Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Talon Metals Corp. (the "**Company**")
Craigmuir Chambers, PO Box 71
Road Town, Tortola
British Virgin Islands

Item 2 Date of Material Change

January 10, 2022

Item 3 News Release

The news release with respect to the material change referred to in this report was disseminated via Newsfile on January 10, 2022 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On January 10, 2022, the Company, through its U.S. subsidiary Talon Nickel (USA) LLC (collectively with the Company, **"Talon"**), entered into an agreement with Tesla Inc. (**"Tesla"**) for the supply and purchase of nickel concentrate to be produced from the Tamarack Nickel Project in Aitkin County, Minnesota.

Item 5.1 Full Description of Material Change

On January 10, 2022, Talon entered into an agreement with Tesla for the supply and purchase of nickel concentrate to be produced from the Tamarack Nickel Project in Aitkin County, Minnesota. The execution of the agreement follows an extensive and detailed due diligence period performed by Tesla and lengthy negotiations between the parties.

Agreement Highlights:

- Under the terms set out in the agreement, Tesla has committed to purchase 75,000 metric tonnes (165 million lbs) of nickel in concentrate, representing a portion of the metals projected to be produced from the Tamarack Nickel Project. Tesla also has a preferential right under the agreement to negotiate the purchase of additional nickel concentrate over and above the initial 75,000 metric tonne commitment.

- The term of the agreement is six (6) years or until a total of 75,000 metric tonnes (165 million lbs) of nickel in concentrate has been produced and delivered to Tesla. The agreement is conditional upon: (i) Talon earning a 60% interest in the Tamarack Nickel Project; (ii) Talon commencing commercial production at the Tamarack Nickel Project; and (iii) the parties completing negotiations and executing detailed supply terms and conditions. Talon will use commercially reasonable efforts to achieve commercial production on or before January 1, 2026 at the Tamarack Nickel Project, which may be extended by the agreement of the parties for up to 12 months following which Tesla has a right to terminate the agreement and Talon may elect to sell to other parties.

- Talon and Tesla will work together to optimize nickel concentrate grades and metal recoveries.

- The purchase price to be paid by Tesla for the nickel in concentrate will be linked to the London Metals Exchange (LME) official cash settlement price for nickel. The parties have also agreed to share in any additional economics derived from by-products extracted from the nickel concentrate, such as iron and cobalt.

Dr. Etienne Dinel, Vice President, Geology of Talon, is a Qualified Person within the meaning of National Instrument 43-101. Dr. Dinel has reviewed, approved and verified the technical information disclosed in this material change report, including sampling, analytical and test data underlying the technical information.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information contact Sean Werger, President at 1 (416) 500-9891.

Item 9 Date of Report

January 11, 2022.

Forward-Looking Statements

This material change report contains certain “forward-looking statements”. All statements, other than statements of historical fact that address activities, events or developments that the Company 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 the Company based on information currently available to the Company. Such forward-looking statements include statements relating to the timing and progress of the development of the Tamarack Nickel Project, including the commencement of commercial production, the detailed supply terms and conditions, and the timing of an agreement thereon, if at all. 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 the Company.

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, the Company 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 the Company 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.