



Board of County Commissioners Agenda Request

4A

Agenda Item #

Requested Meeting Date: January 6, 2026

Title of Item: Talon Metals Updates



REGULAR AGENDA



CONSENT AGENDA

Action Requested:



Approve/Deny Motion



Adopt Resolution (attach draft)



Hold Public Hearing **provide copy of hearing notice that was published*



Direction Requested



Discussion Item



Information Only

Submitted by:

David Minke

Department:

Administration

Presenter (Name and Title):

Jessica Johnson, VP External Affairs - Talon Metals

Estimated Time Needed:

20 minutes

Summary of Issue:

Jessica Johnson will be providing updates on Talon Metals' latest news.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:

Information Only.

Financial Impact:

Is there a cost associated with this request?



Yes



No

What is the total cost, with tax and shipping? \$

Is this budgeted?



Yes



No

Please Explain:

TSX:TLO : OTC:TLOFF



Creating a Multi-Asset U.S. Nickel-Copper Company

Uniting Lundin Mining's Eagle Mine and Humboldt Mill with Talon's Tamarack Nickel-Copper Project, Beulah Minerals Processing Facility and Michigan and Minnesota exploration assets in direct response to the need for U.S. critical minerals

December 18, 2025

Conditions of Presentation and QP



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Dr. Etienne Diné, Vice President, Geology of Talon, is a Qualified Person within the meaning of NI 43-101. Dr. Diné is satisfied that the analytical and testing procedures used are standard industry operating procedures and methodologies, and he has reviewed, approved and verified the technical information in this presentation, including sampling, analytical and test data underlying the technical information.

Forward-Looking Information



This presentation contains certain “forward-looking statements”. All statements, other than statements of historical fact that address activities, events or developments that Talon believes, expects or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of Talon based on information currently available to Talon. Such forward-looking statements include, among other things, statements relating to the Transaction and Concurrent Private Placement, including the impact and anticipated benefits of the Transaction; the anticipated timing of the completion of the Transaction and the Concurrent Private Placement; changes to the Talon Board; implementing the Consolidation and the effective date thereof; the pro-forma capitalization; the receipt of grant money and the timing thereof from the Department of Energy, the Defense Logistics Agency and the Department of Defense; future exploration work, the Company’s expectations with respect to its financial resources (sources and uses), objectives and plans and the timing associated therewith.

Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on Talon.

Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: changes in commodity prices, including nickel; changes to US Department of Energy, Defense Logistics Agency and Department of Defense grant funding; negative metallurgical results; changes in interest rates; COVID-19; the wars in Ukraine and Israel and other civil unrest; tariffs and trade restrictions; risks inherent in exploration results, timing and success, including the failure to identify mineral resources or mineral reserves; the uncertainties involved in interpreting geophysical surveys (including DHEM, MMR, Surface EM, RIM), drilling results and other geological data; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources); uncertainties relating to the financing needed to further explore and develop the Tamarack Nickel Project or to put a mine into production; the costs of commencing production varying significantly from estimates; unexpected geological conditions; changes in power prices; unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third-party contractors, inability to obtain or delays in receiving government or regulatory approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); political risk, social unrest, and changes in general economic conditions or conditions in the financial markets.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Talon disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Talon believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Talon Metals to Acquire Lundin Mining's Eagle Mine & Humboldt Mill

Creating a Multi-Asset U.S. Nickel-Copper Company

Immediate Transition to Cash-Flowing Operations

Post-closing, Talon transitions from a single-asset developer to a producing U.S. nickel-copper company through the Eagle Mine and Humboldt Mill, providing operating cash flow and technical depth.

De-Risked Operating Platform

Eagle's decade-long record of safe, efficient, and environmentally responsible operations materially reduces execution risk and provides a proven operating template for future asset development.

Execution Support for Tamarack and BMPF

The Tamarack Nickel-Copper Project and planned BMPF benefit from direct integration with an experienced operating team that has successfully designed, built, permitted, and operated a modern underground mine and concentrator.

Embedded Growth and Optionality

Large, consolidated land packages in Michigan and Minnesota offer multiple future development pathways, enabling disciplined, capital-efficient growth beyond Eagle and supporting a scalable U.S. nickel-copper portfolio.

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Eagle Mine
lundin mining



TALON
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Eagle Mine, Tamarack Core shed and Tamarack
Environmental Monitoring

Key Terms of Transaction

Acquisition of Eagle Mine & Humboldt Mill



Transaction	<ul style="list-style-type: none"> Talon Metals (USA) Inc., a subsidiary of Talon, will acquire all the issued and outstanding shares of Lundin Mining US Ltd., a subsidiary of Lundin Mining, that owns 100% of the Eagle Mine and Humboldt Mill
Consideration	<ul style="list-style-type: none"> Talon will issue 275,152,232 common shares to Lundin Mining, representing 18.73% of Talon on a non-diluted basis (after the concurrent Private Placement by the Lundin Family Trust) 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
Implied Value	<ul style="list-style-type: none"> US\$83 million based on 275.15 million Talon shares to be issued and Talon's closing price of C\$0.415 per share on the TSX as of December 18, 2025
Lunding Mining Ownership and Concurrent Private Placement by the Lundin Family Trust	<ul style="list-style-type: none"> Together with Lundin Mining's ownership interest in Talon before the Transaction, Lundin Mining will own 19.99% of Talon after closing of the Transaction on a non-diluted basis. A concurrent Private Placement with the Lundin Family Trust for approximately US\$5.6 million in gross proceeds, will result in the Lundin Family Trust owning 1.26% of Talon after closing of the Transaction on a non-diluted basis
Leadership & Governance	<ul style="list-style-type: none"> Directors: Ten directors, including seven of the eight directors currently on the Talon Board as well as Jack Lundin (CEO of Lundin Mining), Juan Andrés Morel (COO of Lundin Mining) and Darby Stacey (Current Managing Director of Eagle Mine) Management: Henri van Rooyen (Executive Chairman) and Darby Stacey (Chief Executive Officer)
Share Consolidation	<ul style="list-style-type: none"> Talon to complete a 10 to 1 share consolidation after closing of the Transaction
Proposed Timing	<ul style="list-style-type: none"> Target closing early January 2026
Other Key Conditions & Terms	<ul style="list-style-type: none"> Customary regulatory approvals, including TSX approval 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 Talon's Board approves development of a new mine, provided that Talon uses commercially reasonable efforts to amend or replace such financial assurances. Lock-Up Agreement to provide for limitations on sales of Talon shares by Lundin Mining for two years Lundin Mining will not acquire beneficial ownership of more than 19.99% of Talon for one year

Pro Forma Capitalization

Lundin Mining will become Talon's Largest Shareholder at 19.99%⁽¹⁾



Share Structure	Pre-Consolidation	Post-Consolidation ⁽²⁾
Basic Shares Outstanding	1,175.3M	117.5M
Shares to be issued to Lundin Mining for the acquisition of Eagle Mine and Humboldt Mill	275.15M	27.5M
Concurrent Private Placement shares to be issued to the Lundin Family Trust	18.6M	1.9M
Pro Forma Basic Shares Outstanding	1,469.0M	146.9M
Warrants and Stock Options ⁽³⁾	232.6M	23.3M
Pro Forma Fully-diluted Shares Outstanding	1,701.6M	170.2M
Pro Forma Fully-diluted Shares Outstanding excluding Lundin Mining	1,407.9M	140.8M
Lundin Mining Pro Forma Shares including Pre-transaction Shares Held ⁽⁴⁾	293.7M	29.4M
Pro Forma Fully-diluted Shares Outstanding	1,701.6M	170.2M
Estimated cash and cash equivalents at closing	~C\$37M / ~US\$27M	

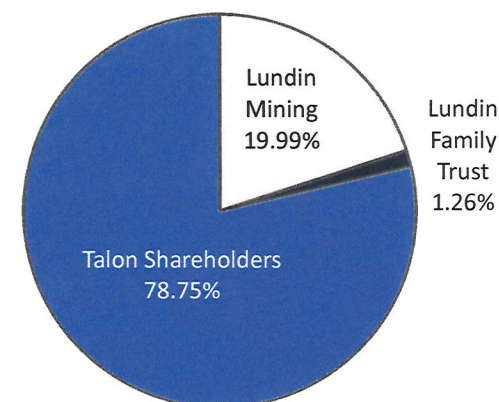
(1) Pro forma ownership % calculated based on basic shares outstanding

(2) Based on a 10 to 1 share consolidation post the closing of the transaction

(3) Average strike price of \$0.23 for potential maximum exercise proceeds of ~C\$53 million or ~US\$38 million

(4) Prior to the transaction, Lundin Mining held approximately 18.5 million shares of Talon

Pro Forma Ownership⁽¹⁾



Top Shareholders⁽¹⁾

Lundin Mining	19.99%
The Pallinghurst Group	10.0%
Strategic Investor	6.3%
Rio Tinto	3.8%
Management and Directors	2.5%

Eagle Mine and Humboldt Mill History of Successful and Environmentally Responsible Operations

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- **Only primary nickel mine in the U.S.** with significant copper, cobalt and PGM's byproducts – producing ore at a rate of 2,000 tonnes per day.
- **Operations began in 2014** with a seven year mine life. The original mine life was significantly extended with the Eagle East discovery in 2015.
- **Producing nickel and copper concentrates** which are sold to North American smelters.
- **A high-performing workforce** of 450, known for their safe, reliable, environmental and community focused standards.
- **Cash flow positive operations**, which will be reinvested to grow the business to the ultimate vision.
- **Opportunities to extend** operations through improved productivity and efficiencies.
- **Proof that modern mining is possible**, that it can be done safely, and with the highest environmental standards.



Eagle Mine (Left) and Humboldt Mill (Right). Darby Stacey, Talon's new CEO, Leading a Safety Briefing in 2017

Vision: Two U.S. Nickel Mines, Two U.S. Processing Facilities

Extending Eagle Mine Life Through Modern Practices

Ongoing efficiency improvements and optimizations are expected to extend the mine's life to maintain full capacity at the Humboldt Mill.

Accelerating Exploration in Michigan and at Tamarack

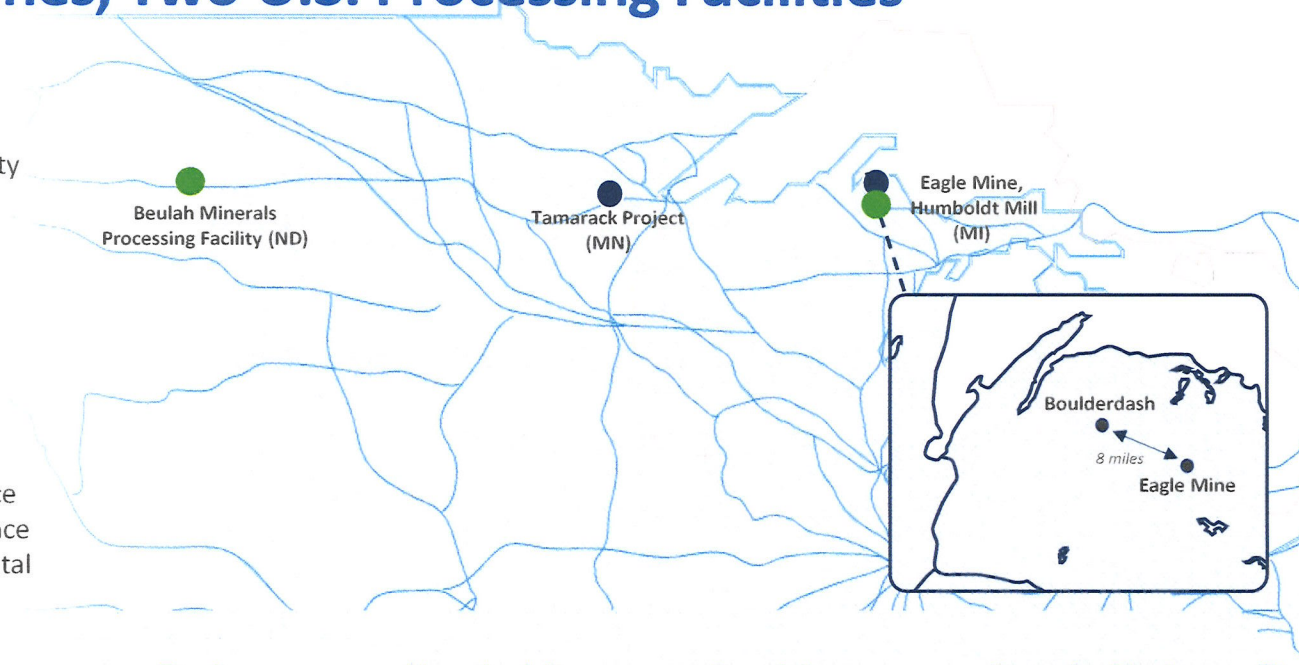
Talon's in-house exploration team, responsible for five discoveries in five years, will execute its most ambitious exploration program to date in 2026.

Advancing Tamarack and BMPF Environmental Review and Permitting

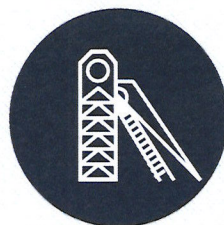
The unified team combines Eagle's operational experience with Talon's Tamarack environmental specialists to advance the Tamarack Nickel-Copper Project through environmental review and permitting towards construction.

Progressing Engineering for the Future Tamarack Mine and BMPE

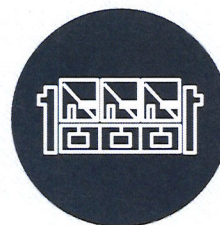
The proven Eagle team, with its track record in mine design, engineering, construction, and operations, will now integrate with the Talon team to complete the feasibility study, improving confidence in the design and long-term operability of these assets.



Eagle +
Tamarack



**Humboldt +
BMPF**



Smelting + Refining



Supply Chain Security



Ni
Nickel

Cu
Copper

Co
Cobalt

U.S. Government Grant Funding

Bipartisan project support through Federal government grants spanning multiple Administrations to support exploration, engineering, environmental studies and construction

Grant Amounts in USD millions (US\$M)	Nature	Amount	Received to date	Remaining expected to be received
Department of War (DOW)	Exploration in Michigan and Minnesota; Feasibility study for the Tamarack Mine	\$20.6M	\$4.8M	\$15.8M
Department of Energy (DOE)	Engineering, Permitting and Construction of the North Dakota Beulah Minerals Processing Facility	\$114.85M	\$0.9M	\$114.0M
* Defense Logistics Agency (DLA)	Nickel concentrate refining; Processing of tailings to extract remnant nickel and cobalt, iron for LFP batteries and produce supplementary cementitious materials (SCM)	\$2.5M	\$1.5M	\$1.0M
DOE Columbia University	Nickel concentrate refining	\$0.7M	\$0.7M	-
Total		US\$138.6M	US\$7.9M	US\$130.8M

Summary: Creating an American Nickel-Copper Champion



- **Strategic Importance to the United States: Two Mines, Two Processing Facilities Vision**
 - A unified operating and exploration team advancing a clear path toward two U.S. nickel-copper mines and two U.S. processing facilities.
 - Positions Talon as the only primary U.S. nickel producer with the potential to support domestic supply of nickel for U.S.-made superalloys, alloys, plating, and advanced manufacturing.
- **Immediate U.S. Nickel-Copper Production & Positive Cash Flow**
 - Acquisition of the Eagle Mine and Humboldt Mill transitions Talon into a U.S.-based, cash-flow generating nickel-copper producer.
- **Extending Eagle Mine Life Through Modern Mining Practices**
 - Ongoing optimization, innovation, and disciplined mine planning are expected to support continued production at Eagle to maintain full capacity at the Humboldt Mill.
- **Scaled Growth Through Exploration**
 - Cash flow enables Talon's most ambitious exploration program to date across the Tamarack Intrusive Complex and Michigan, including the Boulderdash Project located just 8 miles from Eagle.
- **Proven Operating & Environmental Excellence**
 - Eagle and Humboldt bring a decade-long track record of safe, responsible, and efficient modern mining in Michigan, which will be leveraged to advance permitting, construction, and operations at Tamarack and the BMPF.



Polished core samples from Tamarack drill hole 25TK0563 heading to the Smithsonian National Museum of Natural History