



News Release
TSX:TLO

TALON METALS RECEIVES SHAREHOLDER APPROVAL AND CLOSSES FINANCING TRANSACTION TO EARN AN INTEREST IN THE TAMARACK PROJECT

Road Town, British Virgin Islands (December 29, 2015) – Talon Metals Corp. (“**Talon**” or the “**Company**”) (TSX:TLO) is pleased to announce the completion (the “**Closing**”) of the financing transactions with Resource Capital Fund VI L.P. (“**RCF**”) and Kennecott Exploration Company (“**Kennecott**”), a subsidiary of the Rio Tinto Group (collectively, the “**RCF Financing**”). Pursuant to the RCF Financing, Talon received a total of US\$15 million from RCF to be used by Talon to earn an 18.45% interest in the Tamarack Nickel-Copper-PGE Project (the “**Tamarack Project**”), located in Minnesota, USA. For further details regarding the terms of the RCF Financing, please see the Company’s press release dated November 26, 2015.

In order to enable the Closing of the RCF Financing, earlier today, the Company held a special meeting of its shareholders during which the shareholders of the Company approved the issuance by the Company to:

- (1) RCF of 11,540,833 common shares of the Company (“**Common Shares**”) in connection with a private placement of the Company to RCF for gross proceeds of US\$1 million (the “**RCF Private Placement**”), and up to 232,000,000 Common Shares in connection with a convertible loan in the principal amount of US\$14 million provided to Talon by RCF (the “**RCF Loan**”);
- (2) Kennecott of 5,236,717 Common Shares in satisfaction of interest owing to Kennecott pursuant to an unsecured loan previously granted to Talon by Kennecott and the terms of a prior amendment to an exploration and option agreement between Talon and Kennecott; and
- (3) Haywood Securities Inc. (“**Haywood**”) of 3,325,250 Common Shares and 1,000,000 Common Share purchase warrants in satisfaction of Haywood’s efforts in facilitating the RCF Private Placement and the RCF Loan.

During the special meeting, Talon shareholders also approved: (i) the issuance of 1,875,000 common shares to Mr. Warren Newfield, the Executive Chairman of Talon, in consideration of his agreement to enter into an amended and restated consulting agreement under which Mr. Newfield agreed to defer and reduce his annual compensation and reduce his entitlement to a termination payment; and (ii) the repricing of the exercise price (to \$0.156) and extension of the term (to November 25, 2020) of stock options to purchase a total of 9,615,000 common shares held by directors and officers under the Company’s stock option plan.

Talon also announces the resignation of Mr. Jeff Rassuchine from the board of directors of the Company.

"We sincerely thank Jeff for his dedicated service to the Company," said Henri van Rooyen, CEO of the Company. "Under the terms of the RCF Financing, RCF has the right to nominate one individual to serve on the Company's board of directors, and the voluntary resignation by Jeff simply makes way for such future nomination by RCF."

"The completion of the RCF Financing is a major milestone for our Company," said Henri van Rooyen, CEO of the Company, "and we are now one of the few junior exploration companies that is fully funded with the ability to progress exploration on an expedited basis. On behalf of Talon, I would like to thank our shareholders for their overwhelming support and encouragement. The Talon team is already hard at work in conjunction with Kennecott planning the next phase of exploration at the Tamarack Project. We expect the next exploration program to commence in January 2016. We look forward to updating shareholders as we progress."

About Talon

Talon is a TSX-listed company focused on the exploration and development of the Tamarack Nickel-Copper-PGE Project in Minnesota, USA (which comprises the Tamarack North Project and the Tamarack South Project). The Company has a well-qualified exploration and mine management team with extensive experience in project management.

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

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Forward-Looking Statements

This press release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information contained or referred to in this press release includes, but may not be limited to, the nomination of an individual by RCF to the board of directors of the Company and the timing of the next phase of exploration at the Tamarack Project.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, RCF's timing and decision as to whether to nominate an individual to the board of directors of the Company and the approval of any of such individual by the Toronto Stock Exchange, the decision by

Kennecott and the Company as to when the next exploration program at the Tamarack Project will commence which can be dependent on weather and the availability of equipment, as well as certain other risks set out in the Company's public documents, including its annual information form dated March 31, 2015, filed under the Company's profile on SEDAR at www.sedar.com.

The forward-looking information in this press release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this press release, the Company has made assumptions about: the Company's business, the economy and the Company's industry in general. The Company has also assumed that no significant events occur outside of the Company's normal course of business. 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.

Any 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 any forward-looking information, whether as a result of new information, future events or results or otherwise.