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**

   August 12, 2010.

3. **News Release**

   The news release attached hereto as Schedule "A" announcing the material change described herein was released through CNW Group at Toronto, Ontario on August 12, 2010.

4. **Summary of Material Change**

   The material change is described in the Company's news release attached hereto as Schedule "A", which news release 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) 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 and this report.

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

9. **Date of Report**

August 19, 2010.

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News Release
TSX:TLO

TALON ANNOUNCES MOU WITH TLOU ENERGY ON THE SABER GAS PROJECT, BOTSWANA

Road Town, Tortola, British Virgin Islands (August 12, 2010) – Talon Metals Corp., (“Talon” or the “Company”) (TSX: TLO) is pleased to announce that it has entered into a binding Memorandum of Understanding (the “MoU”) with Tlou Energy Limited (“Tlou Energy”) regarding the Company’s Saber Gas Project. The intention of this MoU is to complete a transaction whereby Talon will transfer to Tlou Energy all of Talon’s rights in the Saber Gas Project licences in return for 19,285,714 shares of Tlou Energy, currently an unlisted company. This will result in Talon holding 30% of the fully diluted share capital of Tlou Energy as of the closing date of the transaction.

In addition, Talon has an option to increase its stake in Tlou Energy by subscribing for up to an additional 4,945,055 shares. The exercise price of this option is A$1.25 per share and the expiry date is June 30, 2013. Also, there is a provision for one Talon representative to be appointed to Tlou Energy’s board of directors and Talon also has the right to nominate a second director. The Saber drilling equipment being held for sale is not part of the proposed transaction and will remain the property of Talon.

The Saber Gas Project is targeting coal bed methane (“CBM”) and shale gas deposits (collectively referred to as “Gas Deposits”) in Botswana, Africa. This Project has licenses with a total area of approximately three million acres over three blocks in Botswana. Tlou Energy is currently managing, operating and funding the exploration program on the Saber Gas Project. Talon holds a 90% interest in the Kalahari block (this interest can be reduced to 65% in certain circumstances), a 21% interest in the Masama block and a 25% interest in the Kweneng block.

Tlou Energy is an emerging gas exploration company actively prospecting for Gas Deposits throughout southern Africa with a treasury of over A$12 million. The principals have a proven track record of creating shareholder value in CBM companies. One such example is Sunshine Gas Limited, an Australian Stock Exchange listed CBM company which was initiated and prospected by the principals of Tlou Energy up to the discovery and delineation of a significant CBM resource. Sunshine Gas, which was a Top 200 ASX-listed entity, was subsequently sold to Queensland Gas Company for A$1.1 billion (US$722 million) in 2008.

“This transaction gives Talon a substantial holding in a leading CBM exploration company actively seeking and prospecting Gas Deposits in southern Africa,” commented Stuart Comline, President and CEO of Talon. “Tlou Energy has an experienced management team and the skills, technologies and resources to develop and commercialize production on the Gas Deposits in the region. With the fulfilment of Tlou Energy’s plans to pursue a stock exchange listing within the next year, these shares would become tradable securities which should benefit from public market valuations in this buoyant sector."

Tlou Energy has drilled 9 of a total of 12 holes planned for the exploration program encompassing the Masama, Kalahari and Kweneng blocks at the Saber Gas Project. Although full results are awaited, the results received to date meet the expectations of Tlou Energy's technical team.

The transaction as outlined in the MoU will supersede the joint venture agreements entered into by Saber Energy Corp. and Tlou Energy in 2009.

The completion of the transaction outlined in the MoU is conditional on, among other things, reciprocal due diligence reviews by both Talon and Tlou Energy, both parties receiving shareholder approval, an independent valuation, and any additional approvals in Botswana or required by the Toronto Stock Exchange or applicable corporate law.

Subject to these terms being fulfilled, the transaction is expected to close in late October 2010. A copy of this agreement will be filed on Talon's SEDAR profile at www.sedar.com.

About the Saber Gas Project

The Saber Gas Project ("Saber") is an unconventional gas project targeting coal bed methane ("CBM") and shale gas deposits in Botswana, Africa. Saber's exploration licences are located in highly prospective targets in the Karoo age rocks in the Kalahari and Zambezi basins. The aim of this project is to explore, establish and commercialize CBM and shale gas production. Southern Africa is experiencing a shortage of electrical generation capacity and utilities in the region are looking to secure unconventional gas supplies to fuel new power stations.

The Saber licences areas contain an estimated contingent gas resource of 23 trillion cubic feet on a best estimate basis. This is based on a Canadian National Instrument 51-101 compliant resource report by Gustavson and Associates, independent reservoir engineers and geological consultants, completed in September 2009. (Contingent resources are defined as those quantities of gas estimated on a given date to be potentially recoverable from known accumulations, but on which the economic viability has not been assessed. There is no certainty that it will be commercially viable to produce any portion of the resource. Additional information with respect to the resource report can be found in Appendix "D" Saber Energy Corp. Information Brochure to the management information circular of Talon Metals Corp. dated February 2, 2010, which is available on SEDAR at www.sedar.com.)

About Talon

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

Talon has a treasury of approximately CDN$3 million and has 63,877,950 common shares outstanding and 70,517,450 shares fully diluted.

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

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

About Tlou Energy Ltd

Tlou Energy is an unlisted public Australian based coal bed methane exploration company focused on southern Africa. It was founded by the principals of Walcot Capital and Mitchell Energy Group and is currently managing, operating and funding the Saber Gas Project.

Walcot Capital

Walcot Capital ("Walcot") is a Brisbane based private venture capital business specializing in energy investment. The principals at Walcot have extensive experience in the upstream energy sector and have successfully founded developed and commercialized CBM companies in Australia and New Zealand. Walcot has a team of multi-skilled professionals across geological, engineering, legal and commercial facets of the energy sector.

Most recently the principals of Walcot were involved in the founding, developing and commercialization of Sunshine Gas Limited, a CBM company with licences in eastern Australia. Sunshine Gas was listed on the Australian Stock Exchange in 2002 at a market capitalization of A$5 million. In 2008, Sunshine Gas, which was a Top 200 ASX-listed entity, was acquired by Queensland Gas Company for approximately A$1.1 billion (US$722 million).

For more information on Walcot Capital please visit www.walcotcapital.com.

Mitchell Energy Group

Mitchell Energy Group was founded in 1969. In 1999 Mitchell Group started a multi-million dollar research and development program aimed at creating enhanced drilling techniques for varied coal reservoir properties. Its initial focus and test bench was the coal bed methane industry in Australia, but this quickly expanded into the international arena. Today Mitchell Group has projects in Africa, India, China, and the US and is continuing to investigate other global CBM opportunities.

For more information on Mitchell Group please visit www.mitchellgroup.net.

Forward-Looking Information

This press release contains certain "forward-looking information". All information, other than information pertaining to historical fact, which addresses activities, events or developments that Talon believes, expects or anticipates will or may occur in the future constitutes forward-looking information. Forward-looking information reflects the current expectations or beliefs of Talon based on information currently available to it. Such forward-looking information includes, among other things, statements relating to: the MoU and the benefits to Talon thereunder; Tlou Energy's plans in respect of pursuing a stock exchange listing and the timing of such listing; the valuation of the securities of Tlou Energy; and the timetable for closing of the transaction with Tlou Energy.

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: Tlou Energy's intentions in respect of the Saber Gas Project, its obligations under the MoU and the listing of its securities on a stock exchange; Tlou Energy's financial condition and the results of exploration at the Saber Gas Project; delay in, or failure of, Tlou Energy to comply in all material respects with the terms and conditions of the MoU; delay or failure to obtain any approvals required in Botswana or under the rules of the Toronto Stock Exchange and applicable corporate law; changes in electricity prices (market or otherwise); changes in the anticipated demand for electricity in southern Africa; declines in the Australian, U.S., Canadian and/or global economies; political developments in southern Africa; volatility in prices of publicly traded securities; changes in exchange rates; changes to regulations affecting the Company's activities, including tax and trade laws and policies; delays in obtaining or failures to obtain required regulatory permits and approvals from government authorities; failure of Tlou Energy's investment to advance the development of the Saber Gas Project; inability to commercially exploit the resources which may be contained in the Saber Gas 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; the uncertainties involved in interpreting drilling results and other geological data; uncertainties relating to the availability and costs of financing needed to complete exploration activities and demonstrate the feasibility of the Saber Gas Project; delays in the exploration and development of, and/or commercial production from, the Saber Gas Project; success of future exploration and development initiatives; and other risks involved in the natural resource exploration and development industry.

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