



ANNUAL INFORMATION FORM

AS AT MARCH 27, 2026

TALON METALS CORP.

FOR THE YEAR ENDED DECEMBER 31, 2025

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**EXHIBIT I – EXECUTIVE SUMMARY SECTION FROM THE NOVEMBER 2022
TECHNICAL REPORT**

EXHIBIT II - CHARTER OF THE AUDIT COMMITTEE

NOTE TO READER

Wherever used in this Annual Information Form, the “**Company**” and “**Talon**” refer to Talon Metals Corp. and all of its subsidiaries, except where the context otherwise requires. Unless otherwise indicated, all dollar amounts herein are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

This Annual Information Form contains “forward-looking information”. All information, other than information concerning historical fact, that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including, without limitation, payments to Kennecott (defined below) pursuant to the 2018 Option Agreement (defined below), supply of nickel concentrate pursuant to the Tesla Supply Agreement (defined below), the UPX Option Agreement (defined below), the cost-share funding from the US Department of Energy for the Battery Minerals Processing Facility (defined below), the cost-share funding from the US Department of Defense for the Company’s mineral exploration, the cost-share funding from the US Defense Logistics Agency, the November 2022 Technical Report (defined below) conclusions, estimates in respect of mineral resource quantities, mineral resource qualities, information regarding the potential for increased mineral resources and increased classification through additional exploration, potential mineralization, metallurgical testing and results, drilling and exploration plans, the Company’s business plans and priorities, market trends with respect to demand for and the price of nickel and the likelihood of loss for legal proceedings, are forward-looking information.

Forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is 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 information, 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. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: risks associated with operations and production at the Eagle Mine and Humboldt Mill; failure to establish estimated mineral resources and any reserves; the grade, quality and recovery of mineral resources varying from estimates; risks related to the exploration stage of the Tamarack Project; the possibility that future exploration results and metallurgical testing will not be consistent with the Company’s expectations (including identifying additional and/or more extensive mineralization and/or recovery); changes in nickel, copper and/or PGE prices; trade wars; increasing tariffs; the wars in the Middle East and Israel; delays in obtaining or failures to obtain necessary regulatory permits and approvals from government authorities; uncertainties involved in interpreting drilling results, and the beneficiation process and other geological and product related data; changes in the anticipated demand for nickel, copper, cobalt, gold and/or PGEs; changes in equity and debt markets; inflation; changes in exchange rates; declines in U.S., Canadian and/or global economies; exploration costs varying significantly from estimates; delays in the exploration, mineral processing and development of, and/or commercial production from the properties Talon has an interest in; equipment failure; unexpected geological or hydrological conditions; political risks; imprecision in preliminary resource estimates; success of future exploration and development

initiatives; the existence of undetected or unregistered interests or claims, whether in contract or in tort, over the the Tamarack Project; changes in government regulations and policies; risks relating to labour; other exploration, development and operating risks; liability and other claims asserted against Talon; volatility in prices of publicly traded securities; and other risks involved in the mineral exploration and development industry and risks specific to the Company, including the risks discussed in this Annual Information Form under “*Risk Factors*”.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this Annual Information Form is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise the forward-looking information herein and readers should also carefully consider the matters discussed under the heading “*Risk Factors*” in this Annual Information Form.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information herein is provided as of the date of this Annual Information Form.

The mineral resource figures referred to in this Annual Information Form are estimates, and no assurances can be given that the indicated levels of nickel, copper, cobalt, gold or PGEs will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this Annual Information Form are well established, by their nature, resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was formed on April 5, 2005 as a result of a consolidation between Ventures Resources Corporation and Resource Holdings & Investments Inc. (“**RHI**”) pursuant to a plan of consolidation under the laws of the British Virgin Islands (the “**RHI Consolidation**”). The RHI Consolidation was a reverse takeover under the policies of the TSX Venture Exchange (the “**TSXV**”).

RHI was incorporated by memorandum and articles of association filed under the *BVI Business Companies Act, 2004* (British Virgin Islands) (the “**BVI Act**”) on July 8, 2004 for the purpose of engaging in the acquisition, exploration and development of mineral properties in Brazil. Following the RHI Consolidation, the properties and assets of RHI became the properties and assets of the Company and the name of the Company was changed to “Brazmin Corp.”.

Effective July 9, 2007, the Company changed its name from “BrazMin Corp.” to “Talon Metals Corp.” (the “**Name Change**”). No change to the Company’s capital structure resulted from the Name Change.

On March 24, 2010, the Company and Saber Energy Corp. (“**Saber**”) merged pursuant to a merger effected under the BVI Act (the “**Saber Merger**”). On closing of the Saber Merger, the properties and assets of Saber became the properties and assets of the Company. Talon survived the Saber Merger, retained its corporate name, “Talon Metals Corp.”, and continues to be governed by the provisions of the BVI Act.

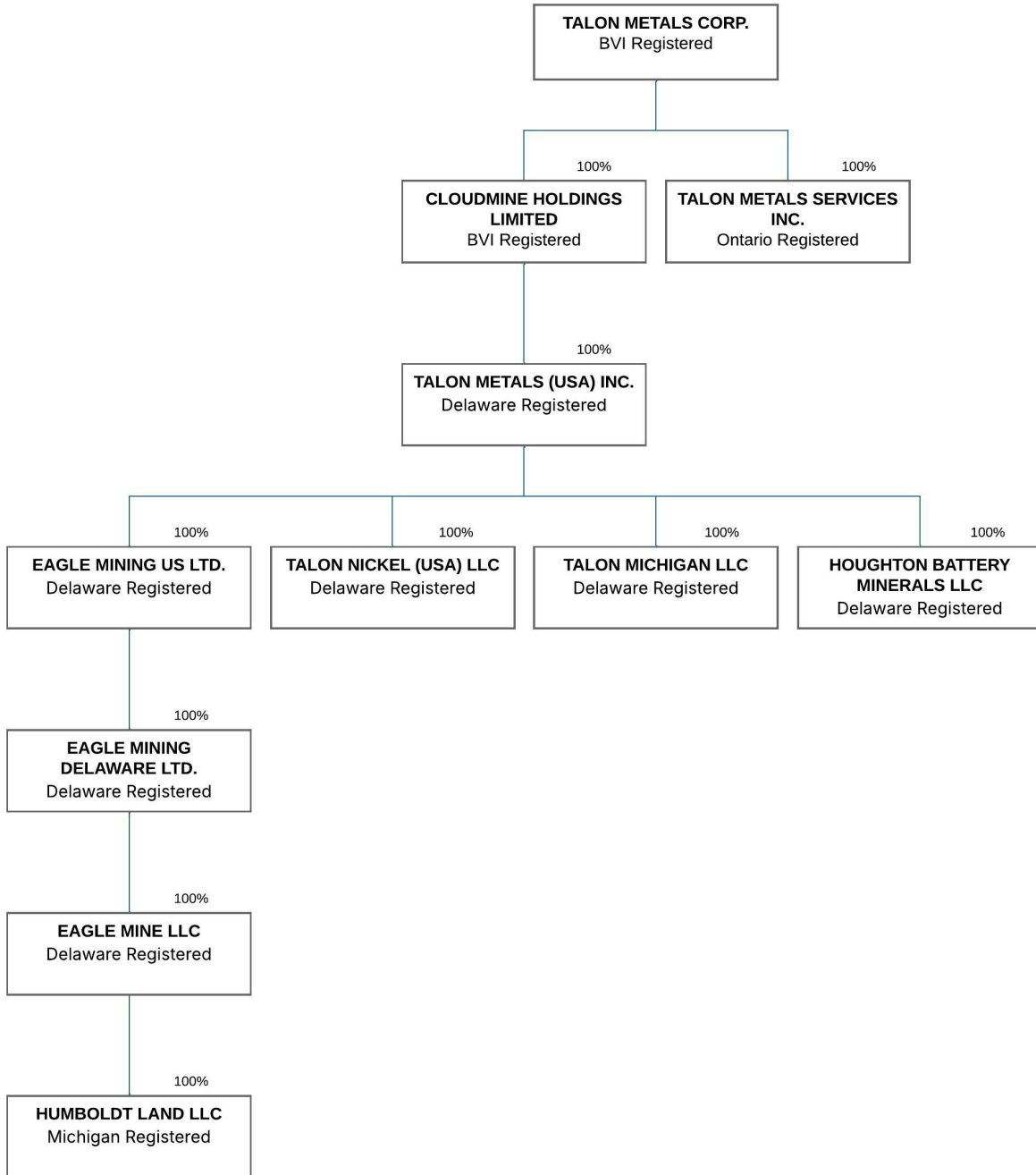
Pursuant to Talon’s memorandum of association under the BVI Act, it is authorized to issue one class and one series of shares divided into 100,000,000,000 common shares of no par value. The common shares of Talon are currently listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “TLO” and have been trading on the TSX since April 13, 2005.

Effective January 23, 2026, Talon completed a consolidation of its common shares on the basis of one post-consolidation Talon common share for every ten pre-consolidation Talon common shares (the “**Share Consolidation**”).

Talon’s head and registered office are located at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands. The registered office address of Talon’s representative in Canada, Talon Metals Services Inc., is 161 Bay Street, Suite 2700, Toronto, Ontario, Canada M5J 2S1. Talon is a reporting issuer in all provinces and territories of Canada.

Intercorporate Relationships

The following chart sets out all of the Company's subsidiaries as at the date hereof, their jurisdictions of incorporation and the Company's direct and indirect voting interest in each of these subsidiaries:



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

As at December 31, 2025, the Company was a mineral exploration 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, as at that date, the only material property of the Company was the Tamarack North Project, a description of which is set forth below under the heading “Description of the Business – Tamarack North Project”.

On January 9, 2026, the Company completed the acquisition of the Eagle Mine and associated Humboldt Mill in Michigan which expanded the Company’s business to include mining operations (for further information see “*Acquisition of Lundin Mining’s Eagle Mine and Humboldt Mill*” (below)).

The following summary describes the development of the Company’s business over the last three financial years, including acquisitions, dispositions and other factors which influenced the business of the Company.

Tamarack Earn-in Agreement and Tamarack Purchase Option

On June 25, 2014, Talon’s wholly owned indirect subsidiary, Talon Nickel (USA) LLC (“**Talon Nickel**”), entered into an exploration and option agreement (the “**Tamarack Earn-in Agreement**”) with Kennecott, part of the Rio Tinto Group, pursuant to which Talon Nickel received the right to acquire an interest in the Tamarack Project.

On January 4, 2016, pursuant to the terms of the Tamarack Earn-in Agreement, as amended, Talon Nickel earned an 18.45% interest in the Tamarack Project by making payments totalling US\$25,520,800 broken down as follows:

Option payments	\$ 1,000,000
Exploration	21,200,000
Land purchases	3,320,800
	<u>\$ 25,520,800</u>

On December 16, 2016, Talon Nickel entered into an amending agreement with Kennecott (the “**Tamarack Earn-in Third Amending Agreement**”) in respect of the Tamarack Earn-in Agreement (as amended). The Tamarack Earn-in Third Amending Agreement provided, among other things, that Kennecott may elect at any time up to and including September 25, 2017 to grant Talon Nickel the option to purchase the Tamarack Project for a total purchase price of US\$114 million (the “**Tamarack Purchase Option**”) or proceed with a joint venture (the “**Tamarack Joint Venture**”) in respect of the Tamarack Project (the “**Kennecott Decision Deadline**”).

On the Kennecott Decision Deadline, Talon Nickel received notification from Kennecott that it had decided to grant Talon Nickel the Tamarack Purchase Option on the terms of the Tamarack Earn-in Agreement (as amended).

On November 16, 2017, Talon Nickel elected not to exercise the Tamarack Purchase Option. As such, pursuant to the terms of the Tamarack Earn-in Agreement, as amended, Talon Nickel and Kennecott had 90 days to enter into the Mining Venture Agreement governing the terms of the Tamarack Joint Venture (see also “*Tamarack Joint Venture*” (below)).

On January 11, 2018, Talon Nickel and Kennecott entered into a fifth amending agreement (the “**Tamarack Earn-in Fifth Amending Agreement**”) in respect of the Tamarack Earn-in Agreement, as amended, pursuant to which they agreed, among other things, to enter into the Mining Venture Agreement with immediate effect.

Following the Tamarack Earn-in Fifth Amending Agreement, Talon Nickel elected to not financially participate in subsequent funding made in respect of the Tamarack Project. This resulted in dilution of Talon’s interest from 18.45% to 17.56%. Going forward, Talon Nickel is required to fund the Tamarack Project in accordance with the 2018 Option Agreement (defined below).

Tamarack Joint Venture

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

Pursuant to the Mining Venture Agreement:

- Kennecott was appointed “Manager” of the Tamarack Project, with a number of explicit duties and obligations as detailed under the terms of the Mining Venture Agreement.
- Talon Nickel and Kennecott established a management committee to determine overall policies, objectives, procedures, methods and actions under the Mining Venture Agreement, and to provide general oversight and direction to the Manager who is vested with full power and authority to carry out the day-to-day management under the Mining Venture Agreement. The Management Committee consists of two members appointed by Talon Nickel and two members appointed by Kennecott.
- Beginning with the first program and budget under the Mining Venture Agreement, each proposed program and budget must provide for an annual expenditure of at least US\$6.15 million until the completion of a Feasibility Study (as defined under the Mining Venture Agreement). The failure of either party to fund its share of each proposed program and budget will result in dilution (and in certain circumstances accelerated dilution) in accordance with the terms of the Mining Venture Agreement.
- In the event either party’s participating interest in the Tamarack Project dilutes below 10%, such party’s interest will be converted into a 1% Net Smelter Returns Royalty (as defined under the Mining Venture Agreement).
- In the event of a proposed transfer of either party’s interest in the Tamarack Project to a third party, the non-transferring party has a right of first refusal. In the event the non-transferring

party elects not to exercise its right of first refusal, the non-transferring party has a tag-along right, while the transferring party has a drag-along right.

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 (see also “*2018 Tamarack Option Agreement*” (below)).

2018 Tamarack 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 had the right to acquire a 51% interest in the Tamarack Project upon:

- (1) the payment of US\$6 million in cash to Kennecott (the “**Initial Cash Payment**”);
- (2) the issuance of US\$1.5 million worth of common shares of Talon to Kennecott (the “**Share Payment**”);
- (3) within 3 years of the effective date of the 2018 Option Agreement (March 13, 2022), Talon Nickel either spending US\$10 million or completing a pre-feasibility study on the Tamarack Project; and
- (4) within 3 years of the effective date of the 2018 Option Agreement (March 13, 2022), Talon Nickel paying Kennecott an additional US\$5 million in cash.

In late September 2021, approximately 6 months ahead of schedule, Talon completed all of the requirements and earned a 51% interest in the Tamarack Project. Rather than receiving US\$5 million in cash, Kennecott agreed to accept 10,543,333 units of Talon (each a “**KEX Earn-in Unit**”) at a deemed issuance price of C\$0.60 per KEX Earn-in Unit in full satisfaction of the US\$5 million cash obligation. Each KEX Earn-in Unit was comprised of one common share of Talon and one-half of one purchase warrant. Each whole warrant is exercisable to acquire a Talon common share until September 29, 2022 at an exercise price of \$0.80 per share.

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 US\$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 will be required to fund the Tamarack Project in accordance with their respective ownership interests, or be subject to dilution.

2019 Triple Flag Royalty Financing

On March 7, 2019, pursuant to a royalty agreement (the “**TF Royalty Agreement**”), Talon Nickel granted a net smelter returns royalty to TF R&S Canada Ltd. (formerly 10782343 Canada Limited), a subsidiary of Triple Flag Precious Metals Corp. (the “**Royalty Holder**”), in consideration of the payment of US\$5 million. The Company, together with its subsidiaries, Cloudmine Holdings Limited and Talon Metals (USA) Inc., agreed to guarantee the payment and performance obligations under the TF Royalty Agreement. The royalty was 3.5% of net smelter returns and will be based on Talon Nickel’s participating interest in the Tamarack Project (the “**2019 Triple Flag Royalty**”), except (i) where Talon Nickel’s interest reduces below 17.56%, in which case it will be paid assuming Talon Nickel’s interest is unchanged at 17.56% or (ii) where Talon Nickel has vested at 51% and Talon Nickel’s interest reduces below 51%, in which case it will be paid assuming Talon Nickel’s interest is unchanged at 51%; or (iii) where Talon Nickel has vested at 60% and Talon Nickel’s interest reduces below 60%, in which case it will be paid assuming Talon Nickel’s interest is unchanged at 60%.

The TF Royalty Agreement contained a one-time put right pursuant to which the Royalty Holder had an option, exercisable within 10 calendar days of March 7, 2022, to cause Talon Nickel to repurchase the entire 2019 Triple Flag Royalty for a cash payment of US\$8.6 million (the “**Put Right**”). In the event the Royalty Holder did not exercise the Put Right, Talon Nickel had a one-time option to reduce the percentage of the 2019 Triple Flag Royalty to 1.85% in exchange for cash in the amount of US\$4.5 million. On February 15, 2022, Talon Nickel entered into the 2022 Amended Royalty Agreement (defined below) with the Royalty Holder pursuant to which the Royalty Holder waived the Put Right and completed the early exercise of Talon Nickel’s right to reduce the 2019 Triple Flag Royalty on Talon Nickel’s interest in the Tamarack Project from 3.5% to 1.85% in exchange for the payment by Talon Nickel of US\$4.5 million to the Royalty Holder.

Talon and its related entities have provided security to the Royalty Holder to support the payment and performance obligations related to the 2019 Triple Flag Royalty and the guarantees. In connection with the TF Royalty Agreement, Talon issued the Royalty Holder 5,000,000 common share purchase warrants each exercisable to acquire one common share in the capital of the Company until March 7, 2022 at an exercise price of \$0.0826 per share.

The proceeds received by the Company from the TF Royalty Agreement and some of the proceeds from the March 2019 Private Placement (defined below) were used by the Company to make the Initial Cash Payment due to Kennecott under the 2018 Option Agreement.

Tesla Supply Agreement

On January 10, 2022, Talon Nickel and Tesla Inc. (“**Tesla**”) entered into an agreement with for the supply and purchase of nickel concentrate to be produced from the Tamarack Project (the “**Tesla Supply Agreement**”).

Pursuant to the terms of the Tesla Supply Agreement:

- Tesla has committed to purchase 75,000 metric tonnes (165 million lbs) of nickel in concentrate, representing a portion of the metals projected to be produced from the Tamarack Project. Tesla also has a preferential right under the Tesla Supply Agreement to negotiate the purchase of additional nickel concentrate over and above the initial 75,000 metric tonne commitment.
- The term is six (6) years or until a total of 75,000 metric tonnes (165 million lbs) of nickel in concentrate has been produced and delivered to Tesla. The Tesla Supply Agreement is conditional upon: (i) Talon earning a 60% interest in the Tamarack Project; (ii) Talon Nickel commencing commercial production at the Tamarack Project; and (iii) the parties completing negotiations and executing detailed supply terms and conditions.
- Talon Nickel agreed to use commercially reasonable efforts to achieve commercial production on or before January 1, 2026 at the Tamarack Project, which may be extended by the agreement of the parties for up to 12 months (“**SOP Date**”) following which Tesla has a 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.
- Talon Nickel and Tesla will work together to optimize nickel concentrate grades and metal recoveries.
- The purchase price to be paid by Tesla for the nickel in concentrate will be linked to the London Metals Exchange (LME) official cash settlement price for nickel. The parties have also agreed to share in any additional economics derived from by-products extracted from the nickel concentrate, such as iron and cobalt.

Reduction of 2019 Triple Flag Royalty

On February 15, 2022, Talon Nickel entered into an amended and restated royalty agreement (the “**2022 Amended TF Royalty Agreement**”) with the Royalty Holder pursuant to which the Royalty Holder waived the Put Right and completed the early exercise of Talon Nickel’s right to reduce the 2019 Triple Flag Royalty on Talon Nickel’s interest in the Tamarack Project from 3.5% to 1.85% in exchange for the payment by Talon Nickel of US\$4.5 million to the Royalty Holder.

On July 5, 2024, the 2022 Amended TF Royalty Agreement was amended in connection with the 2024 TF Royalty Agreement to clarify certain provisions and update the property schedule (the “**2024 TF Amendment Agreement**”).

Acquisition of Michigan Exploration Rights

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 US\$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 Properties upon the completion of 25,000 meters of drilling (the “**Stage One Requirement**”). Talon has 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%.

As partial consideration for entering into the UPX Option Agreement, Talon issued Kennecott 15,321,933 common shares of Talon at a deemed price of \$0.51 per share (based on the 5-day VWAP of the Talon shares on the TSX) in satisfaction of US\$6 million in payment obligations of UPX to KEX as a previous owner of the Michigan UPX Properties.

Upon Talon completing the Stage Two Requirement, UPX will be granted a 2% NSR royalty on the Michigan UPX Properties and 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, Talon has been issued Michigan State mineral leases for additional properties (see “*Michigan Department of Natural Resources Issues Talon State Mineral Leases*” (below)) and has obtained a right to explore certain other properties in Michigan that are not subject to the UPX Option Agreement. To the extent these additional properties are within an area of interest defined in the UPX Option Agreement, a royalty of 0.25% is payable to UPX.

US Department of Energy Provides Funding for Talon’s Buelah Minerals Processing Facility

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 “**Buelah Minerals Processing Facility**”) to be 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. The acquisition of an option to purchase the site in North Dakota was completed in May 2025 (see “*Westmoreland Option Agreement – Beulah Minerals Processing Facility*” (below)). 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.

Effective November 1, 2023, Talon Nickel entered into the definitive agreement with the US Department of Energy setting the terms, conditions, and performance milestones for US\$114.85 million in grant funding on a cost-share basis towards project development, construction and execution costs of the Buelah Minerals Processing Facility.

2023 Base Shelf Prospectus

On February 17, 2023, the Company filed a final short form base shelf prospectus (the “**2023 Base Shelf Prospectus**”) with the securities regulatory authorities in each of the provinces of Canada. Pursuant to the 2023 Base Shelf Prospectus, Talon was able 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 \$150 million during the 25-month period that the 2023 Base Shelf Prospectus remained effective. The 2023 Base Shelf Prospectus expired on March 17, 2025.

Submission of Environmental Assessment Worksheet for the Tamarack Project

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 and 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 in October 2023. A second round of comments on the EAW was received in February 2024 to which Talon responded in December 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 responses in December 2025, followed by an updated EAW data submittal in March 2026.

U.S. Department of War Provides Funding to Support 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 Talon’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 Department of War will

contribute funding on a cost-share basis to Talon’s in-house drilling and geophysics teams to, among other things, accelerate the Talon’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 Department of War agreed to expand the scope of work under the grant to include costs associated with the feasibility study and associated studies at the Tamarack North Project.

As part of the agreement, the Department of Defense will contribute US\$20,607,146 and Talon will contribute US\$21,783,150 in matching funding on a cost-share basis (including, use of existing equipment and current employee cost) over a period not to exceed 39 months.

In order for the Department of War 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 Protection Act*. This process has been completed for relevant drilling sites in Michigan, while work in this regard in connection with Minnesota is still ongoing.

October 2023 Private Placement

On October 17, 2023, the Company completed a non-brokered private placement of 80,350,000 common shares of the Company with an investor (the “**October 2023 Private Placement**”). The common shares were issued at a price of approximately \$0.27 per common share for aggregate gross proceeds of approximately \$21.7 million.

In connection with the October 2023 Private Placement, the Company entered into an investment agreement with the investor pursuant to which the Company granted the investor a contractual participation right in respect of future equity financings by the Company to allow the investor the ability to maintain its ownership interest in the Company.

Michigan Department of Natural Resources Issues Talon State Mineral Leases

In addition to the Michigan UPX Properties, on June 26, 2024, the Michigan Department of Natural Resources issued Talon Michigan LLC new mineral leases covering approximately 21,000 acres in the Upper Peninsula of Michigan (the “**Michigan State Leases**”). The 21,000 acres of state mineral leases augment the Michigan UPX Properties (see “*Acquisition of Michigan Exploration Rights*” (above)).

2024 Triple Flag Royalty Financing

On July 5, 2024, pursuant to a royalty agreement (the “**2024 TF Royalty Agreement**”), in return for \$10.9 million (US\$8.0 million), (i) 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 Talon Nickel’s interest in the Tamarack Nickel Project (subject to the TF Buy-Back Right further described below) (the “**New TF Royalty**”), and (i) the Company issued 8 million 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\$0.20 per share (taking into account the Share Consolidation – 800,000 common share purchase warrants at an exercise price of C\$2.00).

Up until July 5, 2026, subject to acceleration in certain circumstances, the Company has the right to buy-back (the “**TF Buy-Back Right**”) 0.67% of the New TF Royalty for US\$5.0 million, which would thereby reduce the New TF Royalty to 1.0%. The exercise of the TF Buy-Back Right is at the Company’s discretion.

U.S. Defense Logistics Agency Provides Funding to Support Studies of New Approaches to Enhance Nickel Recovery

On December 10, 2024, Talon Nickel was awarded a research and development contract from the Department of Defense’s Defense Logistics Agency (“**DLA**”) to fund scientific research on new approaches for extracting nickel, cobalt and iron from domestic nickel sulphide ores and tailings. DLA is funding a fixed amount of US\$2.47 million over a 15-month period for a R&D project titled “Building a Domestic Supply Chain of +99% Pure Nickel Powders and Value-Added Products for Clean Energy and Defense Related Manufacturing through a Novel Flowsheet to Process Domestically Sourced Polymetallic Sulphide Ores”.

Exclusivity Agreement with Lundin Mining Corporation

On March 5, 2025 Talon entered into an exclusivity agreement with Lundin Mining Corporation (“**Lundin Mining**”) for the parties to negotiate an earn-in agreement for Lundin Mining to acquire up to a 70% ownership interest in an area of interest (the “**Lundin Optioned Properties**”). The Lundin Optioned Properties form part of the Michigan Properties. Lundin Mining advanced Talon US\$5 million (the “**Advance Payment**”) to, among other things, commence drilling on the Lundin Optioned Properties. On September 30, 2025, Talon terminated the exclusivity agreement with Lundin Mining and on October 7, 2025, Talon issued 1,850,291 common shares to repay the Advance Payment.

Westmoreland Option Agreement – Beulah Minerals Processing Facility

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 Beulah Minerals Processing Facility (“**BMPF**”). Subject to an initial 3-month due diligence period for Talon Nickel, 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 anytime 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 15,000,000 consideration options (the “**Consideration Options**”) to purchase common shares of Talon with an exercise price of \$0.40 and an expiration date of August 27, 2028 (taking into account the Share Consolidation – 1,500,000 consideration options at an exercise price of C\$4.00).

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 will vest 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 cancelled. 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.

Upon the exercise of the Purchase Option by Talon Nickel, title to the Westmoreland Property will be transferred to Talon Nickel in consideration for Talon Nickel making future ore delivery payments to Westmoreland (the “**Westmoreland Land Purchase Price**”). Effective as of the first delivery of nickel bearing ore to the BMPF, Talon Nickel will pay Westmoreland US\$0.50 per metric ton of ore delivered to the BMPF (based on the nickel bearing ore having a grade between 1% and 5%). Any ore delivered that has a nickel grade of 1% or less will not be subject to any payment to Westmoreland in respect of such ore. Any ore delivered that has a nickel grade greater than 5% will be subject to a pro-rata increased payment relative to 5%. The Westmoreland Land Purchase Price is capped at US\$10 million.

June 2025 Private Placement

On June 18, 2025, the Company closed a “bought deal” private placement (the “**LIFE Offering**”) of units of the Company (the “**LIFE Units**”). In connection with the LIFE Offering, the Company issued an aggregate of 115,000,000 LIFE Units at a price of \$0.22 per LIFE Unit (the “**Offering Price**”) for gross proceeds of \$25,300,000.

Concurrent with the closing of the LIFE Offering, the Company closed a non-brokered private placement (the “**Non-LIFE Offering**”) through the issuance of 71,318,184 units of the Company (the “**Non-LIFE Units**”) at the Offering Price for gross proceeds of \$15,690,000. The Non-LIFE Offering was completed with certain directors, officers and affiliates of Pallinghurst Nickel International Ltd., as well as with Ivanhoe Capital Holdings, a holding company controlled by Robert Friedland.

Each LIFE Unit and Non-LIFE Unit are comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder thereof to acquire one common share (a “**Warrant Share**”) at a price of \$0.28 per Warrant Share (taking into account the Share Consolidation - \$2.80) for a period of 36 months from the closing date. In the event that the closing price of Talon’s common shares on the TSX for 20 consecutive trading days exceeds \$0.56 (taking into account the Share Consolidation - \$5.60), the Company may, within 10 business days of the occurrence of such event, deliver a notice (including by way of a news release) to the holders of the warrants accelerating the expiry date of the warrants to the date that is 30 days following the date of such notice.

Acquisition of Lundin Mining's Eagle Mine and Humboldt Mill

On January 9, 2026, Talon closed a transaction with Lundin Mining pursuant to which it acquired the producing Eagle Mine and associated Humboldt Mill (collectively may be referred to herein as “**Eagle**” or the “**Eagle mine**”) (the “**Eagle Transaction**”).

Under the terms of the Eagle Transaction share purchase agreement (the “**Eagle Transaction Share Purchase Agreement**”), Talon acquired 100% of the outstanding shares of Lundin Mining US Ltd. (“**Lundin SubCo**”), a wholly-owned subsidiary of Lundin Mining, which owned the Eagle Mine and Humboldt Mill (Talon subsequently changed the name of Lundin Subco to Eagle Mining US Ltd), in exchange for: (i) 275,152,232 Talon common shares; and (ii) the grant of a production payment royalty on ore from sources other than the Eagle Mine that is processed through the Humboldt Mill at a rate of US\$1.00 per tonne, up to a maximum aggregate payment of US\$20.0 million, representing 20 million tonnes of ore.

Concurrently with closing of the Eagle Transaction, Talon and Lundin Mining entered into an investor rights agreement (the “**Lundin Investor Rights Agreement**”) and a lock-up agreement (the “**Lundin Lock-Up Agreement**”). The Lundin Investor Rights Agreement provides Lundin Mining with certain board nomination rights, as well as participation rights in respect of future equity issuances by Talon to allow it to maintain its ownership interest, for so long as Lundin Mining has beneficial ownership of at least 10% of the Talon common shares. The Lundin Lock-Up Agreement provides for limitations on sales of Talon common shares by Lundin Mining during the two-year period following the date of the Lundin Lock-Up Agreement. The Lundin Lock-Up Agreement also provides that Lundin Mining will not acquire beneficial ownership of more than 19.99% of the Talon common shares during the one-year period following the date of the Lundin Lock-Up Agreement, subject to certain exceptions.

In addition, Lundin Mining has agreed to maintain and bear the cost of all financial assurances provided in respect of mining and reclamation operations of the Eagle Mine and Humboldt Mill until the board of directors of Talon makes a “Positive Final Investment Decision” in respect of developing a mine on any of Talon’s properties, provided that Talon uses commercially reasonable efforts to amend or replace such financial assurances.

Concurrent Private Placement with Lundin Family Trust

Concurrently with the signing of the Eagle Transaction Share Purchase Agreement, Talon signed a subscription agreement with a trust settled by the late Adolf H. Lundin (the “**Lundin Family Trust**”) pursuant to which the Lundin Family Trust agreed to purchase 1,855,578 Talon common shares, at a price of C\$4.19 per Talon common share, on a private placement basis for gross proceeds of approximately C\$7.8 million (the “**Lundin Family Trust Private Placement**”).

The TSX required shareholder approval of the Lundin Family Private Placement in accordance with Section 604(a)(i) of the TSX Company Manual and, on March 5, 2026, at a special meeting of Talon shareholders, Talon shareholders approved the Lundin Family Trust Private Placement and the Company closed the Lundin Family Trust Private Placement.

In connection with the closing of the Lundin Family Trust Private Placement, Talon and the Lundin Family Trust entered into an agreement that provides the Lundin Family Trust with a contractual right in respect of future equity offerings by Talon, so it has the ability to maintain its ownership interest in Talon.

Talon Completes Share Consolidation

Effective January 23, 2026, Talon completed the Share Consolidation.

DESCRIPTION OF THE BUSINESS

General

As at December 31, 2025, Talon was a mineral exploration company focused on the exploration and development of the Tamarack Project in Minnesota, USA (which is comprised of the Tamarack North Project and the Tamarack South Project). The Company, through Talon Nickel, holds a 51% interest in the Tamarack Project.

As of December 31, 2025, the Company's only material property was the Tamarack North Project.

On January 9, 2026, the Company completed the Eagle Transaction which expanded the Company's business to include mining operations (for further information on the Eagle Transaction see "General Development of the Business – Three Year History – *Acquisition of Lundin Mining's Eagle Mine and Humboldt Mill*" (above)).

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 Igneous Complex ("TIC"), which sits within the Tamarack North Project boundaries, is an ultramafic intrusion that is 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 characterised 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 has included diamond drilling and sampling, as well as a range of geophysical surveys, including, airborne magnetic and electromagnetic (EM, MegaTEM and AreoTEM), ground magnetic and EM, magnetotelluric (MT), gravity, seismic, resistivity/induced polarization and downhole EM.

Details regarding the terms of Talon’s interest in the Tamarack Project are set out under the heading “General Development of the Business” (above).

Mineral Resource Estimate

On October 19, 2022, Talon released an updated mineral resource estimate prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Minerals Projects* (“**NI 43-101**”) (the “**Resource Estimate**”). In support of the 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 “**November 2022 Technical Report**”). The 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 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 Golder (“**Golder**”) 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

Mineral Resources are in situ and reported at a 0.50% Ni cut-off.

Tonnage estimates are rounded down to the nearest 1,000 tonnes.

Fe in Sulphides % is based on sulphur concentration associated with sulphide minerals and a calculation of stoichiometric Fe concentration in Pentlandite and Pyrrhotite.

Mining recovery and dilution factors have not been applied to the estimates.

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: $NiEq\% = Ni\% + Cu\% \times \$3.75/\$9.50 + Co\% \times \$25.00/\$9.50 + Pt[g/t]/31.103 \times \$1,000/\$9.50/22.04 + Pd[g/t]/31.103 \times \$1,000/\$9.50/22.04 + Au[g/t]/31.103 \times \$1,400/\$9.50/22.04$. Fe is not included in the NiEq calculation.

No adjustments were made for recovery or payability.

The Resource Estimate did not apply mining recovery factors, however, there would be no material change to the nickel-equivalent grades reported in the Resource Estimate if reasonable assumptions for those factors were applied.

Please refer to the November 2022 Technical Report for further information, including the QA/QC, analytical and testing procedures employed at the Tamarack North Project. The 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.

The summary section from the November 2022 Technical Report is reproduced in its entirety at Exhibit I of this Annual Information Form and the detailed disclosure in the November 2022 Technical Report is incorporated by reference herein.

Dr. Etienne Dinel, 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 Annual Information Form (other than the information from the November 2022 Technical Report, including the Resource Estimate), including sampling, analytical and test data underlying the technical information.

The independent Qualified Persons who are responsible for the November 2022 Technical Report are Brian Thomas (P. Geo.) of Golder, Roger Jackson (P. Geo.) of Golder, Oliver Peters (P. Eng.) of Metpro Management Inc. and Christine Pint (P.G.) of Barr Engineering Co. They have reviewed, approved and verified the data disclosed in this Annual Information Form relating to the November 2022 Technical Report, including sampling, analytical and test data underlying the technical information in the November 2022 Technical Report. The independent Qualified Persons who are responsible for the Resource Estimate are Mr. Brian Thomas and Mr. Roger Jackson both of Golder. Messrs. Thomas and Jackson have reviewed, approved and verified the data disclosed in this Annual Information Form relating to the Resource Estimate including, sampling, analytical and test data underlying the Resource Estimate and has 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.

Specialized Skill and Knowledge

In order for the Company to perform its business effectively, the following specialized skills are required: miners, qualified geoscientists, engineers, legal advisors and financial experts and experienced investor relations and marketing people. Talon employs personnel with many of these skills. In addition, it procures the services of consultants and contractors to complement the skills of its employees, wherever necessary.

Trends

Nickel

During 2025, nickel prices traded in the range of approximately US\$6.25/lb to US\$7.50/lb. The key driver of supply is unprocessed and processed laterite nickel from countries such as Indonesia and the Philippines. Demand, meanwhile, is primarily driven by the production of stainless steel and usage of nickel in consumer and industrial applications. Over the medium-term, the nickel market is expected to grow significantly due to the increasing demand from electric vehicle batteries which should become meaningful in the late-2020's. A long-term trend impacting the nickel market has been the decreasing contribution of Class 1 nickel supply from nickel sulphide mines in favour of typically higher cost, more complex processing and more carbon-intensive nickel laterite mines in Indonesia. See also, among others, "Risk Factors – *Commodity Prices, Global Supply Dynamics and Market Structure*".

Copper

During 2025, copper prices traded in the range of approximately US\$3.85/lb to US\$5.70/lb. Global copper supply is much more diversified than nickel, with the major copper producing countries being Chile, Peru, the DRC, China and the USA. Nevertheless, Chile with 28-30% of global production is a major driver of supply and supply changes related to mine disruptions, new growth projects and declining grades. Demand, meanwhile, is driven by construction, electrical grids and general industry. The outlook for copper is a tight market for many years related to growing demand from the energy transition and data centres combined with the difficulty in finding and permitting new mines and declining grades. See also, among others, “Risk Factors – *Commodity Prices, Global Supply Dynamics and Market Structure*”.

Employees

As at December 31, 2025, Talon and its subsidiaries employed 72 individuals. In addition, Talon engages contractors and consultants from time to time to work on specific matters/projects and for technical, administrative, legal and other services as required.

Environmental Protection

Talon’s exploration and, if applicable, development activities are subject to various laws and regulations regarding the protection of the environment. Talon has in place fulsome environmental controls and procedures.

New environmental laws and regulations, amendments to existing laws and regulations, or more stringent implementation of existing laws and regulations could have a material adverse effect on Talon, both financially and operationally, by potentially increasing capital and/or operating costs and delaying or preventing the development of the Tamarack Project. See also “Risk Factors – *Environmental Compliance, Permitting and Social License Risk*”.

Competitive Conditions

The mining industry is intensely competitive in all of its phases. Talon competes with a number of other entities for resources, including qualified people. As a result of this competition, some of which is with companies with greater financial resources than Talon, it may be unable to acquire the necessary qualified people. Talon also competes for funding with other public resource companies, many of whom have greater financial resources and/or more advanced properties and who are better able to attract equity investments and other capital.

Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company. See also “Risk Factors – *Competition*”.

RISK FACTORS

Talon is subject to a number of risk factors due to the nature of the mineral business in which it is engaged. The following risk factors should be considered, among others.

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 other than the factors listed below, 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 following 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, increased maintenance costs and regulatory action.

Mineral Resource, Reserve and Mine Life Uncertainty

The Eagle mine'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 the Eagle mine 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 the Eagle mine. 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 the Eagle mine, 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 upon its ability to generate sufficient cash flow from the Eagle mine, obtain additional financing, receive government funding and/or successfully develop the Tamarack Project or another property into a profitable mine. There can be no assurance that the Company will be successful in achieving these objectives or that it will be able to meet its obligations as they become due.

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 US Department of War to contribute funding, on a cost share basis, for any of Talon's drilling and related activities only, Talon and the US 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 Protection Act*. If these regulatory matters are not completed or not completed satisfactorily, the US 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 and the Beulah Minerals Processing Facility

The Company has entered into a definitive agreement with the United States Department of Energy to provide grant funding for the proposed Beulah Minerals Processing Facility.

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 Company will be able to complete the development of the Beulah Minerals Processing Facility or that the associated funding will be received in full or on a timely basis.

Logistics, Off-Site Processing and Supply Chain Dependency

The Eagle mine 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 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 the proposed Beulah Minerals Processing Facility. 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 the Eagle mine 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 labour 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 labour 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

The Eagle mine 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 labour. 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

The 2024 TF Royalty Agreement provides Talon Nickel with a one-time right up to July 5, 2026 to reduce the percentage of the New TF Royalty to 1.00% in exchange for cash in the amount of US\$5 million. There is a risk that prior to Talon Nickel's one-time right expiring, Talon Nickel does not have the cash on hand required or does not elect to use cash on hand to reduce the percentage of the New TF Royalty. In such case, in respect of the New TF Royalty, Triple Flag US will continue to have a royalty of 1.67% (along with the original royalty, a total of 3.52%) of net smelter returns (to be paid out of Talon Nickel's participating interest in the Tamarack Project), which could negatively impact the overall economic viability of the Tamarack Project.

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, to create liens or other encumbrances, to 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 favour. 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.

Exchange Rate Risk

The Company is exposed to fluctuations in exchange rates between the Canadian dollar and the United States dollar. A significant portion of the Company's expenditures, including operating and development costs at the Tamarack Project and the Eagle mine, are denominated in United States dollars, while certain financing activities may be conducted in Canadian dollars.

Adverse movements in exchange rates may increase costs, affect cash balances and require the Company to raise additional capital. Exchange rate fluctuations may also affect the Company's ability to meet funding obligations in respect of the Tamarack Project, which could result in dilution of its interest or loss of project rights.

These risks could have a material adverse effect on the Company's business, 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.

DIVIDENDS

There are no restrictions in Talon’s memorandum or articles of association that would restrict or prevent the Company from paying dividends. It is not contemplated that any cash dividends will be paid on any of Talon’s common shares in the immediate future, as it is anticipated that all available funds will be reinvested to finance the growth of the business. Any decision to pay dividends on common shares in the future will be made by board of directors of the Company on the basis of earnings, financial requirements and other conditions existing at such time.

DESCRIPTION OF CAPITAL STRUCTURE

Talon is authorized to issue one class and one series of shares divided into 100,000,000,000 common shares of no par value. The common shares were listed for trading on the TSX on April 13, 2005.

As at December 31, 2025, prior to taking into account the Share Consolidation, the Company had 1,198,856,662 common shares issued and outstanding, each carrying the right to one vote.

The Share Consolidation became effective on January 23, 2026 and on that date the Company had 149,488,191 common shares issued and outstanding.

As at December 31, 2025, but taking into effect the Share Consolidation, the Company had authorized for issuance 11,380,686 stock options pursuant to its incentive stock option plan each stock option entitling the holder to purchase one common share.

As at December 31, 2025, but taking into effect the Share Consolidation, the Company had the following common share purchase warrants outstanding:

- 800,000 warrants issued to TF R&S Canada Ltd with each warrant entitling the TF R&S Canada Ltd to acquire one common share at an exercise price of \$2.00 until July 5, 2026.
- 7,094,029 warrants issued pursuant to the Life Offering and the Non-Life Offering with each warrant entitling the holder to acquire one common share at an exercise price of \$2.80 until June 18, 2028, subject to the acceleration (see “General Development of the Business – Three Year History – *June 2025 Private Placement*”).
- 143,750 broker warrants with each warrant entitling the holder to acquire one common share at an exercise price of \$2.80 until June 18, 2028.
- 1,500,000 warrants issued to Westmoreland with each warrant entitling Westmoreland to acquire one common share at an exercise price of \$4.00 until August 27, 2028, subject to vesting (see “General Development of the Business – Three Year History – *Westmoreland Option Agreement – Beulah Minerals Processing Facility*”).

Talon shareholders reconfirmed the continuation of an amended and restated shareholder rights plan between the Company and Computershare Investor Services Inc., as rights agent (the “**Rights Plan**”) at an Annual and Special Meeting held on June 22, 2023. The Rights Plan aims to ensure that all shareholders are treated equally and fairly in the event of a transaction that could

lead to a change in control of the Company. The Rights Plan also gives the board of directors more time to assess any unsolicited bid that may be made for Talon in the future and to explore and develop alternatives for maximizing shareholder value. Talon has not received an unsolicited bid and is not soliciting bids.

A copy of the Rights Plan has been filed on the Company's SEDAR+ profile at www.sedarplus.ca.

MARKET FOR SECURITIES

Trading Price and Volume

Talon's common shares are listed and posted for trading on the TSX under the symbol "TLO". The following table sets forth information relating to the trading of the common shares on the TSX for the periods indicated. Note that the periods and associated prices/volumes reflected below are prior to the Share Consolidation which was effective on January 23, 2026.

Period (2025)	Low	High	Total Volume
January	\$0.08	\$0.10	9,584,200
February	\$0.08	\$0.09	6,282,700
March	\$0.08	\$0.12	14,711,400
April	\$0.08	\$0.12	8,618,600
May	\$0.10	\$0.23	46,607,200
June	\$0.19	\$0.33	77,828,200
July	\$0.24	\$0.35	50,779,100
August	\$0.28	\$0.43	65,924,100
September	\$0.36	\$0.45	28,593,200
October	\$0.37	\$0.56	82,184,600
November	\$0.37	\$0.48	71,790,800
December	\$0.40	\$0.65	109,753,127

Prior Sales

The following table summarizes the securities of the Company that were issued during the financial year ended December 31, 2025, which are not listed or quoted on a marketplace. Note the “Price” and “Number Issued” have been adjusted to take into account the Share Consolidation.

Date of Issuance	Class of Security	Price	Number Issued
April 9, 2025	Stock Options	\$0.85	20,000
April 10, 2025	Stock Options	\$1.00	632,400
April 25, 2025	Stock Options	\$1.05	300,000
July 22, 2025	Stock Options	\$2.70	390,986
October 2, 2025	Stock Options	\$4.00	372,500
December 23, 2025	Stock Options	\$6.10	16,470
June 18, 2025	Warrants	\$2.80	9,315,909
August 27, 2025	Warrants	\$4.00	1,500,000
June 18, 2025	Broker Warrants	\$2.20	575,000

DIRECTORS AND OFFICERS

The following table sets forth the name, province or state and country of residence of each director and executive officer of Talon, as well as such individual's position with Talon, principal occupation within the five preceding years and period of service as a director (if applicable). Each director will hold office until the next annual meeting of shareholders of Talon and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

NAME, RESIDENCE AND CURRENT POSITION(S) WITH TALON	PRINCIPAL OCCUPATION DURING THE PAST FIVE YEARS	DIRECTOR SINCE
Juan Andrés Morel Lara ^(A) Región Metropolitana, Chile Chairman and Director	Chief Operating Officer of Lundin Mining Corporation (mining), August 2022 to present; Chief Executive Officer of CEMIN (mining), September 2020 to July 2022.	January 9, 2026
Jack O.A. Lundin British Columbia, Canada Director	President and CEO of Lundin Mining Corporation (mining), December 2022 to present; President and CEO of Bluestone Resources (mining), March 2017 to December 2022.	January 9, 2026
Gregory S. Kinross ⁽¹⁾⁽²⁾⁽³⁾ Israel Director	Director Novocap Equity Partners Limited (private credit consulting firm), January 2024 to March 2026; Director of Chiltern Finance Investments Inc. (private credit investment holding company), January 2024 to August 2024; Director of Everdon Limited (investment holding company), December 2022 to present; Non-Executive Chairman of Arrowhead Properties Limited (formerly Gemgrow Properties Limited) (real estate investment trust), September 2021 to January 2022; Non-Executive Director of Arrowhead Properties Limited, December 2016 to August 2021; CEO of Innovo Capital (Pty) Ltd (private equity and investment banking), January 2014 to present; Partner of Evolve Capital Partners (private equity and investment banking), March 2019 to March 2024.	April 5, 2005
John D. Kaplan ⁽¹⁾⁽³⁾⁽⁴⁾ Ontario, Canada Director	President of Runnymede Investment Inc. (land development/builder), 1999 to present; Chairman of Terra Firma Capital Corp. (real estate finance), October 2013 to February 2020.	June 24, 2013
David E. Singer ⁽¹⁾⁽³⁾ Israel Director	Managing Director of David Singer Ltd. (business consulting and services), March 2011 to present; Consultant to Macro Consultants LLC (project management), October 2004 to June 2020.	June 27, 2014
David L. Deisley Utah, USA Director	Retired, January 2019 to present.	April 12, 2016

NAME, RESIDENCE AND CURRENT POSITION(S) WITH TALON	PRINCIPAL OCCUPATION DURING THE PAST FIVE YEARS	DIRECTOR SINCE
Arne H. Frandsen England, United Kingdom Director	Co-Managing Partner and Co-Chief Executive of The Pallinghurst Group (investment fund), 2006 to present.	November 5, 2021
Frank D. Wheatley British Columbia, Canada Director	CEO of Snow Lake Resources Ltd. (mining), July 2023 to present; CEO of Wheatley Advisors Inc. (governance and ESG advisory), September 2020 to December 2024; Director of Endeavour Mining plc (mining), February 2021 to May 2021; Director of Teranga Gold Corporation (mining), October 2009 to February 2021.	November 9, 2021
Darby L Stacey Michigan, USA CEO and Director	CEO and Director of Talon, January 2026 to present; Managing Director of Eagle Mine, March 2020 to January 2026.	January 9, 2026
Mike D. Kicis Alberta, Canada President	President of Talon, January 2025 to present; Chief Legal Officer of Talon, February 2022 to December 2024; Corporate Secretary of Talon, June 2012 to December 2024; Vice President, Corporate Development & Legal Affairs of Talon, January 2013 to February 2022; Vice President, Corporate Development & Legal Affairs of Tau (mining and real estate investment and administrative and advisory services company), November 2010 to April 2022.	Not applicable
Vincent G. Conte Ontario, Canada Chief Financial Officer	Chief Financial Officer of Talon, June 2012 to present; Vice President, Financial Evaluation of Tau (mining and real estate investment and administrative and advisory services company), January 2011 to April 2022.	Not applicable
Brian Goldner Minnesota, USA Chief Exploration Officer	Chief Exploration Officer of Talon, January 2026 to present; Chief Exploration and Operations Officer of Talon, January 2022 to January 2026; Vice President, Exploration of Talon, April 2021 to December 2021; Principal Geologist of Rio Tinto (mining), May 2008 to March 2021.	Not applicable
Jessica Sandstrom Michigan, USA Vice President, Health, Safety & Human Resources	Vice President, Health, Safety & Human Resources of Talon, January 2026 to present; Manager, Health, Safety & Human Resources of Eagle Mine, January 2019 to January 2026	Not applicable
Stephen R. Beranek Jr. Michigan, USA Vice President, Projects and Environmental	Vice President, Projects and Environmental of Talon, January 2026 to present; Manager Environmental and Water Services of Eagle Mine, March 2023 to January 2026; Director Environmental, Permitting and Regulatory Affairs of Cleveland-Cliffs (mining), January 2021 to March 2023	Not applicable
Matthew D. Johnson Michigan, USA Vice President, Corporate Affairs	Vice President, Corporate Affairs of Talon, January 2026 to present; Manager External Affairs of Eagle Mine, June 2013 to January 2026	Not applicable

NAME, RESIDENCE AND CURRENT POSITION(S) WITH TALON	PRINCIPAL OCCUPATION DURING THE PAST FIVE YEARS	DIRECTOR SINCE
Etienne Dinel Ontario, Canada Vice President, Geology	Vice President, Geology of Talon, March 2012 to present; Senior Geologist of Tau (mining and real estate investment and administrative and advisory services company), August 2010 to April 2022.	Not applicable
Mark Groulx Arizona, USA Vice President, Project Development and Innovation	Vice President, Project Development and Innovation of Talon, July 2022 to present; Vice President, Mine Engineering of Talon, February 2020 to July 2022.	Not applicable
Christopher Wallace Alaska, USA Vice President, Environmental and Permitting	Vice President, Environmental and Permitting of Talon, February 2021 to present; Environmental Permitting and Compliance Coordinator of Hecla, January 2020 to January 2022.	Not applicable
Jessica Johnson Minnesota, USA Vice President, External Affairs	Vice President, External Affairs of Talon, December 2024 to present; Director, Community Engagement and Government Relations of Talon, August 2023 to December 2024; Community Outreach & Government Relations Manager of Talon, December 2022 to August 2023; Communities Coordinator of Talon, November 2019 to December 2022.	Not applicable
Henri van Rooyen ^(B) Ontario, Canada Former Executive Chairman, Director and CEO	Executive Chairman of Talon, January 2026 to March 2026; CEO of Talon, February 2012 to January 2026; Chief Operating Officer of Tau Capital Corp. (“ Tau ”) (mining and real estate investment and administrative and advisory services company), November 2007 to April 2022.	June 29, 2012 to January 26, 2026
Warren E. Newfield ^(C) Bahamas Former Executive Chairman and Director	Executive Chairman of Talon, October 2013 to January 2026; Chairman and CEO of Tau (mining and real estate investment and administrative and advisory services company), November 2007 to present; Ambassador-at-Large for Trade and Investment and Consul General of Grenada in Miami, May 2015 to May 2021.	April 5, 2005 to January 9, 2026

Notes:

- (1) Member of the Audit Committee.
- (2) Chairman of the Audit Committee.
- (3) Member of the Corporate Governance and Compensation Committee.
- (4) Chairman of the Corporate Governance and Compensation Committee.
- (A) Mr. Morel was appointed Chairman of the board of directors of the Company on March 26, 2026
- (B) Mr. van Rooyen stepped down from his position as CEO on January 9, 2026 and as Executive Chairman/Director on March 26, 2026
- (C) Mr. Newfield stepped down from his positions with the Company on January 9, 2026

As at the date hereof, the current directors and executive officers of Talon as a group beneficially owned, directly and indirectly, or exercised control or direction over 1,734,438 common shares, representing approximately 1.1% of the 153,866,225 issued and outstanding common shares as at the date hereof.

Corporate Cease Trade Orders or Bankruptcies

Other than as set out below, to the best of the Company's knowledge, no director or executive officer of the Company, is, or within the ten years prior to the date hereof, has been a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemptions under securities legislation for a period of more than 30 consecutive days:

- (i) that was issued while such director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the company being the subject of such order; or
- (ii) that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of the company being the subject of such order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of the subject company.

Other than as set out below, to the best of the Company's knowledge, no director or executive officer of Talon, or a shareholder holding a sufficient securities number of Talon to affect materially the control of Talon is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including Talon) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings or arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In November 2015, Mr. Gregory Kinross, a director of the Company, was appointed to the board of directors of Pefaco International plc, a Maltese public company ("**Pefaco**") listed on the Malta Stock Exchange. Mr. Kinross was appointed as a director nominee for a group of investors (collectively, the "**Consortium**"), the Consortium being minority shareholders of Pefaco, through their nominee, Calamatta Cuschieri Investment Services Limited C-13729 ("**Calamatta**").

Shortly following Mr. Kinross' appointment to the board of Pefaco, Mr. Kinross and the other non-executive directors on the board identified a number of serious shortcomings in the operations of Pefaco which they felt were prejudicial to the shareholders and Pefaco. These concerns included (i) not providing the non-executive directors with adequate corporate information, (ii) not providing the auditors with important information, (iii) non-payment to certain creditors, and (iv) obstruction in holding proper directors' meetings.

In observing their duties as directors, Mr. Kinross and the other non-executive directors flagged these issues directly (as a whistle-blower) with Calamatta as nominee shareholder and other key shareholders who in turn launched an action against Pefaco under the Companies Act in Malta. In the action against Pefaco, Mr. Kinross was a key witness against Pefaco which was instrumental in the judgment against Pefaco.

The ultimate effect of the adverse judgment against Pefaco was that Pefaco was delisted from the Malta Stock Exchange and thereafter was subject to a liquidation proceeding.

Penalties or Sanctions

To the best of the Company's knowledge, no director or executive officer of Talon, and no shareholder holding a sufficient number of securities of Talon to affect materially the control of Talon, nor any personal holding company of any such person, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the best of the Company's knowledge, no director or executive officer of Talon, and no shareholder holding sufficient securities of Talon to affect materially the control of Talon, nor any personal holding company of any such person, has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Conflicts of Interest

The directors of Talon are required to act honestly and in good faith with a view to the best interests of Talon and to disclose any interests that they may have in any project or opportunity of Talon. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

Except as set out below, to the best of Talon's knowledge, there are no known existing or potential conflicts of interest among Talon, its directors, officers or other members of management of Talon as a result of their outside business interests at the date hereof.

Certain of the directors and officers and other members of management serve as directors, officers and members of management of other resource companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of Talon. Specifically, (i) Mr. Arne Frandsen is a director of Talon and also a director and the holder of a beneficial interest in Pallinghurst which owns an approximate 10% interest in Talon, (ii) Mr. Lundin is a director of Talon and also the President and CEO of Lundin Mining which owns an approximate 19.4% interest in Talon, and (iii) Mr. Morel is the Chairman of Talon and also the COO of Lundin Mining which owns an approximate 19.4% interest in Talon.

The directors and officers of Talon have been advised of their obligations to act at all times in good faith in the interest of Talon and to disclose any conflicts to Talon if and when they arise.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the directors and officers of Talon, there are no legal proceedings material to Talon, to which Talon or its subsidiaries, are or were a party to, or of which any of their respective property is or was the subject matter of, during the financial year ended December 31, 2025, nor are any such proceedings known to be contemplated.

To the knowledge of the directors and officers of Talon, no penalties or sanctions have been imposed against Talon or its subsidiaries by a court relating to securities legislation or by a regulatory authority during the financial year ended December 31, 2025, no penalties or sanctions have been imposed against Talon by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision in respect of Talon, and no settlement agreements have been entered into by Talon before a court relating to securities legislation or with a securities regulatory authority during Talon's financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, to the best of the Company's knowledge, no director or executive officer of Talon, nor any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of Talon's outstanding voting securities, nor any associate or affiliate of the foregoing have had a material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year, which has materially affected or is reasonably expected to materially affect Talon.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of Talon is Computershare Investor Services Inc. at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts entered into by the Company during its most recently completed financial year or entered into prior to the most recently completed financial year, but after January 1, 2004, and that are still in effect, other than in the ordinary course of business, are as follows:

- the Mining Venture Agreement (see "General Development of the Business – Three Year History – *Tamarack Joint Venture*");
- the 2018 Option Agreement (see "General Development of the Business – Three Year History – *2018 Tamarack Option Agreement*");

- the 2022 Amended TF Royalty Agreement (see “General Development of the Business – Three Year History – *2019 Triple Flag Royalty Financing; Reduction of 2019 Triple Flag Royalty*”);
- the 2024 TF Amendment Agreement (see “General Development of the Business – Three Year History – *Reduction of 2019 Triple Flag Royalty*”);
- the 2024 TF Royalty Agreement (see “General Development of the Business – Three Year History – *2024 Triple Flag Royalty Financing*”);
- the Warrant Indenture between Talon and Computershare Trust Company of Canada dated June 18, 2025 in respect of the Life Unit warrants (see “General Development of the Business – Three Year History – *June 2025 Private Placement*”);
- the Supplemental Warrant Indenture between Talon and Computershare Trust Company of Canada dated January 23, 2026 in respect of the Life Unit warrants after the Share Consolidation (see “General Development of the Business – Three Year History – *June 2025 Private Placement and Share Consolidation*”);
- the Eagle Transaction Share Purchase Agreement (see “General Development of the Business – Three Year History - *Acquisition of Lundin Mining’s Eagle Mine and Humboldt Mill*”);
- the Lundin Investor Rights Agreement (see “General Development of the Business – Three Year History - *Acquisition of Lundin Mining’s Eagle Mine and Humboldt Mill*”); and
- the Lundin Lock-Up Agreement (see “General Development of the Business – Three Year History - *Acquisition of Lundin Mining’s Eagle Mine and Humboldt Mill*”).

INTERESTS OF EXPERTS

To the best of the Company’s knowledge, Brian Thomas of Golder, Roger Jackson of Golder, and Christine Pint (P.G.) of Barr Engineering Co, the qualified persons under whose supervision the November 2022 Technical Report was prepared (and Brian Thomas/Roger Jackson in respect of the Resource Estimate), do not own, or hold any beneficial interest, direct or indirect in, any securities or property of Talon or of its associates or affiliates. Oliver Peters of Metpro Management Inc, does not have a material interest in any securities or property of Talon or of its associates or affiliates.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the charter of the audit committee of the Company’s board of directors is attached hereto as Exhibit II.

Composition of the Audit Committee

The following table provides information relating to each member of the audit committee, including his name, a description of whether he is (i) independent of Talon, and (ii) financially literate, and a summary of his relevant education and experience.

Name	Independent of Talon	Financially Literate	Relevant Education and Experience
Gregory S. Kinross	Yes	Yes	Chartered Accountant designation (South Africa). Extensive public and private company management experience, including: Director of Novocap Equity Partners Limited (private credit consulting firm), January 2024 to March 2026; Director of Chiltern Finance Investments Inc. (private credit investment holding company), January 2024 to August 2024; Non-Executive Chairman of Arrowhead Properties Limited (formerly Gemgrow Properties Limited) (real estate investment trust), September 2021 to January 2022; Non-Executive Director of Arrowhead Properties Limited, December 2016 to August 2021; CEO of Innovo Capital (Pty) Ltd (private equity and investment banking), January 2014 to present; Partner of Evolve Capital Partners (private equity and investment banking), March 2019 to March 2024; Director of Genesis Innovo Capital (Pty) Ltd. (private equity and investment banking), January 2015 to January 2019; Non-Executive Director of Indluplace Properties Limited (real estate investment trust), December 2014 to September 2019; President & CEO of Tau, November 2007 to December 2013; President of CIC Energy, November 2007 to October 2012; President & CEO of CIC Energy Corp., 2006 to November 2007.
John D. Kaplan	Yes	Yes	Director and senior officer of Runnymede Investment Inc. (“ Runnymede ”), a diversified real estate company with more than ten active residential development projects representing some 5000 units. Responsible for directing and overseeing the annual audit of Runnymede for more than 15 years. In addition, past Chairman of Terra Firma Capital Corp. (a TSXV listed real estate finance company), October 2013 to February 2020.
David E. Singer	Yes	Yes	Has a J.D. and B.A. (Economics) from university. Over 30 years of business/legal experience representing and advising companies, many of them publicly listed. Has held positions within companies as CEO and COO, requiring extensive financial literacy.

Audit Committee Oversight

During the financial year ended December 31, 2025, all recommendations of the audit committee to nominate or compensate an external auditor were adopted by the board of directors.

Pre-Approval Policies and Procedures

It is the responsibility of the audit committee to pre-approve all non-audit services to be provided to Talon by its external auditors. This is mandated in the Audit Committee Charter.

External Auditor Service Fees

The following table summarizes the total fees billed by MNP LLP, Talon's auditor, during the years ended December 31, 2025 and December 31, 2024.

CATEGORY	2025	2024
Audit Fees	\$171,770	\$151,329
Audit Related Fees	-	-
Tax Fees	\$17,862	\$16,098
All Other Fees	-	-

ADDITIONAL INFORMATION

Additional information concerning the Company may be found on SEDAR+ at www.sedarplus.com.

Additional financial information is contained in the Company's audited financial statements and management's discussion and analysis for the year ended December 31, 2025.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors.

EXHIBIT I

Executive Summary Section from the November 2022 Technical Report

The summary in this Exhibit I does not purport to be a complete summary of the Tamarack North Project and is subject to all of the assumptions, qualifications and procedures set out in the November 2022 Technical Report and is qualified in its entirety with reference to the full text of the November 2022 Technical Report, which is incorporated by reference herein. Readers should read the summary in this Exhibit I in conjunction with the November 2022 Technical Report which is available electronically under the profile of the Company at www.sedarplus.com. Capitalized terms used herein and not otherwise defined shall carry the meanings of such terms in the AIF.

Introduction

The Company retained Golder Associates Ltd. (“**Golder**”), a member of WSP, as well as Metpro Management Inc. (“**Metpro**”) and Barr Engineering Co. (“**Barr**”) to prepare an update to the Mineral Resource Estimate (“**MRE**”) and a technical report prepared in accordance with NI 43-101 for the Tamarack North Project, being the November 2022 Technical Report. The purpose of the November 2022 Technical Report is to support the disclosure of a material change to the MRE based on drilling completed since the technical report entitled “NI 43-101 Technical Report Updated Preliminary Economic Assessment (PEA) #3 of the Tamarack North Project – Tamarack, Minnesota” with an effective date of January 8, 2021 (“**PEA #3**”). As a result of the supply agreement entered into between Talon and Tesla on January 10, 2022 (“**Tesla Supply Agreement**”), the November 2022 Technical Report also introduces the inclusion of Iron (Fe) in Sulphides % in the MRE as a payable by-product.

The Tamarack Project, located in Minnesota, USA, comprises the Tamarack North Project and the Tamarack South Project. The Tamarack Project is currently 51% owned by the Company through its wholly-owned indirect subsidiary, Talon Nickel (collectively in this summary, “**Talon**”), and 49% owned by Kennecott.

Qualified Person (“**QP**”) site visits to the Tamarack North Project site were conducted by (i) Mr. Brian Thomas (P.Geol.) July 16, 2014, (ii) Mr. Roger Jackson (P.Geol.) between May 9-10, 2022, and (iii) Ms. Christine Pint (P.G) on October 5, 2017, and September 28, 2022. Mr. Peters has not conducted a site visit. Mr. Thomas, Mr. Jackson, Ms. Pint and Mr. Peters are independent QPs, as defined under NI 43-101.

On November 7, 2018, Talon and Kennecott entered into an exploration and option agreement (the “**2018 Tamarack Earn-in Agreement**”) pursuant to which Talon has the right, subject to certain funding and reporting obligations, to increase its interest in the Tamarack Project to a maximum 60% interest. The 2018 Tamarack Earn-in Agreement came into effect on March 13, 2019 (the “**Kennecott Agreement Effective Date**”) and Talon is the operator of the Tamarack Project.

Location and Ownership

The Tamarack Project is located in north-central Minnesota, approximately 89 kilometres (km) (55 miles) west (W) of Duluth and 210 km (130 miles) north (N) of Minneapolis, in Aitkin County. The Tamarack North Project, which the November 2022 Technical Report represents, covers

approximately 20,348 acres. The town of Tamarack (population 62, 2020 US Census Bureau) lies within the boundaries of the Tamarack Project (though away from the known mineralization) at an elevation of 386 metres (m) (1,266 feet (ft)) above sea level. The Tamarack Project area is characterized by farms, plantations, wetlands, and forested areas.

On June 25, 2014, Talon entered into an exploration and option agreement with Kennecott (the “**2014 Tamarack Earn-in Agreement**”) pursuant to which Talon received the right to acquire an interest in the Tamarack Project.

On January 4, 2016, pursuant to the terms of the 2014 Tamarack Earn-in Agreement, as amended, Talon earned an 18.45% interest in the Tamarack Project by making payments totalling US\$25,520,800.

On January 11, 2018, Talon and Kennecott entered into a mining venture agreement (the “**Original MVA**”). Pursuant to the Original MVA, Talon elected not to financially participate in the 2018 winter exploration program at the Tamarack Project. Consequently, Talon’s interest in the Tamarack Project was diluted to 17.56%.

On November 7, 2018, Talon and Kennecott entered into the 2018 Tamarack Earn-in Agreement pursuant to which Talon was granted the right to increase its interest in the Tamarack Project to a maximum 60% interest.

Pursuant to the 2018 Tamarack Earn-in Agreement, Talon took over operatorship of the Tamarack Project and has earned a 51% interest in the Tamarack Project. Talon has the right to further increase its interest in the Tamarack Project to 60% by:

- Completing a Feasibility Study (“**FS**”) on the Tamarack Project within seven years of the Kennecott Agreement Effective Date; and
- Paying Kennecott US\$10M on or before the seventh anniversary date of the Kennecott Agreement Effective Date.

Upon Talon earning a 60% interest in the Tamarack Project, the parties have agreed to enter into a new mining venture agreement (the “**New MVA**”) under which Talon would assume the role of Manager of the Tamarack Project, and the parties would each be required to fund their pro rata share of expenditures in respect of the Tamarack Project or be diluted.

Item 4.0 of the November 2022 Technical Report contains further details regarding Talon’s interest in the Tamarack Project.

Environmental Considerations and Permitting

The Tamarack North Project will be subject to state and federal environmental review and permitting processes. Throughout the regulatory approval processes, Talon is required to demonstrate that the Tamarack North Project can avoid or mitigate potential environmental impacts in accordance with regulatory requirements, informed by input from tribal governments and community considerations. That demonstration relies in part on the baseline data and studies described in Item 20.1 of the November 2022 Technical Report and the additional environmental

work that is expected to be conducted in 2023, described in Item 26.4 of the November 2022 Technical Report.

Substantial baseline data collection and studies have been completed to date or will be completed by the end of 2022, which include the following:

- Hydrogeologic studies, including investigation activities of the Quaternary deposits and Bedrock and baseline water level data collection;
- Surface water hydrology studies and baseline flow data collection;
- Water quality monitoring of groundwater and surface water;
- Wetland studies, including delineations, soil sampling, porewater sampling and baseline water level data collection;
- Materials characterization studies, including assessment of the ore, development rock and overburden;
- Biological studies, including aquatic biota, vegetation, wild rice and wildlife studies;
- Cultural resource studies; and
- Noise survey.

The Tamarack North Project will undergo environmental review, a Minnesota State Environmental Impact Statement (“EIS”) will be prepared, and potentially a federal Environmental Assessment or Environmental Impact Statement. Significant permits and approvals will be needed, including a Permit to Mine, Section 404 Wetland Permit, an Air Permit, a National Pollutant Discharge Elimination System (“NPDES”) permit, and others. Project permit applications will be prepared once the project design and operation basis have been established. EIS development and permitting include closure plans and analyses to assure satisfactory long-term environmental conditions. A detailed closure plan will be developed in future studies. Talon currently has all of the exploration permits required to continue exploration work on the property.

Talon maintains open communications with regulatory agencies to keep regulators informed on project activities and future plans. Talon has also maintained engagement with the community by hosting quarterly information sessions. The primary purpose of these engagements is to share information and gather feedback that can help shape the project plans.

Talon has advised the Mineral Resource QPs that it is not aware of any environmental liabilities or other significant factors or risks which may affect access, title, or the right or ability to perform work on the Tamarack North Project. The QPs have not independently verified this information as described in Item 3.0 of the November 2022 Technical Report.

Geology, Mineralization, and Exploration

The Tamarack Intrusive Complex (“TIC”) is an ultramafic to mafic intrusive complex that hosts nickel (Ni)-copper (Cu)-cobalt (Co) sulphide mineralization with associated platinum (Pt), palladium (Pd) (PGEs) and gold (Au). The TIC is a multi-magmatic phase intrusion that consists of a minimum of two pulses: the fine grained ortho-cumulate olivine (“FGO”) and the coarse-

grained ortho-cumulative (“**CGO**”) intrusion of the TIC (dated at 1105 Ma \pm 1.2 Ma, Goldner 2011). The FGO and CGO intrusions are related to the early evolution of the approximately 1.1 Ga Midcontinent Rift (“**MCR**”) and have intruded into slates and greywackes of the Thomson Formation of the Animikie Group, which formed as a foreland basin during the Paleoproterozoic Penokean Orogen (approximately 1.85 Ga, Goldner 2011). The TIC is completely buried beneath approximately 35 m to 55 m of Quaternary age glacial and fluvial sediments. The TIC is consistent with other earlier intrusions associated with the MCR that are often characterized by more primitive melts.

The geometry of the TIC, as outlined by a well-defined aeromagnetic anomaly, consists of a curved, elongated intrusion striking north-south (NS) to southeast (SE) over 18 km. The configuration has been likened to a tadpole shape with its elongated, northern tail up to 1 km wide and large, 4 km wide, ovoid shaped body in the south (S). The northern portion of the TIC, being the Tamarack North Project, which hosts the currently defined MRE and identified exploration targets, is over 7 km long and is the focus of the November 2022 Technical Report.

The Ni-Cu-Co sulphide mineralization with associated PGEs and Au formed as the result of segregation and concentration of liquid sulphide from mafic or ultramafic magma and the partitioning of chalcophile elements into the sulphide from the silica melt (Naldrett, 1999). The various mineralized zones at the Tamarack North Project occur within different host lithologies, exhibit different types of mineralization styles, and display varying sulphide concentrations and tenors. These mineralized zones range from massive sulphides hosted by altered sediments in the massive sulphide unit (“**MSU**”), to net textured and disseminated sulphide mineralization hosted by the CGO in the semi-massive sulphide unit (“**SMSU**”), a predominantly disseminated sulphide mineralization as well as layers of net textured sulphide mineralization, in the 138 Zone to a disseminated sulphide with a basal massive sulphide at the FGO/MZNO footwall in the CGO East and CGO West (Table 1.1). Mineralization in the 138 Zone, where interlayered disseminated and net textured mineralization occurs, is also referred to as mixed zone (“**MZ**”) mineralization. All these mineralization types are typical of many sulphide ore bodies around the world. The current known mineral zones of the Tamarack North Project (SMSU, MSU, CGO East, CGO West, and 138 Zone) that are the basis of the MRE are referred to collectively as the “**Tamarack Resource Area**”. Also located within the Tamarack North Project are currently, three lesser-defined mineral zones, namely the 480 Zone, 221 Zone, and 164 Zone.

Table 1.1: Key Geological and Mineralization Relationships of the Tamarack North Project

Area	Mineral Zone	Host Lithology	Project Specific Lithology	Mineralization Type
Tamarack Zone	SMSU	Feldspathic Peridotite	CGO	Net textured and disseminated sulphides
	MSU	Meta-Sediments/ Peridotite (basal FGO mineralization)	Sediments	Massive sulphides
	138 Zone	Peridotite and Feldspathic Peridotite	MZNO/FGO	Disseminated and net textured sulphides
	CGO East and West	Feldspathic Peridotite	CGO	Disseminated sulphides
Peridotite FW (basal FGO and MZNO mineralization)		FGO/MZNO	Disseminated, Mixed and massive sulphides	
Other	221 Zone	Feldspathic Peridotite	CGO	Disseminated sulphides with ripped up clasts of massive sulphides
	480 Zone	Peridotite	FGO	Disseminated sulphides
	164 Zone	Peridotite	FGO	Blebby sulphides, sulphides veins

The TIC and associated mineralization were discovered as part of a regional program by Kennecott initiated in 1991. The focus on Ni and Cu sulphide mineralization was intensified in 1999 based on a model proposed by Dr. A.J. Naldrett of the potential for smaller feeder conduits associated with continental rift volcanism and mafic intrusions to host Ni sulphide deposits similar to Norilsk in Russia, and Voisey’s Bay in Canada.

Disseminated mineralization was first intersected at the Tamarack Project in 2002, and the first significant mineralization of massive and net-textured sulphides was intersected in 2008 at the Tamarack North Project.

To date, exploration has included a wide range of geophysical surveys, including:

- Airborne magnetics and electromagnetics (“**AEM**”) (fixed wing and helicopter based);
- Ground magnetics;
- Surface electromagnetics (“**EM**”);
- Surface gravity;
- Magnetotellurics (“**MT**”);
- Induced polarization (“**IP**”);
- Seismic;
- Mise-à-la-masse (“**MALM**”);
- Magnetometric resistivity (“**MMR**”); and
- Downhole electromagnetics (“**DHEM**”).

Kennecott and Talon have conducted extensive drilling at the Tamarack North Project since 2002. This drilling has comprised 439 diamond drill holes (as of October 10, 2022) totalling

172,711.65m with holes between 26.8 m and over 1,236 m depth for an average hole depth of 393 m.

Sample Preparation, Quality Assurance (QA) / Quality Control (QC) and Security

The Talon sample preparation and QA/QC protocol is consistent with industry best practices. The QA/QC program is based on insertion of certified reference materials (“CRM”), including a variety of standards, blanks, and duplicate samples, used to monitor the contamination, precision and accuracy of their primary assay lab, and to prevent inaccurate data from being accepted into their assay database.

Talon uses a system of security tags to secure plastic bins used to ship samples from the core shack to the assay lab, ensuring that they have not been tampered with. Samples are prepared and stored in a secure facility and are monitored each step of the way to the lab. Before the bin is sealed, a chain of custody form is placed in the plastic bin, which is signed by the lab and returned to Talon upon receipt.

It is the QP’s opinion that the sampling process is representative of the mineralization at the Tamarack North Project and that the sample preparation, the QA/QC procedures used, and the sample chain of custody were found to be consistent with Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) Mineral Exploration Best Practice Guidelines (November 2018).

Data Verification

Resource Data Verification

The QP compared recent assay data from the 2021-2022 drilling program from the Talon database to the original assay certificates from ALS Minerals for a representative population used for resource estimation. No errors were noted for the base metals, however minor errors were identified with the precious metals. These errors were found to not be material to the MRE but will be corrected by Talon.

A QP site visit was conducted May 9-10 of 2022, by Roger Jackson, P. Geo., of Golder, in which three drill hole collar locations were surveyed using a hand-held global positioning system (“GPS”) and then compared the coordinates to those provided by Talon. All collars were found to be consistent with the Talon collar coordinates, within the accuracy of the GPS.

As part of the 2022 site visit, the QP conducted verification sampling of drill core representing massive sulphide, semi-massive sulphide and disseminated mineralization. A total of 15 samples were taken along with two additional CRM samples, consisting of one high grade standard and one medium grade standard. Assay values from the verification sample program were consistent with results obtained by Talon, while higher precious metal variances were attributed to the nugget effect.

It is the QP’s opinion that the Tamarack North Project drill hole database has been prepared in accordance with CIM Mineral Exploration Best Practice Guidelines (November 2018) and is of suitable quality to support the MRE in update.

Metallurgical Data Verification

The assays results used to generate metallurgical mass balances were generated by SGS Lakefield in Ontario. The analytical lab is ISO/IEC 17025 certified, which is the international reference for testing and calibration laboratories wanting to demonstrate their capacity to deliver reliable results.

The validity of the mass balances is verified by comparing the direct head assay of a sample with the reconstituted head assay from the individual flotation products.

Mineral Processing and Metallurgical Testing

The flotation flowsheet and conditions that were established in the 2016/2017 program were further optimized using a composite that represented the entire 8.02 Mt of mineralized material that was reported in PEA #3. The head grade of this composite was 1.69% Ni and 0.95% Cu. The primary focus of the program was to produce Ni and Cu concentrates that provide marketing optionality. The program considered three possible scenarios for the flotation concentrates :

- The Ni Concentrate Scenario would include shipping both Ni and Cu concentrates to smelters for processing.
- The Ni Powder Scenario would include shipping Cu concentrate to a smelter for processing, and transferring Ni concentrate to a co-located facility for production of Ni powder.
- The Ni Sulphate Scenario would still ship the Cu concentrate to smelters, but the Ni concentrate would be converted to Ni sulphates in a hydrometallurgical facility.

The Tesla Supply Agreement eliminated the Ni Concentrate Scenario and the Ni Sulphate Scenario. Under the Tesla Supply Agreement, the Ni concentrate will be delivered to Tesla for further processing instead of at a co-located Ni powder facility. The Cu concentrate will be shipped to a copper smelter.

Since iron in the Ni concentrate may become a payable by-product, the original flowsheet was revised to provide process flexibility to maximize Fe sulphide recovery into the Ni concentrate while minimizing the entrainment of gangue minerals.

Mineral Resource Estimate

This MRE has been prepared by Mr. Roger Jackson (M.Sc., M.Eng., P.Geo), Senior Resource Geologist at Golder, under the supervision of Brian Thomas (P.Geo.), Principal Resource Geologist at Golder, and is summarized in Table 1.2. The effective date of the MRE is October 10, 2022. Mr. Brian Thomas and Mr. Roger Jackson are independent QPs pursuant to NI 43-101.

Table 1.2: Tamarack North Project MRE Effective Date October 10, 2022

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:

Mineral Resources are in situ and reported at a 0.50% Ni cut-off.

Tonnage estimates are rounded down to the nearest 1,000 tonnes.

Fe in Sulphides % is based on sulphur concentration associated with sulphide minerals and a calculation of stoichiometric Fe concentration in Pentlandite and Pyrrhotite.

Mining recovery and dilution factors have not been applied to the estimates.

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: $NiEq\% = Ni\% + Cu\% \times \$3.75/\$9.50 + Co\% \times \$25.00/\$9.50 + Pt[g/t]/31.103 \times \$1,000/\$9.50/22.04 + Pd[g/t]/31.103 \times \$1,000/\$9.50/22.04 + Au[g/t]/31.103 \times \$1,400/\$9.50/22.04$. Fe is not included in the NiEq calculation.

The NiEq values are added for information purposes only, and not used to calculate the %Ni cut-off grade.

No adjustments were made for recovery or payability.

The MRE was derived using Datamine RM® software, with metal grades interpolated into manually constructed mineral domain envelopes (“**wireframes**”). All domains had top-cuts applied to restrict outlier values. The block sizes were 5 m x 5 m x 5 m for the USMSU, LSMSU and the 138 Zone domains, and 2.5 m x 2.5 m x 2.5 m blocks for the MSU, CGO West and CGO East domains. Except for a small portion of the MSU domain, all resource domains were “unfolded” and utilized Ordinary Kriging (OK) methodology to interpolate grades (Ni, Cu, Co, Pt, Pd, Au and S) from either 1.5 m (USMSU, LSMSU, 138 Zone domains) or 1.0 m (MSU, CGO West, CGO East domains) composited drill holes. Specific Gravity (“**SG**”) estimates were based on laboratory measurements taken from cut core and where absent, regression formula values were calculated.

Fe in Sulphides % estimates were derived by the calculation of the stoichiometric amount of Fe contained in the amount of Pyrrhotite (Po) and Pentlandite (Pn), based on the estimated Ni, Cu, and Sulphur (S) grades in the resource block model. Refer to Item 14.6.5 for additional details.

The MRE was reported on a “blocks above cut-off” basis, using a 0.5% Ni cut-off, and was then examined visually by the QP and found to have good continuity and reasonable prospects for potential economical extraction using conventional underground mining methods.

The QP is unaware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or any other potential factors that could materially impact the Tamarack North Project MRE provided in the November 2022 Technical Report.

The MRE may be materially impacted by the following:

- Changes in the break-even COG, as a result of changes in mining costs, processing recoveries, or metal prices.
- Changes in geological knowledge/interpretation, as a result of new exploration data.

The listing of Fe in Sulphides % was calculated using some basic mineralogical assumptions, and although potential metallurgical recovery is currently unknown, it has been included in the MRE due to potential value as a by-product. If the by-product value of recoverable Fe, primarily contained in Pyrrhotite (Po), is significant it could potentially support a decrease to Ni % grade cut-off.

Conclusions

Data Verification and Mineral Resource Estimate (MRE)

It is the QP’s opinion that the information relating to geology, exploration and MRE presented in the November 2022 Technical Report is representative of the Tamarack North Project. The QP’s validation of the Talon assays against the original certificates and the check assays provides confidence that the assay dataset is of suitable quality to support the basis of the MRE stated in the November 2022 Technical Report.

The mineral resources models were constructed incorporating the current geological understanding of the deposits, using the appropriate data described above, and using the appropriate modelling methodologies. The QP performed exploratory data analysis of the assay data, selected appropriate composite lengths, and applied appropriate estimation parameters for the estimation of grades into block model cells. For this MRE, the QP has applied professional judgement and followed the guidance provided in the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019).

The QP has taken reasonable steps to ensure the block model and MRE is representative of the project data, but notes that there are risks related to the accuracy of the estimates related to the following:

- The assumptions used by the QP to prepare the data for resource estimation;

- The accuracy of the interpretation of mineralization;
- Estimation parameters used by the QP;
- Assumptions and methodologies used to estimate SG;
- Orientation of drill holes;
- Geological variability of the deposit;
- The cut-off grades and related assumptions of commodity prices, mining costs and metallurgical recovery.

For these reasons, actual results may differ materially from the reported MREs.

Metallurgy

Metallurgical process development continued through 2021 and 2022 and confirmed the robustness of the primary flowsheet that was presented in PEA #3. The flowsheet was extended with a primary and secondary scavenger cleaning circuit to incorporate a higher level of process flexibility. The optimized flowsheet will facilitate the generation of a 10% Ni concentrate and a separate high-Fe sulphide concentrate, or a lower-grade Ni concentrate with high Fe sulphide content in addition to a Cu concentrate.

Reagent optimization work that was completed in 2021 resulted in updated Ni regression curves with up to 10% higher Ni rougher recoveries for lower grade samples and 2-3 % Ni recovery gains for high grade composites.

The low levels of deleterious elements in the Cu and Ni concentrates are not expected to trigger any penalty payments. The MgO content in the Ni concentrate of the composite was just below the typical 5% threshold of smelters. Also, optimization work to limit gangue recovery into the flotation concentrates is ongoing.

Credits for by-products will mostly derive from Cu and Co with potentially minor contribution from Au, Pt, and Pd. Further, Fe in Sulphides % in the Ni concentrate may become a major by-product.

Environmental

Baseline environmental studies expanded in 2022 and early coordination meetings with the Minnesota DNR, the lead state agency, have begun to discuss the environmental review process. Baseline data collection for resource areas needed for environmental review and permitting are either underway or planned for 2023. The studies completed to date have not identified any environmental issue that could materially impact the ability to mine the resource. It is the QP's opinion that the existing baseline data, and the additional studies and reports planned for 2023 will provide adequate information for the Responsible Government Units ("RGUs") to scope and prepare an EIS.

It will be important for Talon to continue to engage with the agencies, tribes and various stakeholders throughout the environmental review and permitting processes.

Recommendations

Exploration, Drilling and Geophysics

In PEA #3, it was recommended that Talon should focus on resource expansion and definition drilling to progress towards a Prefeasibility Study and eventually a Feasibility Study. It was estimated that between 25,000 m and 30,000 m of drilling would be required, mostly focused on expansion of the Tamarack North Project's current resource area.

Since that time Talon has drilled approximately 49,100 metres, discovering CGO East and CGO West while also increasing contained nickel by 98% in the Indicated Mineral Resource category. Contained nickel in MSU/MMS (Indicated Mineral Resource category) increased by 570%.

On January 20, 2022, Talon signed the Tesla Supply Agreement to supply 75kt of nickel in concentrate over a period of 6 years, starting 2026, which means that Talon has proceeded with the Ni Powder Scenario as contemplated in PEA #3.

Since January 2021, Talon has developed an Advanced Exploration System (“AES”), which is a unique combination of:

- Magnetotellurics (“MT”) Surface Electromagnetic (“EM”), and passive seismic survey equipment operated by Talon's team of geophysicists;
- Five Talon owned and operated drill rigs, producing at a significantly reduced cost per metre, compared to historical cost;
- Borehole electromagnetic (“BHEM”) and X-hole Seismic Survey equipment also operated by Talon's team of geophysicists;
- Talon's team of onsite geologists responsible for core-logging, geological modelling and exploration planning; and
- Talon's pseudo real-time assay estimating, resource modelling and mine planning system that allows Talon to rapidly prioritize new discoveries according to economic potential.

Additionally, Talon's AES is unique as it is the only holistic system designed to discover and delineate high grade nickel along the MCR in a few years instead of decades.

We therefore recommend that Talon continue exploration along the Tamarack North Project portion of the TIC while focusing on the following areas that show high grade potential:

- Determine if the CGO West mineral resources connect to the Main Zone MSU and if connected, drill the resource into the Indicated mineral resource category. This work is estimated to require 3,000 to 5,000m of drilling;
- Determine if the CGO East mineral resources connect to the Main Zone MSU and if connected, drill the resource into the Indicated mineral resource category. This work is expected to require 3,000 to 5,000m of drilling;
- Determine if the MSU below the 138 Zone terminates or extends to the northeast and/or south towards high grade mineralization intercepted in the 164 Zone. Due to the large area

between the MSU in the 138 Zone and the 164 Zone this work is expected to require 10,000 m of drilling; and

- Deploy the AES in the 221 Zone and 264 Zone to determine the size and extent of high-grade nickel MSU/MMS. Due to the complete lack of drilling between these zones this work is expected to require 15,000 m or more of drilling.

Mineral Resource

The updated MRE provides a reasonable representation of the in situ mineral resources. Recommendations to improve future estimations and to potentially increase mineral resources include:

- Collecting more laboratory SG measurements, in particular for the disseminated mineralization (CGO-West, CGO-East, 138 Zone). The current method of SG determination, using the ALS Minerals OA-GRA08b method, is appropriate for the types of sulphide mineralization in the Tamarack North Project deposits;
- Change the collar location of future drilling into the MSU and LSMSU Domains to provide different intersection angles through the mineralization. This would provide better information on the lateral extents of the sulphide mineralization;
- Conduct new geometallurgical test work on the Tamarack North Project mineralization to confirm the precious metal recoveries in the current flowsheet;
- Conduct additional electron micro-probe test work on the Tamarack North Project mineral domains to better define the elemental composition of the sulphide minerals. Additional test results could better support the approximation of the Fe in Sulphides % algorithm;
- Document the results of metallurgical test work related to Fe in Sulphides % recovery.

Mineral Processing and Metallurgical Testing

The following recommendations are made for metallurgical activities:

- Complete the process development of Talon's high recovery nickel, iron, copper and cobalt flowsheet to maximize metal and sulphur recoveries to concentrates, while reducing sulphur in the tailings;
- Continue flowsheet development with other downstream partners to produce high purity nickel and iron
- Investigate the commercialization of sulphur, produced from the Tamarack North Project's nickel concentrates;
- Continue to explore carbon sequestration and/or the production of Supplementary Cementitious Material ("SCM").

If the above activities are successful, Talon will be able to valorize 100% of each tonne of rock, which means maximum environmental protection while deriving significantly higher economic benefits compared to the present nickel supply chain.

Environmental Studies, Permitting, and Social or Community Impact

Recommendations related to environmental review and permitting include additional studies and models to estimate potential environmental impacts, as well as reports that will provide the information needed for development of the EIS.

Talon should collect additional baseline data for groundwater (level and quality), surface water (flow and quality), wetlands (water levels and water quality), vegetation, materials characterization (static and kinetic testing), noise, and biological studies. A meteorological station is being installed at the Tamarack North Project site and monitoring should be conducted. In addition, an archaeological reconnaissance survey and a historic architectural survey and assessment should be planned for 2023.

Modelling potential impacts to the environment from the Tamarack North Project is recommended to commence in early 2023. Modelling efforts should include air modeling, water quantity and quality impact modeling, as well as noise impact modelling. Visual impact analysis should also be performed to establish the visibility of the Tamarack North Project features, and a traffic study should be conducted.

In 2023, Talon should produce the reports and plans needed to support the development of a Draft EIS. These documents would be in five categories: the SEAW, baseline data reports, modelling reports, resource reports, and management plans. These reports would also support preparation of permit applications.

In partnership with the community, Talon should build upon current community engagement plans to:

- Identify potential community impacts and opportunities connected to project operations;
- Develop community investment plans that align with the community's long-term development goals;
- Ensure best in class community engagement and understanding of project operations; and
- Promote equal opportunities for good-paying, high quality jobs with involvement of organized labor in the design and establishment of operations.

Feasibility Study (FS)

At this time, there is sufficient resource knowledge, geotechnical data, and environmental baseline data for Talon to commence with a FS for the development of a mine and rail loadout facility at the Tamarack North Project and an out-of-state battery minerals processing facility. The engineering work for the FS will consist of three main scope areas:

- Underground mine;
- Surface facilities at underground mine; and
- Processing Facility.

Environmental and regulatory considerations must be taken into account during every step of the engineering design, as well as opportunities for innovation and cost savings. Models for CAPEX, OPEX, and revenue will be created in order to develop a definitive economic analysis of the project.

Budget for Recommended Work

Item	Description	Amount (US\$)	Amount (C\$)
1.0	Exploration, Drilling, Geophysics and Mineral Resource	\$5,900,000	\$8,000,000
2.0	Metallurgy and Processing	2,200,000	2,900,000
3.0	Environmental Studies, Permitting, Social or Community Impact and Government Relations	10,000,000	13,600,000
4.0	Engineering and Feasibility Study	12,000,000	16,400,000
5.0	Tamarack Land Package	1,000,000	1,400,000
6.0	Local Site Costs, Legal Support, Data Management and Other	2,400,000	3,200,000
	Total	\$33,500,000	\$45,500,000

EXHIBIT II

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF TALON METALS CORP.

(Initially adopted by the Board of Directors on April 20, 2005; last amended March 12, 2010)

I. PURPOSE

The audit committee (the “**Audit Committee**”) is a committee of the board of directors (the “**Board of Directors**”) of Talon Metals Corp. (the “**Corporation**”). The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to the financial accounting and reporting process and internal controls for the Corporation by:

- reviewing the financial reports and other financial information before such reports and other financial information is provided by the Corporation to any governmental body or the public;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation’s external auditors and providing an open avenue of communication among the external auditors, financial and senior management and the Board of Directors;
- serving as an independent and objective party to monitor the Corporation’s financial reporting process and internal controls, the Corporation’s processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements; and
- encouraging continuous improvement of, and fostering adherence to, the Corporation’s policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Part III of this Charter. The Audit Committee’s primary function is to assist the Board of Directors in fulfilling its responsibilities. It is, however, the Corporation’s management which is responsible for preparing the Corporation’s financial statements and it is the Corporation’s external auditors which are responsible for auditing those financial statements.

II. COMPOSITION AND MEETINGS

The Audit Committee is to be comprised of such number of directors (but at least three) as determined by the Board of Directors, all of whom must be “independent” directors (as such term is defined in Schedule “A”). All members of the Audit Committee must, to the satisfaction of the Board of Directors, be “financially literate” (as such term is defined in Schedule “A”).

The members of the Audit Committee must be elected by the Board of Directors at the annual organizational meeting of the Board of Directors and serve until their successors are duly elected. Unless a Chairman is elected by the full Board of Directors, the members of the Audit Committee may designate a Chairman by majority vote of the full Audit Committee membership.

The Audit Committee is to meet at least four times annually (and more frequently if circumstances require). The Audit Committee is to meet prior to the filing of quarterly financial statements to review and discuss the unaudited financial results for the preceding quarter and the related management discussion & analysis (“MD&A”) and is to meet prior to filing the annual audited financial statements and MD&A in order to review and discuss the audited financial results for the year and related MD&A.

As part of its role in fostering open communication, the Audit Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their oversight related duties, members of the Audit Committee are to be provided with full access to all corporate information and are to be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and external auditors of the Corporation.

A quorum for the transaction of business at any meeting of the Audit Committee is (the presence in person or by telephone or other communication equipment of) a simple majority of the total number of members of the Audit Committee or such greater number as the Audit Committee may by resolution determine. If within one hour of the time appointed for a meeting of the Audit Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting will consist of the members then present.

Should a vacancy arise among the members of the Audit Committee, the remaining members of the Audit Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

Meetings of the Audit Committee are to be held from time to time at such place as the Audit Committee or the Chairman of the Audit Committee may determine, within or outside the British Virgin Islands (other than in Canada), upon not less than three days’ prior notice to each of the members. Meetings of the Audit Committee may be held without three days’ prior notice if all of the members entitled to vote at such meeting who do not attend, waive notice of the meeting and, for the purpose of such meeting, the presence of a member at such meeting shall constitute waiver on his or her part. The Chairman of the Audit Committee, any member of the Audit Committee, the Chairman of the Board of Directors, the Corporation’s external auditors, or the Chief Executive Officer, Chief Financial Officer or Secretary of the Corporation is entitled to

request that the Chairman of the Audit Committee call a meeting. A notice of the Audit Committee may be given verbally, in writing or by telephone, fax or other means of communication, and need not specify the purpose of the meeting.

The Audit Committee shall keep minutes of its meetings which shall be submitted to the Board of Directors. The Audit Committee may, from time to time, appoint any person who need not be a member, to act as secretary at any meeting.

All decisions of the Audit Committee will require the vote of a majority of its members present at a meeting at which quorum is present. Action of the Audit Committee may be taken by an instrument or instruments in writing signed by all of the members of the Audit Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Audit Committee called for such purpose. Such instruments in writing may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall:

Generally

1. Create an agenda for the ensuing year.
2. Review and update this Charter at least annually, prepare revisions to its provisions where conditions so dictate and submit such proposed revisions to the Board of Directors for approval.
3. Describe briefly in the Corporation's annual report and more fully in the Corporation's management information circular or its annual information form ("AIF") the Audit Committee's composition and responsibilities and how they were discharged, and otherwise assist management in providing the information required by applicable securities legislation (including the form requirements under National Instrument 52-110) in the Corporation's AIF.
4. Report periodically to the Board of Directors.
5. Conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities. The Audit Committee shall be empowered to retain and compensate independent counsel, accountants and other professionals to assist it in the performance of its duties as it deems necessary.
6. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

Documents/Reports Review

7. Review the Corporation's interim and annual financial statements, results of audits as well as all interim and annual MD&A and interim and annual earnings press releases prior to their publication and/or filing with any governmental body, or the public.
8. Review policies and procedures with respect to directors' and senior officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the external auditors, based on terms of reference agreed upon by the external auditors and the Audit Committee.
9. Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure addressed in paragraph 7 of this part, and periodically assess the adequacy of such procedures.
10. Review the audited annual financial statements to satisfy itself that they are presented in accordance with general accepted accounting principles.
11. Provide insight to related party transactions entered into by the Corporation.

External Auditors

12. Recommend to the Board of Directors the selection of the external auditors, considering independence and effectiveness, and approve the fees and other compensation to be paid to the external auditors. Instruct the external auditors that the Board of Directors, as the shareholders' representative, is the external auditors' client.
13. Monitor the relationship between management and the external auditors, including reviewing any management letters or other reports of the external auditors and discussing and resolving any material differences of opinion between management and the external auditors.
14. Review and discuss, on an annual basis, with the external auditors all significant relationships they have with the Corporation to determine their independence.
15. Pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by the external auditors.
16. Oversee the work and review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant. Consider with management and the external auditors the rationale for employing accounting/auditing firms other than the principal external auditors.
17. Periodically consult with the external auditors out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the completeness and accuracy of the Corporation's financial

statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.

18. Ensure that the external auditors report directly to the Audit Committee, ensure that significant findings and recommendations made by the external auditors are received and discussed with the Audit Committee on a timely basis and arrange for the external auditors to be available to the Audit Committee and the full Board of Directors as needed.
19. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Corporation's external auditors.

Financial Reporting Processes

20. In consultation with the external auditors, review the integrity of the Corporation's financial reporting processes, both internal and external.
21. Consider the external auditors' judgments about the quality and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices.
22. Consider and approve, if appropriate, major changes to the Corporation's accounting principles and practices as suggested by management with the concurrence of the external auditors and ensure that management's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

23. Establish regular and separate systems of reporting to the Audit Committee by each of management and the external auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
24. Review the scope and plans of the external auditors' audit and reviews prior to the audit and reviews being conducted. The Audit Committee may authorize the external auditors to perform supplemental reviews or audits as the Audit Committee may deem desirable.
25. Following completion of the annual audit and quarterly reviews, review separately with management and the external auditors any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditors received during the course of the audit and reviews
26. Review and resolve any significant disagreements between management and the external auditors in connection with the preparation of the financial statements.

27. Where there are significant unsettled issues, the Audit Committee is to assist in arriving at an agreed course of action for the resolution of such matters.
28. Review with the external auditors and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.
29. Review activities, organizational structure, and qualifications of the Corporation's Chief Financial Officer and staff in the financial reporting area and see to it that matters related to succession planning within the Corporation are raised for consideration to the full Board of Directors.

Ethical and Legal Compliance

30. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
31. Review and update periodically a code of business conduct and ethics (the "**Code of Conduct**") and ensure that management has established a system to enforce the Code of Conduct. Review appropriateness of actions taken to ensure compliance with the Code of Conduct and to review the results of confirmations and violations thereof.
32. Review management's monitoring of the Corporation's systems in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
33. Review, with the Corporation's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the Corporation's financial statements.

Risk Management

34. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage, and obtain the external auditors' opinion of management's assessment of significant financial risks facing the Corporation and how effectively such risks are being managed or controlled.

The foregoing list is not exhaustive. The Audit Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities and duties.

Currency of Charter

35. This charter was last revised and approved by the Board of Directors on March 12, 2010.

Schedule “A”

Independence and Financial Literacy

Independence Requirement of National Instrument 52-110

National Instrument 52-110 - *Audit Committees* (“NI 52-110”) provides, in effect, that a member of the Audit Committee is “**independent**” if that member has no direct or indirect material relationship with the Corporation which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of such member’s independent judgment.

Section 1.4 of NI 52-110 provides that the following individuals are considered to have a “material relationship” with the Corporation and, as such, would not be considered independent:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
- (c) an individual who: (i) is a partner of a firm that is the Corporation’s internal or external auditor, (ii) is an employee of that firm, or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual: (i) is a partner of a firm that is the Corporation’s internal or external auditor, (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years.

Section 1.5 of NI 52-110 provides that despite any determination made under section 1.4 of NI 52-110, an individual who

- (i) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary entity of the Corporation, other than as remuneration for acting in his or her own capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
- (ii) is an affiliated entity of the Corporation or any of its subsidiary entities,

is considered to have a material relationship with the Corporation.

For purposes of determining whether or not a member has a material relationship with the Corporation, the terms set out below shall have the following meanings:

“affiliated entity” - a person or company is considered to be an affiliated entity of another person or company if (a) one of them controls or is controlled by the other or if both persons or companies are controlled by the same person or company, or (b) the person is an individual who is (i) both a director and an employee of an affiliated entity, or (ii) an executive officer, general partner or managing member of an affiliated entity;

“company” - any corporation, incorporated association, incorporated syndicate or other incorporated organization;

“control” - the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise;

“executive officer” of an entity - means an individual who is (a) a chair of the entity; (b) a vice-chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity;

“immediate family member” – an individual’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the individual or the individual’s immediate family member) who shares the individual’s home;

“person” - an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative; and

“subsidiary entity” - a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other’s subsidiary entity.

Financial Literacy

NI 52-110 provides that a director will be considered **“financially literate”** if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.