

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. Name and Address of Company

Talon Metals Corp.
c/o Tau Capital Corp.
110 Sheppard Avenue East
Suite 610
Toronto, Ontario
M2N 6Y8

2. Date of Material Change

July 21, 2011

3. News Release

The news release of Talon Metals Corp. ("**Talon**") attached hereto as Schedule "A" announcing the material change described herein were released through CNW Group at Toronto, Ontario on July 21, 2011.

4. Summary of Material Change

Talon confirmed that the effective date of the distribution of Rio Verde Minerals Development Corporation ("**Rio Verde**") shares to shareholders of Talon (the "**RV Distribution**") will be July 28, 2011. The material change is described in the 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

Previously on July 8, 2011, the Eastern Caribbean Supreme Court (Virgin Islands) granted the final order approving the RV Distribution pursuant to the Plan of Arrangement involving Talon, Rio Verde, EM Resources Inc. (a reporting issuer in Ontario) and a subsidiary of EM Resources Inc, which allows Rio Verde to have its shares listed on the Toronto Stock Exchange.

On July 21, 2011, Talon confirmed that the "effective date" of the RV Distribution to Talon shareholders will be July 28, 2011.

Talon reported that the ordinary shares of Rio Verde will commence trading on an "ex" distribution basis. Only shareholders of Talon of record at the close of business on Wednesday July 27, 2011 will receive shares in Rio Verde on the basis of one ordinary share of Rio Verde for every four common shares of Talon.

The RV Distribution shares will be subject to a six month hold period (ending before market open on January 30, 2012) as required by the syndicate of brokers for Rio Verde's recently completed equity financing.

The RV Distribution Shares will be distributed to shareholders of Talon by Talon's transfer agent, Computershare Investor Services Inc. on or about July 28, 2011.

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 Talon who is knowledgeable about the material change and this report.

Eddie Scholtz
President and Chief Executive Officer
(416) 361-9636

9. **Date of Report**

July 29, 2011.



News Release
TSX:TLO

TALON METALS CONFIRMS EFFECTIVE DATE FOR THE DISTRIBUTION OF RIO VERDE SHARES

Road Town, Tortola, British Virgin Islands (July 21, 2011) – Talon Metals Corp., (“Talon” or the “Company”) (TSX: TLO) is pleased to *confirm* that the "effective date" of the distribution of Rio Verde Minerals Development Corporation (“Rio Verde”) shares to Talon shareholders (the “RV Distribution”) will be July 28, 2011.

At market open on Monday July 25, 2011, the common shares of Talon will commence trading on an “ex” distribution basis. Only Talon shareholders of record at the close of business on Wednesday July 27, 2011 will receive shares in Rio Verde on the basis of one ordinary share of Rio Verde for every four common shares of Talon.

The RV Distribution shares will be subject to a six month hold period (ending before market open on January 30, 2012) as required by the syndicate of brokers for Rio Verde's recently completed equity financing.

The RV Distribution Shares will be distributed to Talon’s shareholders by Talon’s transfer agent, Computershare Investor Services Inc. on or about July 28, 2011.

About Talon

Talon is a TSX-listed company focused on the exploration and development of its 100% owned Trairão Iron Project in Pará State, Brazil. 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\$33 million and approximately 91.7 million common shares outstanding and approximately 107.6 million shares on a fully diluted basis.

For additional information on Talon please visit the Company’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 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 Talon. Such forward-looking information includes, without limitation, the completion and proposed terms of the RV Distribution and timing related thereto and the anticipated effect of the RV Distribution on shareholder value.

News Release
TSX:TLO