

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Talon Metals Corp. (the “**Company**”)
c/o Tau Capital Corp.
110 Sheppard Avenue East
Suite 610
Toronto, Ontario M2N 6Y8

2. **Date of Material Change**

September 1, 2009.

3. **News Release**

The news release attached hereto as Schedule “A” (the “**News Release**”) announcing the material change described herein was released through CNW Group, on September 1, 2009.

4. **Summary of Material Change**

The material change is described in the News Release, which is incorporated herein.

5. **Full Description of Material Change**

5.1 Full Description of Material Change

No information other than that provided in Item 4 above is presently available

5.2 Disclosure for Restructuring Transactions

Not Applicable

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Executive Officer**

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change in this report.

Stuart Comline
President and Chief Executive Officer
(416) 361-9636

9. **Date of Report**

September 1, 2009.

SCHEDULE "A"



News Release
TSX:TLO

*Not for distribution to United States wire services or for dissemination
in the United States*

TALON METALS ANNOUNCES MERGER AGREEMENT WITH SABER ENERGY

Talon Amends Interim Loan to Saber

Road Town, Tortola, British Virgin Islands (September 1, 2009) – Talon Metals Corp., (“Talon”) (TSX: TLO) is pleased to announce that it has entered into a definitive, binding pre-merger agreement (the “Merger Agreement”) with Saber Energy Corp. (“Saber”) in respect of the proposed business combination (the “Merger”) of Talon and Saber (each, a “Company” and, together, the “Companies”), as contemplated in the previously announced heads of agreement (“HOA”) between the Companies dated September 25, 2008. The Merger remains subject to the approval of the Toronto Stock Exchange (the “TSX”) and the shareholders of Talon and Saber.

In addition, Talon has agreed to further amend the CDN\$6 million loan to Saber (the “Interim Loan”), as previously announced on September 25, 2008, March 24, 2009 and April 24, 2009, such that Talon will loan a further US\$0.5 million to Saber upon the satisfaction of certain conditions. The maturity date of the Interim Loan has also been amended to be the earlier of December 15, 2009 and the effective date of the Merger.

Talon has completed a due diligence review on Saber, with the assistance of an experienced coal bed methane (“CBM”) industry consultant. The completion of the due diligence review was delayed until Saber had compiled and interpreted all of its exploration results, and more specifically, concluded its farm-in agreement with Tlou Energy Pty Ltd (“Tlou”).

“The merger with Saber will allow Talon to participate in a large, rapidly developing coal bed methane project where significant exploration progress has been made to date,” said Mr. Stuart Comline, President and CEO of Talon. “Talon will further benefit in that the next phase of exploration is fully funded, thus reducing the forward risk to Talon on a large exploration venture in one of the most stable countries in Africa. In addition, Talon shareholders stand to gain from Saber’s plans to further explore the priority targets that have been identified and to develop its gas project with its joint venture partner, Tlou. With Tlou’s experienced management team and the large land holdings over the coal seams in Botswana, Saber is a key strategic player in developing the coal bed methane and shale gas industry in southern Africa, a region facing significant energy shortages.”

Tlou is using the compilation and interpretation of Saber’s exploration results from its more than 80 wells to effectively deploy its proprietary, Integrated Exploration Solution

on the Karoo Central license area where three coal seams within a 40-50 metre potential pay zone have been identified. Furthermore, the Karoo North and Karoo West licence areas, where very little data is available, will be explored.

Tlou is a 50-50 joint venture between Mitchell Energy Group (“Mitchell”) and Walcot Capital (“Walcot”) both based in Australia. Tlou was founded exclusively to focus on developing CBM production in southern Africa and the Saber project is its first undertaking.

Over the past decade, the Australian CBM industry has developed into a rapidly growing industry in which large scale CBM reserves have been delineated. This growth has attracted substantial investment to the sector in Australia. The executives behind Mitchell and Walcot have been a significant part of this growth in Australia. Mitchell’s experienced team, which has drilled a significant number of the CBM wells in Australia, brings to the Saber project a proven drilling methodology intended to minimize project risk, while proving this large scale CBM opportunity.

Under Tlou’s management, exploration at the Saber project is expected to resume in the near future, including drilling on the priority rated projects, mainly in the Karoo Central and Karoo North licence areas. As Tlou will fund 100% of this new exploration program (estimated at US\$8 million), Talon’s treasury will not be impacted for the forthcoming phase of exploration, while Talon has the opportunity to benefit from the project’s potential future commercial development.

Value Warrants

As previously announced, upon the first closing in connection with the Saber Placement, (as defined below) which is anticipated to occur prior to closing of the Merger, Talon will receive 6,000,000 common share purchase warrants of Saber (each, a “Value Warrant”). Each Value Warrant will entitle the holder thereof to purchase one common share of Saber at an exercise price equal to the gross subscription price paid in respect of each common share of Saber sold pursuant to the Saber Placement.

The Merger

Under the terms of the Merger Agreement, Talon and Saber have agreed, inter alia, that, upon the Merger, the securities of each of the Companies will be exchanged for securities of the company resulting from the Merger (“MergeCo”) on the following basis:

- (a) each outstanding common share of Talon will be exchanged for one (1) common share of MergeCo (each, a “MergeCo Share”);
- (b) each option outstanding under the stock option plan of Talon to purchase common shares of Talon (a “Talon Option”) will be exchanged for an option to acquire an equal number of MergeCo Shares at an exercise price per MergeCo Share equal to the exercise price of the Talon Option so exchanged;
- (c) each outstanding purchase Value Warrant issued by Saber to Talon will be cancelled;
- (d) each outstanding common share of Saber (each, a “Saber Share”) will be exchanged for 0.17685 MergeCo Shares; and

- (e) each outstanding common share purchase warrant of Saber (a "Saber Warrant") will be exchanged for 0.17685 MergeCo warrants. Each whole MergeCo warrant will entitle the holder to purchase one (1) MergeCo Share at an exercise price of US \$0.90.

Talon has received an opinion from its financial advisor, Thomas Weisel Partners Canada Inc., to the effect that, as of the date of such opinion, and subject to the assumptions, qualifications and limitations set forth in the opinion, that the consideration payable by Talon with respect to the Merger is fair, from a financial point of view, to Talon.

Certain conditions must be satisfied on or before November 30, 2009 or such other date as the Companies may agree (the "Completion Deadline") in order to complete the Merger including:

- (a) certain regulatory and government approvals;
- (b) approval of the Merger by the shareholders of each of Talon and Saber;
- (c) no material adverse change shall have occurred on a consolidated basis in respect of Saber or Talon;
- (d) Saber raising proceeds of at least CDN\$2.2 million through the issuance of Saber Shares (the "Saber Placement"); and
- (e) execution of voting support agreements pursuant to which, among other things, the holders of a majority of the outstanding Saber Shares agree to vote in favour of the Merger.

Among other circumstances, the Merger Agreement may be terminated:

- (a) by mutual consent of the Companies;
- (b) by a Company if:
 - (i) certain conditions precedent for its benefit are not satisfied in accordance with the terms of the Merger Agreement;
 - (ii) the Merger is not completed by the Completion Deadline, provided that there is no intentional breach of the covenants of such terminating Company;
 - (iii) at either of the shareholders' meetings of the Companies held to approve the Merger, shareholder approval is not obtained;
 - (iv) the board of directors of the other Company fails to recommend to the shareholders of such other Company that they vote in favour of the Merger, except as expressly permitted in limited circumstances under the Merger Agreement;

- (v) the board of directors of the other Company withdraws, amends, modifies, qualifies, or publicly proposes to or publicly states that it intends to withdraw, amend, modify or qualify, its recommendation to the shareholders of such other Company that they vote in favour of the Merger;
 - (vi) the other Company fails to hold a shareholders' meeting on or before November 10, 2009 to approve the Merger, subject, in the case of Talon to adjournment of up to 10 business days in certain circumstances; and
 - (vii) there is an intentional breach of the covenants of the other Company or any of such other Company's subsidiaries or affiliates, as applicable;
- (c) by Saber if:
- (i) the board of directors of Talon approves or recommends a Talon Superior Proposal (as defined in the Merger Agreement);
 - (ii) Talon enters into a definitive agreement with respect to a Talon Superior Proposal; and
- (d) by Talon if:
- (i) in the event that due diligence investigations performed by Talon and/or its representatives reveal any information or fact which, in the sole opinion of Talon, has or would have a Material Adverse Effect on Saber (as defined in the Merger Agreement).

In the event that the Merger Agreement is terminated by Saber in the circumstances described in items (b)(iv) to (vii) or (c) above, or by either Saber or Talon if the meeting of the shareholders of Talon to approve the Merger is held and Talon's shareholders do not approve the Merger, Talon is required under the Merger Agreement to pay to Saber the reasonable third party fees and expenses incurred by Saber in connection with the transactions contemplated by the Merger Agreement and the agreements relating to the Interim Loan, including the negotiation thereof. Similarly, if the Merger Agreement is terminated by Talon in the circumstances described in items (b)(iv) to (vii) above, or by either Talon or Saber if the meeting of the shareholders of Saber to approve the Merger is held and Saber's shareholders do not approve the Merger, Saber is required under the Merger Agreement to pay to Talon a termination payment of US\$600,000 plus all reasonable third party fees and expenses of Talon incurred in connection with the negotiation and execution of the Merger Agreement and the transactions contemplated thereby.

A copy of the Merger Agreement has been filed on Talon's SEDAR profile at www.sedar.com.

In light of the fact that when the Companies entered into the HOA on September 25, 2008, some of the directors of each Company beneficially owned or exercised control or direction over common shares of the other Company, including Warren Newfield (who is a director of both Companies), an independent committee of the board of directors of Talon comprised of Sandra Cowan, Stuart Comline and Luis Mauricio de Azevedo, was

formed to review each of the Interim Loan, the HOA and the Merger Agreement. Talon's independent committee and board of directors have approved each of the Interim Loan and the HOA (and respective amendments thereto) and the Merger Agreement.

Interim Loan

As described above, and as previously announced, Talon has loaned an aggregate principal amount of CDN\$6 million to Saber under the Interim Loan. Pursuant to an amending agreement between the Companies dated as of the date hereof, Talon has agreed to lend a further US\$0.5 million to Saber upon the satisfaction of certain conditions.

The Interim Loan bore interest at 12% per annum from September 23, 2008 to January 24, 2009 and at 18% per annum from January 25, 2009 to July 31, 2009. From August 1, 2009 to the date of maturity of the Interim Loan (being the earlier of December 15, 2009 and the effective date of the Merger), the Interim Loan bears interest at 25% per annum.

Update on the Saber Coal-Bed Methane ("CBM") Project

Botswana is one of the most attractive jurisdictions in Africa for resource exploration and development and has a well established and administered resource industry.

In addition to drilling over 80 holes, Saber has compiled a series of composite logs and captured the results of its desorption, adsorption, gas analysis and other tests, including proximate analysis in a relational database for identifying areas for further exploration and possible development. Tlou analyzed these results as part of its extensive technical due diligence and to determine how best to implement its Integrated Exploration Solution ("IES"). After consultation with Tlou, Saber decided to shut-in its remaining production 5-spots, pending the results of the IES and determination of the appropriate drilling and completion techniques.

Botswana and other countries in southern Africa are facing significant shortages of electricity over the next decade. CBM is an important fuel source for gas-fired power stations. SNC Lavalin, under contract from Saber, has already completed a technical study for a 1,000 MW combined cycle gas fired power station.

To advance the development of the Saber CBM project, Saber and certain of its subsidiaries and affiliates entered into a share sale agreement (the "Share Sale Agreement") with Tlou and related shareholders' deeds and management agreements (together, the "Tlou Transaction Documents") pursuant to which Tlou acquired (the "Tlou Transaction") an indirect:

- (a) 64% interest in seven prospecting licences comprising Saber's "Masama" licence area, also known as "Karoo North";
- (b) 10% interest in five prospecting licences comprising Saber's "Kalahari" licence area also known as "Karoo Central"; and
- (c) 75% interest in six prospecting licences comprising Saber's "Karoo West" licence area.

Tlou has the right to purchase an additional 25% shareholding interest in the Karoo Central licence area according to a pre-determined formula. In the event that Tlou does not complete the work programs on the Saber project within the timeframe contemplated in the Tlou Transaction Documents, all of the shares of Saber's subsidiaries and affiliates acquired by Tlou thereunder will be transferred back to Saber and/or its subsidiaries and affiliates, subject to limited exceptions.

Saber has outstanding 152,980,690 common shares and 2,530,534 Saber Warrants.

For additional information on Saber and Tlou please refer to Talon's news releases dated April 24, 2009 and May 25, 2009.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States or in any state in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The Saber Shares have not been approved or disapproved by the United States Securities and Exchange Commission or by any state securities commission or regulatory authority, or any Canadian provincial securities commission or other regulatory authority, nor have any of the foregoing authorities passed on the accuracy or adequacy of the information contained herein. Any representation to the contrary is a criminal offense.

About Talon

Talon is a TSX-listed company focused on the acquisition, exploration and development of high quality resource projects. Talon has a well-qualified exploration and management team with extensive experience in exploration and project management.

Talon has gold exploration projects and is developing a portfolio of potash projects in Brazil. Talon aims to acquire interests in, and develop, large resource projects, where it can add value to those projects, while reducing risk, through diversification of the commodity type held and the stage of development of each project.

Talon has a treasury of approximately CDN\$5 million and holds 2,450,000 common shares in Beadell Resources Limited (ASX:BDR). Talon has 27,054,222 common shares outstanding and 30,239,222 shares fully diluted.

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

Erica Belling
VP Investor Relations
Tau Capital Corp.
Tel: (416) 361-9636 x 243
Email: ebelling@taucapital.com

Forward-Looking Statements

This news release contains certain “forward-looking statements”. All statements, other than statements of historical fact, that address activities, events or developments that Talon believes, expects or anticipates will or may occur in the future are forward-looking statements, including, without limitation, statements regarding Talon’s plans and objectives, the Merger, the Interim Loan, Saber and its CBM project and the Tlou Transaction. These forward-looking statements reflect the current expectations or beliefs of Talon based on information currently available to Talon. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of Talon 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, among other things: the failure of the Companies to complete the Merger; Saber failing to repay the Interim Loan in the event that the Merger is not completed; volatility of and sensitivity to market prices for gas and prices (market or otherwise) for electricity; changes in the anticipated demand for electricity in southern Africa; changes in equity and debt markets; inflation; changes in exchange rates; failure of Tlou’s investment to advance the development of Saber’s CBM project; uncertainties relating to the availability and costs of financing needed to complete exploration activities, demonstrate the feasibility of the gas reserve and to develop Saber’s proposed gas-fired megawatt power plant (the “Power Project”); the ability of Saber, Tlou and/or MergeCo, as applicable, to conclude power purchase agreements with the intended offtakers of the Power Project; exploration costs varying significantly from estimates; delays in the exploration and development of, and/or commercial production from, the Power Project and the properties Saber has an interest in; inability to commercially exploit the resources which may be contained in Saber’s CBM Project, including the production of downstream products such as petrochemicals; inability to secure and produce sufficient water to support gas production; actual gas usage varying from assumptions; inability to, or delays in, procuring the engineering, procurement and construction contract, labour, capital equipment and/or operating parts and supplies required for the Power Project on favourable terms or at all; equipment failure; unexpected geological or hydrological conditions; political risks arising from operating in Africa; imprecision in preliminary resource estimates, including estimates of the life and recovery thereof; success of future exploration and development initiatives; inability to establish the minimum amount and quality of reserves required to support the proposed Power Project; competition; operating performance of facilities; environmental and safety risks, including increased regulatory burdens, seismic activity, weather and other natural phenomena; inability to, or delays in, obtaining necessary permits and approvals from government authorities, including approval of environmental impact assessment applications; the existence of undetected or unregistered interests or claims, whether in contract or in tort, over the property of Saber and/or MergeCo, respectively; changes in government regulations and policies, including tax and trade laws and policies; risks relating to labour; other exploration, development and operating risks; or other factors, including the additional factors described under the heading “Forward-Looking Statements” in Talon’s news releases dated September 25, 2008 and April 24, 2009, which are available on Talon’s website at www.talonmetals.com and under its SEDAR profile at www.sedar.com.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable 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. Information pertaining to Saber and Tlou has been furnished by Saber. Although Talon does not have any knowledge that would indicate that any such information is untrue or incomplete, Talon assumes no responsibility for the accuracy or completeness of such information.