated	Inferred Resource	0.5	823	0.62	0.42	0.02	0.20	0.11	0.12	2	0.91
CGO West MMS/MSU	Inferred Resource	0.5	107	3.51	1.45	0.10	0.31	0.22	0.17	25	4.48
CGO West Disseminated	Inferred Resource	0.5	320	0.66	0.44	0.02	0.10	0.06	0.07	2	0.92
MSU	Inferred Resource	0.5	39	5.94	2.53	0.11	0.54	0.45	0.23	25	7.45
LSMSU	Inferred Resource	0.5	121	0.84	0.60	0.02	0.50	0.28	0.23	2	1.31
USMSU	Inferred Resource	0.5	2,932	0.67	0.41	0.02	0.25	0.14	0.12	2	0.96
138 - MZNO	Inferred Resource	0.5	3,957	0.82	0.63	0.02	0.21	0.12	0.14	2	1.21
Total Inferred	**Inferred Resource**	**0.5**	**8,461**	**0.83**	**0.55**	**0.02**	**0.23**	**0.13**	**0.13**	**3**	**1.19**

Notes:

1. Mineral Resources are in situ and reported at a 0.50% Ni cut-off.
2. Tonnage estimates are rounded down to the nearest 1,000 tonnes.
3. Fe in Sulphides % is based on sulphur concentration associated with sulphide minerals and a calculation of stoichiometric Fe concentration in Pentlandite and Pyrrhotite.
4. Mining recovery and dilution factors have not been applied to the estimates.
5. NiEq grade based on metal prices in U.S. dollars of $9.50/lb Ni, $3.75/lb Cu, $25.00/lb Co, $1,000/oz Pt, $1,000/oz Pd and $1,400/oz Au using the following formula: NiEq% = Ni%+ Cu% x $3.75/$9.50 + Co% x $25.00/$9.50 + Pt[g/t]/31.103 x $1,000/$9.50/22.04 + Pd[g/t]/31.103 x $1,000/$9.50/22.04 + Au[g/t]/31.103 x $1,400/$9.50/22.04. Fe is not included in the NiEq calculation.
6. No adjustments were made for recovery or payability.
7. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
8. The effective date of the Tamarack Resource Estimate is October 10, 2022

The Tamarack Resource Estimate did not apply metallurgical recovery factors; however, there would be no material change to the nickel-equivalent grades reported in the Tamarack Resource Estimate if reasonable assumptions for those factors were applied. Please refer to the Tamarack November 2022 Technical Report for further information, including the QA/QC, analytical, and testing procedures employed at the Tamarack North Project. The Tamarack November 2022 Technical Report is available under Talon's SEDAR+ profile at www.sedarplus.com and on the Company's website at www.talonmetals.com.

Tesla Supply Agreement

In January 2022, Talon Nickel entered into an agreement with Tesla for the supply and purchase of 75,000 metric tonnes (165 million lbs) of nickel in concentrate (the "Tesla Supply Agreement"). Talon Nickel agreed to use commercially reasonable efforts to achieve commercial production on or before January 1, 2026, which may be extended by the parties for up to 12 months (the "SOP Date"), following which Tesla has the right to terminate the agreement, and Talon Nickel may elect to sell to other parties. The SOP Date was subsequently agreed to be extended to September 1, 2027. Given the agreement with Tesla, the Company has focused its metallurgical testing with the objectives of producing a nickel concentrate for Tesla and a copper concentrate for selling to one or more smelters.

Beulah Minerals Processing Facility – North Dakota

On October 19, 2022, Talon Nickel was selected as a recipient of the first set of projects funded by the *Bipartisan Infrastructure Law*.

Under its application for funding, Talon Nickel proposed an ore processing and tailings management facility (the "Beulah Minerals Processing Facility" or the "BMPF") located at an existing industrial brownfields site in Mercer County, North Dakota, receiving feedstock from the future underground Tamarack Project mine and other potential sources in North America. Removing the processing facilities from the Tamarack mine site in Minnesota significantly reduces land disturbance and the scope of environmental review and permitting. Both facilities will undergo the science-based permitting process in both states that includes an opportunity for public comment and government-to-government consultations with tribal sovereign governments.

Effective November 1, 2023, Talon Nickel entered into the definitive agreement with the U.S. Department of Energy setting the terms, conditions, and performance milestones for $114.85 million in grant funding on a cost-share basis towards project development, construction, and execution costs of the Beulah Minerals Processing Facility ("DOE BMPF Grant").

In May 2025, Talon Nickel and Westmoreland Mining LLC ("Westmoreland") signed an option agreement for Talon Nickel to secure an approximately 256-acre portion of the former Westmoreland coal mine site near Beulah, North Dakota, and the associated 7-mile rail spur (the "Westmoreland Property") for the development of the BMPF. Westmoreland granted Talon Nickel the sole and exclusive right and option to purchase (the "Purchase Option") the Westmoreland Property. Talon Nickel may exercise the Purchase Option at any time at its sole discretion over the ensuing 3-year period (the "Option Period").

In consideration for the Purchase Option, on August 27, 2025, Talon issued Westmoreland 1,500,000 consideration options (the "Consideration Options") to purchase common shares of Talon with an exercise price of C$4.00 and an expiration date of August 27, 2028.

Subject to the terms and conditions of the Consideration Options, one-third of the Consideration Options vested immediately on the date of issuance (August 27, 2025); an additional one-third of the

Consideration Options vested on the one-year anniversary of the date of issuance (August 27, 2026); and the last one-third of the Consideration Options will vest on the two year anniversary of the date of issuance (August 27, 2027). In the event that at any time during the Option Period Talon shall elect to terminate the Purchase Option, Westmoreland shall retain any Consideration Options which shall at such time have vested in accordance with the vesting schedule set out above, and all such vested Consideration Options shall remain outstanding and exercisable, and any unvested Consideration Options at such time shall be deemed to be canceled. In the event that at any time during the Option Period the Company shall elect to exercise the Purchase Option, any Consideration Options which at such time shall not yet have vested in accordance with the vesting schedule set out above shall automatically vest upon the exercise of the Purchase Option, and all such Consideration Options shall be exercisable.

On September 10, 2026, Talon announced it selected its existing Humboldt Mill in Michigan as the processing location. As a result, Talon will not be advancing the construction of the previously proposed BMPF. Talon is working with the DOE regarding the future of the award following the Company's decision to select Humboldt Mill as the processing location for material from the Tamarack Project.

US DOW – Support for Talon's Nickel Exploration

Effective September 11, 2023, Talon Nickel entered into a definitive agreement with the U.S. Department of War's Office of Manufacturing Capability Expansion and Investment Prioritization to accelerate and expand the Company's efforts to discover and secure additional domestic supply of nickel for the growing U.S. battery manufacturing base and defense-related supply chains. Utilizing *Defense Production Act (DPA) Title III* authorities and funds appropriated by the Additional *Ukraine Supplemental Appropriations Act*, the US Department of War ("DOW") will contribute funding on a cost-share basis to Talon's in-house drilling and geophysics teams to, among other things, accelerate the Company's efforts to discover and delineate more high-grade nickel deposits within the Midcontinent Rift geology of the United States.

On August 8, 2025, Talon and the DOW agreed to expand the scope of work under the DOW Exploration Grant to include costs associated with the feasibility study and associated studies at the Tamarack North Project.

As part of the agreement, the DOW will contribute $20.6 million ("DOW Exploration Grant"), and Talon will contribute $21.8 million in matching funding on a cost-share basis (including the use of existing equipment and current employee costs) by December 31, 2027.

In order for the DOW to contribute funding, on a cost-share basis, for any of Talon's drilling and related activities only, Talon and the DOW will be required to complete (i) consultation under Section 106 of the *National Historic Preservation Act,* and (ii) an environmental assessment pursuant to the *National Environmental Policy Act*. This work has been completed with respect to portions of Michigan where Talon is active, while work in this regard in connection with Minnesota is still ongoing.

Defense Logistics Agency – Support for New Mineral Extraction Approaches

On December 11, 2024, Talon Nickel was awarded a research and development contract from the Department of War's Defense Logistics Agency to fund scientific research on new approaches for extracting nickel, cobalt, and iron from domestic nickel sulphide ores and tailings. As part of this agreement, the DLA will provide funding in the fixed amount of up to US$2.47 million.

Work Completed/Expenditures – Tamarack North Project and Tamarack South Project

During the nine months ended September 30, 2026, the Company incurred $22.7 million of net expenditures, comprised of $23.3 million of exploration and development costs and deferred expenditures, respectively, on resource properties, substantially all on the Tamarack North Project, offset by government grants received of $5.7 million, with an additional $5.0 million spent on buying down a royalty as detailed in the table below.

Category (All amounts in $ thousands)	**Three months ended March 31, 2026**	**Three months ended June 30, 2026**	**Three months ended September 30, 2026**	**Nine months ended September 30, 2026**
Exploration, drilling and assays	$2,695	$2,586	$2,459	$7,740
Geophysics	270	472	366	1,107
Mining, engineering and geotechnical studies	2,515	728	1,599	4,841
Metallurgical testing	48	74	19	141
Environmental, permitting, community and government relations	1,913	2,252	2,707	6,872
Economic studies	2	2	4	8
Mineral leases, property tax and land purchases	131	81	264	477
Professional fees	442	457	538	1,437
Site costs, travel and general	256	234	275	764
Site remediation	(17)	35	(61)	(43)
Gross additions	**$8,255**	**$6,921**	**$8,170**	**$23,346**
Government grants received	(1,008)	(1,611)	(3,069)	(5,688)
Buy-down of royalty	-	-	5,000	5,000
Total	**$7,247**	**$5,310**	**$10,101**	**$22,658**

The above spending was in connection with the following: (i) drilling to expand the current resource, make new discoveries, infill drilling and since March 2025, drilling the Vault Zone; (ii) geophysical work to identify new prospective drilling targets at the Tamarack Project; (iii) work towards a feasibility study; (iv) additional metallurgical test work and downstream processing options; (v) responding to comments on the EAW, and (vi) work undertaken on studies and models to estimate potential environmental impacts and work towards reports that will provide the information needed for development of the Environmental Impact Statement.

Upcoming Work - Tamarack North Project

Exploration, Drilling, Geophysics, and Mineral Resource

From an exploration standpoint at the Tamarack North Project, the Company is focused on exploration of the Vault Zone. Exploration drilling is targeting borehole electromagnetic ("BHEM") anomalies generated from recent drill hole surveys in the Vault Zone. Drill targets are generally planned with the use of directional drilling, which branches out of an existing drill hole and drills a short daughter hole to effectively test the target without needing to drill from surface. This method saves approximately 500 meters of drilling per daughter hole, and the directional drilling technology also ensures the target is precisely intersected as the drill bit can be steered.

For Q4 2026, the Company is budgeting approximately 5,000 meters of drilling at the Vault Zone, most of which will be spent targeting stepout holes around the 25TK0562A intercept reported in September. Drilling is also ongoing on the 610 level of the Vault Zone testing if the mineralization may continue towards the west.

Modeling of the Controlled Source Electromagnetic (CSEM) geophysical survey over the Tamarack North Project will continue into Q4. Drill targets will be planned from this modeled data as appropriate and are likely to be drilled later in the year.

Environmental Studies and Permitting

Tamarack North Project, Minnesota:

Following submission of responses to the fourth coordinated comment round in December 2025, the MDNR, as the responsible governmental unit, has continued coordination on the project description and environmental review materials. In March 2026, the Company submitted an updated EAW data package reflecting design refinements. The MDNR is developing potential project alternatives for evaluation as part of the Environmental Impact Statement ("EIS") process. Scoping of the EIS began in July 2026 with the issuance of the Scoping EAW and Draft Scoping Decision Document. The public comment period remained open until September 14, 2026. The MDNR will review and consider the comments received before issuing a Final Scoping Decision establishing the scope of the EIS. The Company continued to advance preparations for future state and federal permit applications in parallel with the environmental review process.

Beulah Minerals Processing Facility ("BMPF"), North Dakota:

On September 10, 2026, Talon announced it selected its existing Humboldt Mill in Michigan as the processing location. As a result, Talon will not be advancing the construction of the previously proposed BMPF. Talon is working with the DOE regarding the future of the award following the Company's decision to select the Humboldt Mill as the processing location for material from the Tamarack Project.

Community Engagement

Across all project locations, the Company continues to engage with local communities and tribal sovereign nations. Key initiatives include identifying potential community impacts and opportunities, developing community capacity building strategies aligned with long-term regional priorities, maintaining transparent engagement on project activities, and supporting the creation of high-quality employment opportunities.

Engineering and Feasibility Study

The Company continues to advance the feasibility study in parallel with the environmental review and permitting processes in Minnesota and will be commencing certain permitting work in Michigan. The feasibility study covers the mine, ore transfer facility, and rail yard at the Tamarack North Project, as well as the rail yard, processing facilities, and tailings storage at the Humboldt Mill.

The publication of the feasibility study is estimated to be in Q4 of 2026. The EIS process with the MDNR is expected to proceed as scheduled, and the Company will maintain alignment between project design and feasibility work to avoid impacts to permitting timelines and key decision milestones, while continuing to engage with regulators, communities, and other stakeholders.

The updated estimated cost of completing the feasibility study, including the trade-off studies, is expected to be approximately $0.7 million, which will be funded from cash on hand and cash flow from operations. The cost of completing the feasibility study excludes other costs such as environmental review and permitting, acquiring and maintaining land packages, local costs, cost of operations, community and external engagement, overhead, public company costs, and all infill drilling and exploration. In order to earn a 60% interest in the Tamarack Project, the Company must deliver a feasibility study to Kennecott and pay Kennecott $10 million, both by March 14, 2027.

There is no assurance that the various business objectives, plans, or milestones as detailed above will be completed on the timelines outlined (or at all). The exploration, development and construction of mineral projects are subject to a number of risks and uncertainties. See section below entitled *"Risks and Uncertainties"*.

Additional Triple Flag Royalty

On July 5, 2024, in return for $8.0 million gross cash consideration (the "Triple Flag US Transaction"), (a) Talon Nickel granted Triple Flag USA Royalties Ltd. ("Triple Flag US"), a subsidiary of Triple Flag Precious Metals Corp. an additional 1.67% net smelter returns royalty on the Company's interest in the Tamarack Nickel Project (subject to the Talon Buy-Back Right further described below) (the "New Royalty"); and (b) the Company issued 800,000 common share purchase warrants to TF R&S Canada Ltd., each exercisable to acquire one common share of the Company for a period of two years (July 5, 2026) at an exercise price of C$2.00 per share.

Up until July 5, 2026, subject to acceleration in certain circumstances, the Company had a buy-back right (the "Talon Buy-Back Right") of 0.67% of the New Royalty for $5.0 million, which would thereby reduce the New Royalty to 1.0%. The exercise of the Talon Buy-Back Right is at the Company's discretion.

On July 21, 2026, the Company completed the exercise of its contractual right to reduce the New Royalty held by Triple Flag US from 1.67% to 1.00%. The required payment of $5.0 million was made on July 20, 2026, in accordance with the terms of the royalty agreement. Including a previous royalty, Triple Flag now retains a combined 2.85% net smelter returns royalty on Talon's interest in the Tamarack Project.

Qualified Persons

Etienne Dinel, Project Vice President, Geology, of Talon, is a Qualified Person within the meaning of NI 43-101. Dr. Dinel has reviewed, approved, and verified the technical information disclosed in this MD&A (other than the Eagle Mine Resources Estimate and Reserves Estimate and the Tamarack Resource Estimate), including sampling, analytical, and test data underlying the technical information and is satisfied that the analytical and testing procedures used are standard industry operating procedures and methodologies.

The Qualified Persons who is responsible for the Tamarack Resource Estimate is Mr. Brian Thomas and who is independent of Talon. Mr. Thomas has reviewed, approved, and verified the data disclosed in this MD&A relating to the Tamarack Resource Estimate, including sampling, analytical, and test data underlying the Tamarack Resource Estimate, and have visited the site and reviewed and verified the QA/QC procedures used at the Tamarack North Project and found them to be consistent with industry standards.

The Qualified Person who is responsible for the Eagle Mine Resources Estimate is Mr. Brian Thomas, who is independent of Talon. Mr. Thomas has reviewed, approved, and verified the data disclosed in this MD&A relating to the Eagle Mine Resources Estimate, including sampling, analytical, and test data underlying the Eagle Mine Resources Estimate and Reserves Estimate, and has reviewed and verified the QA/QC procedures used at Eagle and found them to be consistent with industry standards.

The Qualified Person who is responsible for the Eagle Mine Reserves Estimate is Mr. Khalid Mounhir, P.Eng., who is independent of Talon. Mr. Mounhir has reviewed, approved, and verified the data disclosed in this MD&A relating to the Eagle Mine Reserves Estimate.

Capital Expenditures on Exploration Projects

Deferred exploration and development expenditures of the Company are comprised as follows:

All amounts in $ thousands	Dec 31, 2025	2026 Additions	2026 Government Grants Received	Foreign Exchange Gain (Loss)	Sept 30, 2026
Mineral properties - Resource properties and deferred expenditures					
Tamarack Project	$179,678	$28,345	$(5,688)	$(3)	$202,332
Michigan Properties	14,561	5,843	(438)	-	19,966
Total	**$194,239**	**$34,188**	**$(6,126)**	**$(3)**	**$222,298**

Total deferred exploration and development expenditures for the nine months ended September 30, 2026, were $34.2 million.

As detailed in the table above under "*Tamarack Project - Work Completed/Expenditures – Tamarack North Project and Tamarack South Project,*" amounts incurred on the exploration of mineral properties for the nine months ended September 30, 2026, amounted to $28.3 million in respect of the Tamarack Project.

Amounts incurred on the exploration of mineral properties for the nine months ended September 30, 2025, amounted to $11.7 million and was the result of amounts incurred by Talon in respect of the Tamarack Project in accordance with the 2018 Option Agreement, primarily for exploration, drilling, geophysics, and payments required pursuant to mineral leases.

Financial Instruments

All amounts in $ millions	September 30, 2026	December 31, 2025
Held for trading, measured at fair value:		
Cash and cash equivalents	$42.4	$12.0
Treasury bills and term deposits	-	$13.4
Trade receivables (provisional)	$22.2	-
Pricing provisions on concentrate sales	$(2.5)	-
Production payment royalty	$(3.8)	-

Talon is exposed to various risks related to its financial assets and liabilities. The most significant of these risks are discussed below and are managed on an ongoing basis.

Credit Risk Management

Certain of the Company's financial assets are exposed to a degree of credit risk. The Company endeavors to mitigate credit risk by holding its cash and cash equivalents as cash deposits, short-term government treasury bills, money market funds, and term deposits with major commercial banks. The cash deposits and term deposits are held with major international banks.

Credit risk relating to accounts receivable arises from the possibility that any counterparty to an instrument fails to perform. The Company does not feel there is significant counterparty risk that could have an impact on the fair value of cash and cash equivalents and receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or at a reasonable cost. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, development, and exploration expenditures.

As of September 30, 2026, the Company had cash, cash equivalents, treasury bills, term deposits, and trade and other receivables of $67.3 million (December 31, 2025 – $25.4 million) to settle current liabilities of $36.5 million (December 31, 2025 – $6.4 million).

Net proceeds from the issuance of common shares and warrants for the nine months ended September 30, 2026, was $7.0 million (year ended December 31, 2025 – $27.8 million). Proceeds from the exercise of warrants for the nine months ended September 30, 2026, was $15.7 million (year ended December 31, 2025 – $5.1 million). Proceeds from the exercise of options for the nine months ended September 30, 2026, was $7.2 million (year ended December 31, 2025 – $5.6 million).

The Company receives government cost-share payments of amounts incurred by the Company related to government grants (see Note 7(c) of the financial statements for further information).

Pursuant to the termination of the Lundin Option Agreement (defined below) between Lundin Mining and Talon, on September 30, 2025, Talon issued 1,850,291 common shares on October 7, 2025, to Lundin Mining as repayment of the Advance Payment (see also the section below entitled "Exclusivity Agreement with Lundin Mining").

Subsequent to year-end, on January 9, 2026, the Company acquired Eagle, and as such, the Company has generated and expects to continue to generate positive cash flow from Eagle.

On January 23, 2026, the Company completed a share consolidation ("Share Consolidation") on the basis of one post-consolidation Talon share for every ten pre-consolidation Talon shares (1:10 basis).

On January 28, 2026, the Company closed a private placement with the Strategic Investor that was exercising its pre-emptive rights under the Strategic Investor Agreement and issued 445,204 common shares at a price of C$4.19 per share for gross proceeds of C$1,867,168.

On March 5, 2026, with shareholder approval, the Company closed a private placement of 1,855,578 common shares at a price of C$4.19 per share to an entity controlled by trusts settled by the late Adolf H. Lundin for aggregate gross proceeds of C$7,782,294.

World events, including the wars in Ukraine, Israel, Iran, and the broader Middle East, government policy, trade wars, increases in tariffs, increases in interest rates, high inflation, capital and stock market volatility, and volatile nickel prices, may have a negative impact on the Company's ability to raise capital and/or operations.

Based on current forecasts and assumptions, the Company expects that its cash and cash equivalents, anticipated government grant receipts and projected cash flow from Eagle will be sufficient to fund operations for at least the next 12 months. Actual funding requirements and available cash resources may differ from these forecasts.

See "Financial Condition, Cash Flow, Liquidity and Capital Resources – Liquidity and Capital Resources" and "Risks and Uncertainties" for further important information.

Market Risk

Market risk is the risk that changes in market prices, including foreign exchange rates and interest rates, will affect the Company's income or the value of its financial instruments.

The Company records its investments using the closing price at the end of the reporting period. Changes in the closing price will affect the fair value of these investments.

As of September 30, 2026, and December 31, 2025, the Company held no investments other than cash and cash equivalents, treasury bills, and term deposits, which management considers not to be materially susceptible to market risks.

Foreign Exchange Risk

The Company is not subject to significant foreign exchange risks given that substantially all of the Company's revenue, operating costs, and capital expenditures are denominated in United States dollars.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent of its interest income on holding of cash equivalents, government treasury bills, money market funds, and term deposits.

The cash equivalents, government treasury bills, money market funds, and term deposits typically have a term to maturity of three to twelve months. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from the cash equivalents, government treasury bills, money market funds, and term deposits due to their short maturities and high credit ratings of the counterparty. The Company mitigates its risk by holding investments that are low in risk and have a

relatively short term to maturity.

The carrying values of the Company's financial instruments approximate their fair values unless otherwise noted.

The Company's financial instruments are classified as current assets or liabilities on the statement of financial position of the Company, with the exception of the production payment royalty which is classified as a long-term liability. For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect fair value. Leases or both current liabilities and long-term liabiltiies.

Fair Value Hierarchy

The Company's financial assets and financial liabilities have been classified into categories that determine the basis of measurement. The following table shows the carrying values, fair values, and fair value hierarchy of the Company's financial instruments as at September 30, 2026, and December 31, 2025:

	September 30, 2026	December 31, 2025
	Carrying value and fair value	Carrying value and fair value
Financial assets		
Fair value through profit or loss		
Level 1		
Cash and cash equivalents	**$ 42,422**	$ 11,985
Treasury bills	**$ -**	$ 9,858
Level 2		
Trade receivables	**$ 22,187**	$ 23
Financial liabilities		
Fair value through profit or loss		
Level 2		
Pricing provisions on concentrate sales	**$ 2,503**	$ -
Level 3		
Production payment royalty	**$ 3,800**	$ -

Fair values of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

- Level 1 – Quoted market price in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., observed prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for the assets or liabilities are not based on observable market data.

The Company estimates fair values based on the following methods of valuation and assumptions:

- Trade receivables/pricing provisions on concentrate sales – The fair value of trade receivables that contain provisional pricing sales arrangements are valued using quoted forward market prices.
- Cash, cash equivalents, and treasury bills - The fair value of cash, cash equivalents, and treasury bills are valued using quoted market prices.

- The carrying values of certain financial instruments maturing in the short-term approximate their fair values. These financial instruments include term deposits, trade and other receivables other than those provisionally priced, employee benefits payable, and trade and other payables other than those provisionally priced, which are classified as amortized cost.
- Production payment royalty liability – The fair value of the production payment royalty liability was valued using Level 3 inputs such as discount rates and the probability and timing of the cash flows.

Financial Condition, Cash Flow, Liquidity and Capital Resources

Cash Flow Highlights

	Nine months ended September 30, 2026 ($ thousands)	Nine months ended September 30, 2025 ($ thousands)
Operating activities	$21,567	$4,294
Investing activities	(17,313)	(17,515)
Financing activities	26,067	28,909
Increase (decrease) in cash & cash equivalents	30,321	15,688
Effect of foreign exchange on consolidation	116	(517)
Beginning cash & cash equivalents	11,985	3,747
Ending cash & cash equivalents	$42,422	$18,918

Operating Activities

Operating activities for the nine months ended September 30, 2026, generated $21.6 million of cash, primarily due to cash flow generated from operations at Eagle after the Company acquired it on January 9, 2026. This compares to $4.3 million generated during the nine months ended September 30, 2025, primarily due to advance payments received and non-cash adjustments.

Investing Activities

Investing activities for the nine months ended September 30, 2026, used $17.3 million of cash, compared to $17.5 million in the same period of 2025. The use of cash during the nine months ended September 30, 2026 was primarily attributable to $13.5 million for the acquisition of property, plant, and equipment and $32.3 million of investment in resource properties and deferred expenditures. These outflows were partially offset by $13.4 million of proceeds from the sale of treasury bills and term deposits, $11.8 million of net cash received in connection with the acquisition of Eagle, and the receipt of government grants of $3.3 million.

The use of cash during the nine months ended September 30, 2025 was primarily attributable to $13.5 million of investment in resource properties and deferred expenditures and $6.4 million of purchases of treasury bills and term deposits offset by the receipt of government grants of $2.7 million.

Financing Activities

Financing activities for the nine months ended September 30, 2026, generated $26.1 million compared to $28.9 million in the same period of the prior year, a decrease of $2.8 million. The decrease reflects $20.7 million lower proceeds from equity financings in the current year and $3.8 million of lower current-period mortgage, lease-principal, other-liability and interest payments, offset by $21.7 million higher proceeds from the exercise of warrants and stock options.

Liquidity and Capital Resources

As of September 30, 2026, the Company had working capital of $55.0 million (December 31, 2025 – $19.3 million). The working capital amount does not include government cost-share payments expected to be received by the Company as a result of expenditures made by the Company that are eligible for cost-share pursuant to the Company's government grants (see Note 7(c) in the financial statements for further information). Working capital is defined as current assets less current liabilities.

On January 9, 2026, the Company acquired Eagle. Cash flow from Eagle, combined with government grants and existing working capital, is expected to allow the Company to meet its financial obligations as they come due over the next 12 months. Existing liquidity is also expected to be sufficient to meet the next milestone discussed in the section above, *"Upcoming Work* - Tamarack North Project".

Based on current forecasts and assumptions, the Company expects that its cash and cash equivalents, anticipated government grant receipts and projected cash flow from Eagle will be sufficient to fund operations for at least the next 12 months. Actual funding requirements and available cash resources may differ from these forecasts.

The Company's monthly cash inflows and outflows are dependent on numerous factors, including cash flow from Eagle, whether and to what extent the Company is pursuing exploration and development activities, and the receipt of government grants. Eagle's cash flows are dependent on numerous factors given that it is an operating business, some of which are metal prices, mining rates, availability of labor, equipment uptime, ground conditions, the ability to transport ore from the mine to the mill and transport concentrate from the mill to smelters in Canada, including disruptions from weather or lack of available transport capacity, mill uptime and mill recoveries, investment in underground mine development, and numerous other factors, some of which are highly unpredictable. The Company's monthly cash outflows are also dependent on the outlook for raising additional capital and the current amount of working capital, which can modulate operating and investing spending to adjust for periods when access to financing may be constrained. Over time, the Company's working capital may increase or decrease based on the above factors, but given that the Company continues to invest in the Tamarack Project, it is expected that working capital will decrease during 2027.

In order to develop and construct the Tamarack Project, the Company will need to raise additional capital. The Company has a track record of raising capital; however, amounts, timing, and the terms of capital raises are uncertain and may be unfavorable to the Company. To support raising capital, the Company focuses its efforts on achieving milestones and value-added activities, such as cost and productivity improvements at Eagle, a feasibility study for the Tamarack Project, and exploration at the Tamarack Project and in Michigan. There can be no assurance that the Company will be successful in carrying out any of these activities to meet the Company's future working capital requirements and commitments and continue operations for the foreseeable future.

As at September 30, 2026, the Company has capital commitments of $2.4 million on mine and mill

equipment, which is expected to be paid in the remainder of 2026, and $5.2 million on mine equipment, which is expected to be paid in 2027. These capital commitments are expected to be paid out of cash on hand and cash flow from Eagle.

As at September 30, 2026, the Company's contractual obligations for the next five years were as follows:

Contractual Obligations $ thousands	**Payment Due by Period**				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Debt	-	-	-	-	-
Finance Lease Obligations	-	-	-	-	-
Operating Leases	11,380	3,516	7,688	176	
Equipment Purchases	695	345	350	-	-
Purchase Obligations	7,600	7,600	-	-	-
Total Contractual Obligations	19,675	11,461	8,038	176	-

The Company has no off-balance sheet arrangements as at September 30, 2026, December 31, 2025 and January 1, 2025.

In connection with a private placement that closed on October 17, 2023, the Company entered into an investment agreement on that date pursuant to which the Company granted the investor (the "Strategic Investor") a contractual participation right in respect of future equity financings by the Company (other than certain exempt issuances) to allow the investor the ability to maintain its ownership interest in the Company as long as the investor and its affiliates, on a partially diluted basis, hold common shares of the, Company equal to or exceeding 5% of all common shares issued and outstanding (the "Strategic Investor Agreement").

In connection with Talon's acquisition of Eagle from Lundin Mining on January 9, 2026, the Company entered into an investor rights agreement with Lundin Mining pursuant to which, among other things, the Company granted Lundin Mining a contractual participation right in respect of future equity financings by the Company (other than certain exempt issuances) to allow Lundin Mining the ability to maintain its ownership interest in the Company as long as Lundin Mining and its affiliates, on a partially diluted basis, hold common shares of the, Company equal to or exceeding 10% of all common shares issued and outstanding.

On March 5, 2026, with shareholder approval, the Company closed a private placement of 1,855,578 common shares at a price of C$4.19 per share to an entity controlled by trusts settled by the late Adolf H. Lundin for aggregate gross proceeds of C$7,782,294. In connection with this private placement the Company entered into an investor rights agreement with said investor pursuant to which the Company granted the investor a contractual participation right in respect of future equity financings by the Company (other than certain exempt issuances) to allow the investor the ability to maintain its ownership interest in the Company as long as the investor rights agreement remained in force.

On October 2, 2026, the Company filed a final short form base shelf prospectus (the "2026 Base Shelf Prospectus") with the securities regulatory authorities in each of the provinces and territories of Canada. Pursuant to the 2026 Base Shelf Prospectus, Talon is permitted to issue common shares, debt securities, subscription receipts or warrants or any combination of such securities as units, in amounts, at prices, and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement, for an aggregate offering amount of up to $250 million during

the 25-month period that the 2026 Base Shelf Prospectus remains effective. As of the date hereof, Talon has not issued any securities pursuant to the 2026 Base Shelf Prospectus.

See "Financial Instruments – Liquidity Risk" and "Risks and Uncertainties" for further important information.

Disclosure of Outstanding Share Data

As of November 11, 2026, the Company had 163,389,272 common shares issued and outstanding.

The following table details the common shares and convertible securities of the Company that are outstanding as of November 11, 2026:

	Expiry date or year	Weighted average exercise price C$	Total
Common Shares			163,389,272
Warrants	June 18, 2028	$2.20	143,750
Warrants	August 27, 2028	4.00	1,500,000
Stock Options	2027	2.18	519,600
Stock Options	2028	1.99	555,950
Stock Options	2029	1.43	2,802,611
Stock Options	2030	2.32	1,694,606
Stock Options	2031	6.20	3,184,227
Fully-diluted shares outstanding		$3.48	**173,790,016**

The following summarizes the change in stock options outstanding of the Company during the nine-month period ending September 30, 2026:

	Options	Exercise Price (C$)
Outstanding – beginning of year	11,380,686	$1.80
Granted	3,440,227	7.87
Exercised	(5,427,584)	1.82
Cancelled	(225,000)	7.25
Expired	(5,000)	4.00
Outstanding – end of period	**9,163,329**	**$3.93**

All of the stock options outstanding have been issued pursuant to the Company's stock option plan.

Risks and Uncertainties

Talon is subject to a number of risk factors due to the nature of the mineral business in which it is engaged, the nature of the Company's assets, and their stage of development.

The exploration operations of the Company, namely the Tamarack Project and the Michigan Properties, are speculative due to the high-risk nature of such business.

The production operation of the Company, namely Eagle, is subject to numerous risks commensurate with the complex and wide-ranging activity of a revenue-producing mining company.

Combined, the Company's activities in pursuit of its objectives are subject to a number of risks and uncertainties.

The following is a summary of the most significant of those risks and uncertainties affecting or that could affect the financial condition or results of operations of the Company. For a further discussion of the risks and uncertainties facing the Company, please refer to the Company's Annual Information Form for the year ended December 31, 2025, under the heading "Risk Factors" available on SEDAR+ at www.sedarplus.ca. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. The Company may face additional risks and uncertainties, including risks and uncertainties that are unknown to the Company or risks and uncertainties that the Company now believes to be unimportant, which could have a material adverse effect on the business of the Company. If any of the risks actually occur, the business, financial condition, or results of operations of the Company could be negatively affected.

Mining Operations, Infrastructure, and Geotechnical Risk

Mining operations at the Eagle Mine are subject to hazards and risks normally encountered in underground mining, including geotechnical instability, falls of ground, seismic activity, fire, flooding, and equipment interaction. Certain areas, including the western extension of Eagle East and deeper portions of the orebody, may be subject to elevated stress conditions, which may increase the risk of ground instability. The Eagle Mine has previously experienced geotechnical events, including a fall of ground in 2024 that resulted in reduced production and required rehabilitation of underground access. There can be no assurance that similar events will not occur in the future, and any such occurrence could have a material adverse effect on production, costs, and financial performance.

In addition, the Company's mining, processing, and development activities depend on reliable infrastructure, including roads, bridges, power supply, and water systems. Disruptions due to adverse weather conditions, equipment failure, sabotage, or government interference in the maintenance or provision of such infrastructure could adversely affect operations.

Eagle also relies on aging infrastructure and equipment, which may be subject to corrosion, fatigue, or other time-dependent failure modes. Unexpected failure of critical infrastructure or equipment could result in injury or fatality, production disruption, reduced production levels, increased maintenance costs, and regulatory action.

Mineral Resource, Reserve, and Mine Life Uncertainty

Eagle's ability to sustain production and optimize value depends on the accurate estimation, conversion, and extraction of mineral resources and reserves. Mineral resource and reserve estimates are inherently uncertain and are based on geological interpretations, sampling, engineering assumptions, and

economic inputs that may prove to be inaccurate.

Any adverse revision to grade, tonnage, recoveries, geotechnical assumptions, or mine sequencing could reduce production, shorten mine life, and impair asset value. As Eagle approaches the end of its mine life, the margin for error in reserve estimation and mine planning may decrease, increasing sensitivity to such revisions.

Commodity Prices, Global Supply Dynamics, and Market Structure

The economic performance of Eagle and the potential development of the Tamarack Project are highly dependent on the market prices of nickel and copper, which are cyclical and subject to significant volatility. Prices for nickel and copper are influenced by numerous factors, including global macroeconomic conditions, supply and demand balances, substitution risk, foreign exchange rates, inventory levels, and investor activity in commodity markets.

Commodity markets may also be subject to disruption, including trading suspensions or other actions by commodity exchanges, which may affect price discovery and market liquidity.

Commodity markets may also experience significant disruptions, including trading suspensions or other extraordinary measures by commodity exchanges, as occurred in March 2022 when trading in nickel was suspended on the London Metal Exchange. Such events may impair price discovery, reduce liquidity, and increase volatility.

The global nickel market has experienced significant structural changes, including a substantial increase in supply from Indonesia, which accounts for a significant portion of global nickel production. The concentration of global nickel supply in Indonesia provides Indonesia with the ability to exert significant influence over global nickel pricing, including the potential to convert market share into pricing power. Oversupply conditions, including those driven by Indonesian production, have contributed to periods of depressed prices, resulting in mine closures and asset write-downs across the mining industry.

Demand for nickel may also be negatively affected by substitution, including shifts toward lower-nickel or nickel-free battery chemistries or alternative materials in stainless steel production, which may further contribute to downward pressure on prices.

Sustained low or volatile nickel or copper prices, or adverse changes in concentrate payabilities, could materially adversely affect operating margins, cash flow, earnings, reserve economics, and production decisions at Eagle. For the Tamarack Project and other properties, such conditions could adversely affect development decisions, financing, reserve economics, and overall project viability.

Health and Safety Risk

The Company's mining and exploration activities involve inherent health and safety risks. These risks include, but are not limited to, falls of ground, seismic activity, fire, explosions, equipment interaction, ventilation failures, transportation incidents, and other hazards associated with underground mining and material handling.

Such events may result in serious injury or loss of life, damage to property or equipment, environmental harm, regulatory investigations, enforcement actions, operational suspension, and reputational damage.

Despite the implementation of safety management systems, training programs, and operational controls, there can be no assurance that such measures will be effective in preventing incidents. Any significant health and safety event could have a material adverse effect on the Company's business,

financial condition, and results of operations.

Working Capital Requirements

In order to meet its future working capital requirements, the Company will be required to continue to generate sufficient cash flow from Eagle, raise additional capital, receive government grant funding, and/or develop the Tamarack Project or another property into a profitable mine. There can be no assurance that the Company will be successful in generating sufficient cash flow from Eagle, raising additional capital, obtaining government funding, or developing the Tamarack Project or another property into a profitable mine.

If the Company seeks to raise additional capital, such capital may not be available when required or, if available, may not be available on terms acceptable to the Company. Global securities markets have experienced significant volatility due to factors including geopolitical conflicts, inflation, interest rates, trade policies, tariffs, and recessionary conditions, which may adversely affect the Company's ability to raise equity or debt financing. Any issuance of equity securities may result in substantial dilution to existing shareholders.

If the Company is unable to meet its working capital requirements, it could have a material adverse effect on the Company's business, financial condition, and results of operations and, in certain circumstances, its ability to continue operations.

Ability to Continue as a Going Concern

The Company's financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on cash flows from Eagle combined with existing working capital and the receipt of government grant cost-share payments. There are risks and uncertainties regarding the cash flows from Eagle, including prevailing market prices for nickel and copper, operating costs, capital costs, operational risks, and other factors, which in turn are impacted by global events such as wars and recessions. In order to develop and construct the Tamarack Project, the Company will need to raise additional capital. The Company has a track record of raising capital; however, amounts, timing, and the terms of capital raises are uncertain and may be unfavorable to the Company. To support raising capital, the Company focuses its efforts on achieving milestones and value-added activities, such as cost and productivity improvements at Eagle, a feasibility study for the Tamarack Project, and exploration at the Tamarack Project and in Michigan. There can be no assurance that the Company will be successful in carrying out any of these activities to meet the Company's future working capital requirements and commitments and continue operations for the foreseeable future.

These circumstances create a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and ultimately on the appropriateness of the use of accounting principles applicable to a going concern.

Environmental Compliance, Permitting, and Social License Risk

The Company's operations are subject to extensive environmental laws, regulations, permits, and reporting obligations. Failure to obtain, maintain. or comply with required permits or permit conditions could result in enforcement actions, fines, operational curtailment, capital expenditures, or reputational harm.

Environmental incidents may result in significant consequences, including loss of life, personal injury, damage to property, contamination of natural resources, regulatory investigations, civil or criminal penalties, suspension of operations, and substantial remediation costs. Such events could have a material adverse effect on the Company's business, financial condition, and results of operations.

Environmental regulation is evolving and may become more stringent over time. In particular, regulatory requirements in Minnesota relating to the protection of waters in which wild rice inhabits may impose strict water quality standards that could constrain project design, water management approaches, and discharge limits for the Tamarack Project.

Environmental review processes, including the Environmental Assessment Worksheet process in Minnesota, may involve multiple rounds of comments and revisions from regulatory authorities and Tribal governments, which may extend timelines, increase costs, and create uncertainty regarding project approvals.

The development of the Tamarack Project is dependent on the receipt of numerous regulatory approvals and permits, the timing and outcome of which are inherently uncertain. Delays in permitting, including as a result of regulatory review processes, stakeholder engagement, or legal challenges, may delay or prevent the advancement of the project and could result in increased costs or the inability to achieve development timelines.

The Company may also be subject to opposition from local communities, Indigenous stakeholders, and non-governmental organizations, which could adversely affect permitting, reputation, and the ability to advance its projects.

United States Department of War Funding

In order for the U.S. Department of War to contribute funding, on a cost-share basis, for any of Talon's drilling and related activities only, Talon and the U.S. Department of War will be required to complete (i) consultation under Section 106 of the *National Historic Preservation Act,* and (ii) an environmental assessment pursuant to the *National Environmental Policy Act*. If these regulatory matters are not completed or not completed satisfactorily, the U.S. Department of War will not contribute funding for such activities and may also potentially revoke further funding.

Talon is required to fund its portion of project costs under the applicable cost-share arrangements. If Talon fails to meet its funding obligations, the Department of War will not provide additional funding. In addition, the Department of War may terminate the agreement at any time.

Delays in reimbursement of eligible expenditures, rejection of expenditures deemed ineligible by the applicable government authority, or timing mismatches between expenditures and reimbursement may adversely affect the Company's cash flow and liquidity. The Company may be required to fund expenditures in advance without assurance of timely reimbursement.

United States Department of Energy Funding

The Company has entered into a definitive agreement with the United States Department of Energy to provide grant funding for the previously proposed Beulah Minerals Processing Facility and is in the process of working with the DOE regarding the future of the award.

The availability of such funding is subject to the achievement of specified milestones, satisfaction of cost-sharing requirements, and compliance with regulatory and contractual obligations. Talon Nickel is required to arrange financing for its portion of project costs and to meet all applicable milestone

requirements.

If Talon Nickel fails to meet such requirements, the Department of Energy may withhold funding, terminate the agreement, decline to fund future expenditures, or require repayment of previously disbursed amounts.

Delays in reimbursement, rejection of expenditures, or failure to meet applicable requirements may adversely affect the Company's cash flow and financial condition. There can be no assurance that the funding will be received in full or on a timely basis.

There can be no assurance that the existing grant will be able to be transferred to fund activities at the Humboldt Mill.

Logistics, Off-Site Processing, and Supply Chain Dependency

Eagle depends on an integrated logistics and processing chain, including the transportation of ore over significant distances on public roads to the Humboldt Mill and the shipment of concentrate by rail. These activities increase exposure to risks associated with weather conditions, road hazards, and third-party traffic.

Ore haulage on public roads may result in collisions involving third parties, which could result in injury or fatality, environmental contamination, reputational damage, and disruption to operations. Delays in ore delivery to the Humboldt Mill could adversely affect production.

The Company is also dependent on the availability and performance of critical equipment, replacement parts, reagents, contractors, and transportation providers. Supply chain disruptions, vendor performance issues, inflationary pressures, or delays in obtaining critical materials may result in increased downtime, reduced production, and higher operating costs.

The Company utilizes leased railcars to transport concentrate and may be exposed to contractual liability under applicable agreements, including liability for corrosion or damage beyond ordinary wear and tear. Such liabilities could result in additional costs and disputes with counterparties.

2018 Option Agreement

Pursuant to the terms of the 2018 Option Agreement, Talon Nickel has the right to acquire up to a 60% interest in the Tamarack Project from Kennecott, subject to the satisfaction of certain expenditure and other requirements.

If Talon Nickel fails to meet the requirements necessary to earn or maintain its interest in the Tamarack Project, in certain circumstances, Talon Nickel may revert to a minority interest and cease to be the operator of the Tamarack Project. In such an event, Kennecott, as operator, would determine future programs and budgets, including the amount and timing of expenditures required to advance the project.

If Talon Nickel does not fund its proportionate share of such expenditures, its interest in the Tamarack Project would be diluted in accordance with the terms of the 2018 Option Agreement. Continued dilution could ultimately result in a loss of a significant portion of the Company's interest in the Tamarack Project.

In order to satisfy its funding obligations and earn its interest in the Tamarack Project, the Company may be required to raise additional capital. There can be no assurance that such capital will be available on acceptable terms or at all. Any financing may result in substantial dilution to existing shareholders.

Trade Policy, Tariffs, and Global Supply Chain Risk

The Company's operations and development activities may be adversely affected by changes in United States and international trade policy, including the imposition of tariffs, export controls, and other protectionist measures. Actions by the United States and potential retaliatory measures by other jurisdictions may contribute to increased trade tensions or broader trade disputes.

Such measures may increase the cost of equipment, materials, and consumables required for mining operations and project development, including for the Tamarack Project and Eagle. Trade restrictions may also affect the transportation and sale of concentrate, including rail logistics, export routes, market access, and commercial terms.

In addition, disruptions to global supply chains or transportation networks, whether arising from trade restrictions, geopolitical tensions, or other factors, may result in delays, increased costs, or reduced availability of critical inputs required for operations or development.

Any such developments could have a material adverse effect on the Company's capital expenditures, operating costs, financial performance, and growth prospects.

Exploration, Development, and Operating Risks

The exploration for and development of mineral deposits involves significant risks and uncertainties. Substantial expenditures are required to establish mineral reserves, develop metallurgical processes, and construct mining and processing facilities. There can be no assurance that exploration or development activities will result in the discovery of economically viable mineral deposits.

Metallurgical testing may not produce results consistent with expectations, which could adversely affect recoveries, processing methods, and project economics.

The economic viability of mineral projects, including the Tamarack Project, depends on numerous factors, including the size, grade, and characteristics of the deposit, proximity to infrastructure, commodity prices, capital and operating costs, applicable government regulations, and the interpretation and application of royalty obligations under applicable state mineral leases, which may vary and could impact project economics.

Mining and processing operations are subject to hazards and risks normally encountered in the mining industry, including unusual or unexpected geological conditions, seismic activity, cave-ins, flooding, equipment failure, and metallurgical challenges, any of which could result in damage to property, environmental impacts, personal injury or loss of life, operational delays, and potential legal liability.

The Company's ability to realize value from its mineral projects also depends on its ability to secure and maintain off-take arrangements and access to processing or smelting facilities. There can be no assurance that such arrangements will be available on acceptable terms, or at all.

Processing, Metallurgical, and Tailings Management Risk

The Company's operations depend on the effective processing of ore at the Humboldt Mill and the safe and compliant management of tailings, water, and waste streams. Metallurgical performance is subject to variability in ore characteristics, and there is a risk that recoveries, concentrate quality, or throughput may not perform as expected.

The Company relies on the Humboldt Tailings Disposal Facility, which is designed and operated in accordance with applicable standards, including the Global Industry Standard on Tailings Management.

However, risks remain relating to facility performance, capacity constraints, environmental compliance, and evolving regulatory requirements.

Mining and processing activities generate wastewater, contact water, waste rock, and tailings that must be managed in accordance with strict environmental requirements. Any failure of containment, treatment, or monitoring systems could result in groundwater or surface water contamination, leading to remediation obligations, regulatory enforcement, penalties, and reputational harm.

Macroeconomic Conditions, Energy Markets, and Geopolitical Risk

The Company's operations are exposed to broader macroeconomic conditions, including global or regional recessions, reduced industrial activity, and financial market volatility, which may reduce demand for base metals and contribute to lower or more volatile commodity prices.

Global financial markets have experienced increased volatility, reduced liquidity, and constraints on the availability of credit, which may adversely affect the Company's ability to raise capital and fund its operations.

Mining operations can be energy-intensive and sensitive to fluctuations in oil, fuel, and other energy prices. Elevated or sustained high energy prices may increase operating costs and, in certain circumstances, contribute to or result in recessionary conditions.

Geopolitical conflicts, including conflicts in Ukraine and the Middle East, may disrupt energy markets, supply chains, transportation routes, and financial systems, and may contribute to inflationary pressures and broader economic uncertainty.

Any of these factors could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

Government Regulation, Permitting, and Policy Risk

The Company's operations at Eagle and the potential development of the Tamarack Project or other properties are subject to extensive federal, state, and local laws and regulations in the United States, including those governing mineral rights and tenure, permitting, environmental protection, land use, water use, mine safety, taxation, and labor practices.

Changes in government policy, political priorities, administrative interpretation, or regulatory frameworks may adversely affect the Company's operations, development activities, permitting timelines, costs, and profitability. Such changes may also affect decisions to continue funding or advancing development of the Tamarack Project or other properties.

Regulatory approvals and permits required for ongoing operations and future development may be delayed, modified, or denied, and may impose conditions that materially increase capital or operating costs. Failure to comply with applicable laws, regulations, or permit conditions could result in fines, penalties, suspension or curtailment of operations, or the loss, reduction, or revocation of mineral rights, permits, or other key authorizations.

The timing and outcome of regulatory processes are inherently uncertain and could materially adversely affect the Company's business, financial condition, and results of operations.

Broader Political, Economic, and Industry Risk

Although the Company's current operations are conducted in the United States, the mining industry is exposed to a range of broader political, economic, and industry risks, including trade disputes, civil unrest, terrorism, expropriation or nationalization of assets, changes in taxation regimes, currency controls, restrictions on the repatriation of funds, and requirements to source goods or employ labor locally.

In addition, illegal or unregulated mining activities in certain jurisdictions may impact global supply dynamics and commodity prices.

While such risks may not directly affect the Company's current operations, they may influence global commodity markets, investor sentiment, regulatory frameworks, and the broader operating environment. Any such developments could have a material adverse effect on the Company's business, financial condition, and results of operations.

Ownership Transition and Integration Risk

The Company may be exposed to risks associated with the transition and integration of Eagle and its personnel into the Company, including risks relating to governance structures, systems, personnel, reporting processes, transitional service arrangements, and commercial relationships. If integration activities are not effectively executed, the Company could experience operational disruption, increased costs, delays in decision-making, or loss of key personnel.

Mine Closure, Reclamation, and Transition Risk

Eagle is a late-stage asset with a limited remaining mine life, which may reduce operational flexibility and increase risks associated with workforce retention, contractor availability, and supplier continuity.

As the mine approaches the end of its operating life, the Company may experience challenges in attracting and retaining qualified personnel due to job security concerns associated with a finite mine life and competition for skilled mining labor. Reduced workforce stability may impact operational performance, safety outcomes, and the effective execution of closure activities. Closure activities may also have socio-economic impacts on local communities and workforce transition, which may result in additional obligations or stakeholder expectations.

The Company is subject to closure, reclamation, environmental monitoring, and financial assurance obligations. The actual costs of satisfying such obligations may differ materially from current estimates due to changes in regulatory requirements, remediation scope, environmental conditions, inflationary pressures, and evolving standards for closure and post-closure monitoring.

As operations transition toward closure and post-closure activities, there can be no assurance that closure sequencing, reclamation execution, or associated workforce and community impacts will occur without additional cost, delay, or disruption.

Any of these factors could have a material adverse effect on the Company's financial condition, liquidity, and results of operations.

Triple Flag Royalty Arrangements

Pursuant to the terms of the royalties, Talon and its related entities have provided security to the Triple Flag entities to support the payment and performance obligations related to the royalty and the guarantees. In the event Talon Nickel fails to meet such obligations, the Triple Flag entities have the

right to exercise its security and may, among other things, acquire Talon Nickel's entire interest in the Tamarack Project.

The royalty agreements contain restrictive covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Company to amend the 2018 Option Agreement, cease to be the operator of the Tamarack Project, sell or dispose of Talon Nickel's interest in the Tamarack Project, incur additional indebtedness, create liens or other encumbrances, sell or otherwise dispose of assets, and merge or consolidate with another entity. A failure to comply with these obligations could result in an event of default (as defined under the royalty agreements), which, if not waived, could permit the Triple Flag entities to exercise their security and, among other things, acquire Talon Nickel's entire interest in the Tamarack Project.

Pursuant to the royalty agreements, Talon Nickel is required to make payment to the Triple Flag entities based on an assumed ownership percentage in the Tamarack Project of 60%. In the event that Talon Nickel dilutes below the assumed ownership percentage or does not acquire a 60% ownership percentage in the Tamarack Project, it will nevertheless still be required to make payment to the Triple Flag entities at the assumed ownership percentage of 60%. Given this, there is a risk that the Company may not have enough money to make the required payments to the Triple Flag entities. In such circumstance, the failure by Talon Nickel to make adequate payment to the Triple Flag entities would constitute an event of default under the royalty agreements, thereby entitling the Triple Flag entities to exercise their security and, among other things, acquire Talon Nickel's entire interest in the Tamarack Project.

Tesla Supply Agreement

The Tesla Supply Agreement is conditional upon: (i) Talon earning a 60% interest in the Tamarack North Project; (ii) Talon commencing commercial production at the Tamarack North Project; and (iii) the parties completing negotiations and executing detailed supply terms and conditions. Additionally, Talon will use commercially reasonable efforts to achieve commercial production on or before September 1, 2027, at the Tamarack North Project, following which Tesla has a right to terminate the agreement, and Talon may elect to sell to other parties. There is no assurance that any such conditions will be met or that Talon will achieve commercial production at the Tamarack North Project. If such conditions are not met or if the Tesla Supply Agreement is terminated in accordance with its terms, it may have a material adverse effect on the Company and its business and operations (including the market price of the common shares of the Company).

Mineral Resource and Reserve Uncertainty

The Tamarack Project currently includes inferred and indicated mineral resources. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no assurance that further exploration will result in inferred mineral resources being upgraded to indicated or measured mineral resources, or that indicated mineral resources will be converted into proven or probable mineral reserves.

If mineral resources are not converted into mineral reserves, the economic viability of the Tamarack Project may be adversely affected.

Litigation and Legal Proceedings Risk

The Company may be subject to litigation, regulatory proceedings, and other legal claims arising in the

ordinary course of its business. Such proceedings may include, but are not limited to, claims relating to environmental matters, permitting, contractual disputes, property rights, employment matters, securities laws, and other matters.

The Company may also be subject to legacy or ongoing legal proceedings in jurisdictions where it has operated or holds interests, including proceedings relating to historical activities or assets.

Litigation and regulatory proceedings may be time-consuming, costly, and unpredictable. The outcome of such proceedings may result in monetary damages, fines, penalties, injunctions, delays to operations or development activities, or other adverse consequences.

In addition, the Company may be subject to securities class action litigation or other claims following periods of volatility in the market price of its common shares.

There can be no assurance that any current or future legal proceedings will be resolved in the Company's favor. Any adverse outcome could have a material adverse effect on the Company's business, financial condition, results of operations, and reputation.

Internal Controls and Disclosure Controls Risk

The Company is subject to requirements relating to internal controls over financial reporting and disclosure controls and procedures.

The Company may not be able to maintain effective internal controls over financial reporting or disclosure controls and procedures, particularly as it continues to evolve its operations, integrate acquired assets, and advance development projects.

Any failure to maintain effective internal controls or to implement required new or improved controls could result in material misstatements in financial reporting, delays in reporting obligations, regulatory scrutiny, or loss of investor confidence.

There can be no assurance that the Company will not identify material weaknesses or significant deficiencies in its internal controls in the future.

Information Systems and Cybersecurity Risk

The Company relies on information technology systems and digital infrastructure in the conduct of its operations, including systems used for financial reporting, communications, operational control, and supply chain management.

The Company may be subject to cyber-attacks, unauthorized access, data breaches, or other cybersecurity incidents, including those affecting third-party service providers.

Such incidents could result in disruption of operations, loss of sensitive data, financial loss, regulatory penalties, and reputational damage.

There can be no assurance that the Company's systems and controls will be effective in preventing or mitigating such risks.

Key Personnel

The Company is dependent on the services of key executives, employees, and consultants. The loss of such individuals or the inability to attract and retain qualified personnel could adversely affect the Company's operations, development activities, and future prospects.

Land Title Risk

The Company's interests in mineral properties, including the Tamarack Project, are held through a combination of leases, agreements, and fee ownership, including interests held through Kennecott.

Title to mineral properties may be subject to defects, disputes, or competing claims, including unregistered interests, boundary disputes, or Indigenous land claims. There can be no assurance that the Company will be able to maintain or extend its mineral rights or successfully defend its title to such properties.

These risks could have a material adverse effect on the Company's business, financial condition, and results of operations.

Market Price of Common Shares and Volatility

The market price of the Company's common shares may be volatile and may not reflect the underlying value of the Company. The price of the Company's common shares may be affected by a variety of factors, including commodity prices, financial results, market conditions, investor sentiment, changes in analyst coverage, and general economic conditions.

The market price may also be affected by the ownership or disposition of a significant number of shares by major shareholders. Sales of a large number of shares, or the perception that such sales may occur, could adversely affect the market price of the Company's common shares.

Securities class action litigation has often been brought against companies following periods of volatility. The Company may become the subject of similar litigation, which could result in substantial costs and a diversion of management's attention and resources.

These risks could have a material adverse effect on the Company's business, financial condition, and results of operations.

Insurance and Uninsured Risks

The Company maintains insurance coverage that it considers appropriate for its operations; however, such insurance may not cover all risks associated with mining operations. Certain risks, including environmental contamination, pollution, and other hazards, may not be insurable on acceptable terms or at all. Certain risks, including environmental contamination, may not be insurable on acceptable terms or at all. The Company may incur significant liabilities that exceed available insurance coverage or are not covered by insurance, which could materially adversely affect its financial condition.

Uninsured losses or liabilities, or losses in excess of insured limits, could have a material adverse effect on the Company's financial condition and results of operations.

Competition

The mining industry is highly competitive for mineral properties, capital, skilled personnel, and technical expertise. The Company competes with other mining companies, many of which have greater financial, technical, and operational resources.

Such competition may adversely affect the Company's ability to acquire additional mineral properties, attract and retain qualified personnel, or obtain financing on acceptable terms.

These risks could have a material adverse effect on the Company's business, financial condition, and results of operations.

Foreign Subsidiaries and Repatriation of Funds

The Company is a foreign corporation and conducts its operations through subsidiaries, including its United States operating subsidiaries. A substantial portion of the Company's assets is held through such subsidiaries.

Restrictions on the transfer of funds between such entities, including tax considerations or regulatory limitations, may affect the Company's ability to efficiently manage its operations and liquidity.

These risks could have a material adverse effect on the Company's business, financial condition, and results of operations.

Related Party Transactions and Balances

Related parties include directors and officers of the Company, close family members, and enterprises that are controlled by these individuals, as well as certain persons performing similar functions. Lundin Mining is a related party by virtue of two common directors and an 18.0% ownership interest in the Company as of September 30, 2026.

Accounts payable and accrued liabilities payable to board members amounted to $56,491 as at September 30, 2026 (December 31, 2025 – Nil).

The remuneration, including benefits, of directors and officers of the Company for the three and nine months ended September 30, 2026, and 2025 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Salaries and benefits of officers	$ 850	$ 571	$ 3,000	$ 1,713
Board fees	$ 233	$ 35	$ 485	$ 114
Stock-based compensation	$ 1,056	$ 74	$ 2,334	$ 334
Total Aggregate Compensation	$ 2,139	$ 680	$ 5,819	$ 2,161
Capitalized portion included in Total Aggregate Compensation (capitalized to Resource properties and deferred expenditures):				
Salaries and benefits of officers	$ 688	$ 443	$ 2,121	$ 1,249
Stock-based compensation	$ 200	$ 66	$ 460	$ 245
Total	$ 888	$ 509	$ 2,581	$ 1,494

Cash compensation and share-based compensation are recorded on the Consolidated Statements of Loss and Comprehensive Loss in "Salaries, benefits, consulting and board fees" and on the Consolidated Statements of Financial Position in "Resource properties and deferred expenditures".

The former CEO and CFO deferred four months of salaries for the period November 1, 2024, to February

28, 2025, which were paid on March 15, 2025. The former President deferred two months of salaries for the period November 1, 2024, to December 31, 2024, which was paid on April 10, 2025. An additional payment related to the former CEO and CFO deferring salary was settled by issuing stock options on April 10, 2025 (see below), while an additional payment related to the former President deferring salary was paid in cash on June 27, 2025.

On April 10, 2025, 222,900 options were issued to the former CEO and CFO with an exercise price of $1.00, which vested on the date of grant and have an expiration date that is five years from the date of grant to settle accounts payable related to the additional payment associated with deferring their salaries noted above.

On April 10, 2025, 309,500 options were issued to directors with an exercise price of $1.00 that vested on the date of grant and have an expiration date that is five years from the date of grant to settle deferred chairman and board fees payable related to the period from January 2024 to March 2025.

On December 23, 2025, 16,470 options were issued to directors with an exercise price of $6.10 that vested on the date of grant and have an expiration date that is five years from the date of grant to settle board fees earned in 2025.

On February 20, 2026, 160,000 options were issued to directors with an exercise price of $6.63 that vest over 12 months and have an expiration date that is five years from the date of grant.

On March 15, 2026, 1,800,000 options were issued to officers with an exercise price of $7.99 that vest over three years and have an expiration date that is five years from the date of grant.

On September 22, 2026, 45,227 options were issued to directors with an exercise price of $9.72 that vested on the date of grant and have an expiration date that is five years from the date of grant.

During the three and nine months ended September 30, 2026, the Company paid Lundin Mining $0.5 million and $1.2 million, respectively, for accounting systems, information technology transition services and commercial assistance related to concentrate sales. These expenses were paid pursuant to the Transition Services Agreement entered into in connection with the closing of the acquisition of Eagle from Lundin Mining.

UPX Option Agreement - Michigan

On August 9, 2022, Talon entered into an option and earn-in agreement (the “UPX Option Agreement”) with UPX Minerals Inc. (a wholly-owned subsidiary of Sweetwater Royalties) (“UPX”) to acquire up to an 80% ownership interest in the mineral rights over a land package comprised of approximately 400,000 acres located in the Upper Peninsula of the State of Michigan (the “Michigan UPX Properties”). Pursuant to the terms of the UPX Option Agreement, Talon has agreed to a minimum spending obligation of $5 million in exploration expenditures or drilling of at least 7,500 meters, with any minimum spending deficiency payable to UPX. Talon has five years (until August 2027) to complete these minimum requirements. Talon will earn a 51% undivided interest in the Michigan UPX Properties upon the completion of 25,000 meters of drilling (the “Stage One Requirement”). Talon will have five years (until August 2027) to complete the Stage One Requirement, which may be extended in certain circumstances.

Talon will then have the option to earn an additional 29% interest in the Michigan UPX Properties (resulting in an 80% ownership interest) upon delivering a feasibility study prepared in accordance with NI 43-101 over a portion of the Michigan UPX Properties (the “Stage Two Requirement”). In the event that Talon does not complete the Stage Two Requirement within eight years (which may be extended in

certain circumstances) of determining a “mineral resource” as specifically defined in the UPX Option Agreement at the Michigan UPX Properties, Talon’s interest in the Michigan UPX Properties will be reduced to 49%.

Upon Talon completing the Stage Two Requirement, UPX will be granted a 2% net smelter return (“NSR”) royalty on the Michigan UPX Properties and will have the right to participate in proportion to its participating 20% joint venture interest. In the event UPX does not participate in proportion to its participating 20% joint venture interest, its interest in the joint venture will be subject to dilution, and in the event UPX’s joint venture interest ultimately dilutes below 10%, UPX’s interest in the joint venture will be reduced to 0%, and UPX will be entitled to an additional 1% NSR royalty on the Michigan UPX Properties.

In addition to the Michigan UPX properties, on June 26, 2024, the Michigan Department of Natural Resources issued leases for approximately 21,000 acres of additional mineral leases in the Upper Peninsula of Michigan to Talon Michigan LLC (the “Michigan State Leases”). The Company also has rights to explore certain other properties in Michigan that are not subject to the UPX Option Agreement (together with the Michigan State Leases, the “Michigan Talon Properties”). To the extent the Michigan Talon Properties are within an area of interest defined in the UPX Option Agreement, a royalty of 0.25% is payable to UPX.

The Michigan Properties are comprised of the Michigan UPX Properties and the Michigan Talon Properties. In 2024, Talon began mineral exploration drilling on the Michigan UPX Properties and in 2026 on the Michigan Talon Properties.

Michigan Exploration, Drilling, and Geophysics

The Company completed approximately 9,900 meters of drilling in 2025 using two company-owned drill rigs and one contractor drill rig at the Boulderdash and Roland prospects within the Michigan UPX Properties. The Company has also completed core logging, geophysical surveys, and is presently awaiting the return of drill core assay results.

Activity resumed in June 2026 and ended in November 2026 for the 2026 year.

To date, Talon has drilled a total of approximately 24,200 meters towards the Stage One Requirement.

Critical Accounting Estimates and Changes in Accounting Policies

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of each reporting period and for the periods then ended, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the valuation of resource properties, the

valuation of share-based compensation, the estimation of contingencies and the valuation of the asset retirement obligation.

The uncertainty regarding the valuation of resource properties arises as a result of estimates and judgments such as forecasts of metal prices, operating costs, capital costs, and income taxes, among numerous other valuation inputs, discount rates, comparability of the Company's properties to those of other market participants, and the selection of market-participant assumptions used to determine recoverable value.

The uncertainty regarding the estimation of contingencies arises as a result of the uncertainty as to legal proceedings that are before the courts, as well as the amount and probability of a future payment or award.

The uncertainty regarding the valuation of the asset retirement obligation arises as a result of certain key inputs such as future estimated costs, future inflation, the possibility of changing laws and requirements, including changes in constructive obligations, and the discount rate used to present value the future estimated costs.

For information on new standards and interpretations not yet adopted, refer to note 2 of the Company's consolidated financial statements for the year ended December 31, 2025.

For a complete discussion of accounting estimates and assumptions deemed most critical by the Company, refer to the Company's consolidated financial statements for the year ended December 31, 2025 and for the three months ended March 31, 2026. There has been no change in the Company's accounting policies since March 31, 2026.

Limitations of controls and procedures

Management, including the CEO and CFO, believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected.

The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Management is responsible for establishing and maintaining adequate internal control over financial reporting. There have been no changes in our internal controls over financial reporting since the last reporting period that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.