News Release
TSX:TLO

TALON METALS BATTERY MINERALS PROCESSING FACILITY SELECTED BY US DEPARTMENT OF ENERGY FOR $114 MILLION IN BIPARTISAN INFRASTRUCTURE LAW FUNDING

Facility will process nickel and other battery minerals in North Dakota, moving processing and tailings management away from the Minnesota mine site

Tamarack, Minnesota (October 19, 2022) – Talon Metals Corp. (**"Talon"** or the **"Company"**) (TSX:TLO, OTC:TLOFF) has been informed that its wholly-owned subsidiary, Talon Nickel (USA) LLC, has been selected as a recipient of the first set of projects funded by President Biden's *Bipartisan Infrastructure Law* to expand domestic manufacturing of batteries for electric vehicles (EVs) and the electrical grid and for materials and components currently imported from other countries. Responsible and sustainable domestic sourcing and processing of the critical materials used to make lithium-ion batteries will strengthen American supply chains, accelerate battery production to meet increased demand, and secure the nation's economic competitiveness, energy independence, and national security.

On July 1, 2022, Talon's wholly owned subsidiary Talon Nickel (USA) LLC submitted an application for US government funding under *"Area of Interest 01: Commercial Scale Production of Plants for Domestic Separation of Critical Cathode Battery Materials from Domestic Feedstocks."* The application proposed an ore processing and tailings management facility (the **"Battery Minerals Processing Facility"**) located at an existing industrial brownfields site in Mercer County, North Dakota, receiving feedstock from the Company's underground Tamarack mine in central Minnesota and other potential sources in North America. The acquisition of the preferred site in North Dakota is actively under negotiations. 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 include an opportunity for public comment and government-to-government consultations with tribal sovereign governments.

The proposed separation of mine and processing operations will create a new domestic battery grade nickel and iron production capability designed to meet the timelines set in both the Biden Administration's National Blueprint for Lithium Batteries | Department of Energy[1] and the Tesla-Talon agreement entered into on January 7, 2022 ("**Tesla-Talon Supply Agreement**"). On a cost-share basis and subject to final negotiations, the US Department of Energy will provide $114 million grant (estimated to be 27% of total project cost) towards project construction and execution costs for the Battery Minerals Processing Facility in North Dakota.

"Between the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA), the United States has enacted significant measures in the last year that prioritize and accelerate the development of the domestic battery supply chain from mining through to recycling," commented Henri van Rooyen, CEO of Talon. *"This national urgency and the target date for nickel and iron production set within our Tesla-Talon Supply Agreement required an innovative approach to bring a new domestic source of battery minerals into production during a period of global battery-grade nickel deficits. Today's announcement is a clear recognition that production of domestic nickel and other battery minerals is a national priority."*

[1] https://www.energy.gov/eere/vehicles/articles/national-blueprint-lithium-batteries

"We've worked hard in North Dakota to create a stable tax and regulatory environment that attracts capital and talent and today's announcement that Talon plans to create 150 jobs and invest significant capital in the Battery Minerals Processing Facility sends a strong signal that North Dakota is open for business," North Dakota Governor Doug Burgum said. *"By increasing domestic production of nickel and other battery minerals and reducing our reliance on foreign sources, we can strengthen our economy, our communities and our national security while continuing to grow North Dakota's status as a powerhouse for the nation. We appreciate the US Department of Energy selecting this new facility in North Dakota for a $114 million cost-share grant through the Bipartisan Infrastructure Law, as well as Talon's commitment to working with local communities to ensure the project has broad support."*

Talon Chief External Affairs Officer and Head of Climate Strategy Todd Malan commented: *"In our community meetings, participants have said they are proud that Aitkin County, Minnesota can supply vital ingredients for the domestic battery supply chain and address America's dependency on China and Russia for minerals like nickel. They also recognize that the nickel we can mine in Minnesota is infinitely recyclable and will be part of the US battery supply chain for generations."* Malan continued, *"We are committed to producing the metallic minerals needed for domestic battery production while also protecting the environment and cultural resources wherever we operate. The plan to process minerals at a current industrial brownfield site in North Dakota is another positive step towards assuring communities and tribal governments that we can meet both goals."*

Tom Conway, President of the United Steelworkers commented, *"We look forward to working with Talon to mine nickel in Minnesota and process it in North Dakota. It's essential that we have a stable supply chain for the raw materials we'll need to power clean energy technology, and USW members have a long, proud history of standing up for safe, family-sustaining, union jobs in the area. Through workforce training and a strong collaboration, we'll ensure that the jobs created will put us on strong footing and continue to sustain our communities well into the future."*

Additional Background

President Biden's National Blueprint for Lithium Batteries | Department of Energy sets near-term targets for the development of domestic battery supply chains, which align with the 2026-2027 production target in the Talon-Tesla Supply Agreement. With these aligned commercial and national timelines, Talon plans to simultaneously seek environmental review and permits for an underground mine and rail loadout facility in Minnesota, as well as the Battery Minerals Processing Facility in North Dakota. Talon studied eighteen (18) offsite processing sites and selected Mercer County, North Dakota prior to the Department of Energy's application deadline in early July 2022. The acquisition of the preferred site in North Dakota is actively under negotiations. Removing the processing facilities from the Tamarack mine site results in a reduced scope for the Minnesota environmental review and permitting process, while simultaneously progressing a fulsome permitting process in North Dakota for the Battery Minerals Processing Facility. This approach is expected to reduce the critical path to commencement of nickel production to meet both the commercial (Tesla-Talon Supply Agreement) and national (President Biden's Battery Supply Blueprint) timelines.

The preferred site in North Dakota has significant rail and industrial infrastructure as well as uniquely suitable characteristics for an environmentally superior tailings management system. Cost-effective transportation of raw ore from the underground mine in Minnesota to the offsite processing facility in

North Dakota would be enabled by an existing railway, which is located approximately 1.25 miles (2 km) from the Tamarack project site.

Talon is committed to working with unions, the local community, and tribal governments to ensure the Battery Minerals Processing Facility has broad support, contributes to the local economy and protects the environment. Talon has already concluded a neutrality and workforce development agreement with the United Steelworkers union which applies nationally and is negotiating a Project Labor Agreement (PLA) with building trades unions in both Minnesota and North Dakota.

ABOUT TALON

Talon is a TSX-listed base metals company in a joint venture with Rio Tinto on the high-grade Tamarack Nickel-Copper-Cobalt Project located in central Minnesota. Talon's shares are also traded in the US over the OTC market under the symbol TLOFF. The Tamarack Nickel Project comprises a large land position (18km of strike length) with high-grade intercepts outside the current resource area. Talon has an earn-in right to acquire up to 60% of the Tamarack Nickel Project, and currently owns 51%. Talon is focused on (i) expanding and infilling its current high-grade nickel mineralization resource and (ii) following up on additional high-grade nickel mineralization in the Tamarack Intrusive Complex. Talon has an agreement with Tesla Inc. to supply it with 75,000 metric tonnes (165 million lbs) of nickel in concentrate (and certain by-products, including cobalt and iron) from the Tamarack Nickel Project over an estimated six-year period once commercial production is achieved. Talon has well-qualified experienced exploration, mine development, external affairs and mine permitting teams.

For additional information on Talon, please visit the Company's website at www.talonmetals.com or contact:

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FORWARD-LOOKING STATEMENTS

This news release contains certain "forward-looking statements". All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Such forward-looking statements include statements relating to receipt of all necessary permits; receipt of the Bipartisan Infrastructure Law grant and timing thereof; the construction of the necessary infrastructure and Battery Minerals Processing Facility in North Dakota and the timing and costs related thereto; the proposed operations meeting anticipated capacity; the Tesla-Talon Partnership Agreement; the timing of production at the Tamarack Nickel Project; the timing and results of future exploration and drilling, including expansion of the resource; US government support for building a domestic battery supply chain, including the *Bipartisan Infrastructure Act* (BIL) and tax credits in the *Inflation Reduction Act* (*IRA*); the timing and outcome of the environmental review process; and the timing completion of negotiations relating the acquisition of a brownfields site in North Dakota. Forward-looking

statements are subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company which risks include (and are not limited to) the Company's ability to secure the preferred site in North Dakota and terms relating thereto; the Company's ability to secure all necessary permits relating to the proposed operations as well as the Company's ability to design and construct an economically viable Battery Minerals Processing Facility in North Dakota. Other risks related to the Company and the Tamarack project are set out in the Company's financial statements and Annual Information Form. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.