

Profile

"Exploring Brazil's rich potash potential"

Talon Metals Corp. ("Talon" or the "Company"), a Toronto Stock Exchange listed company (TSX:TLO), is focused on the acquisition, exploration and development of high quality resource projects, including potash. Talon has assembled a portfolio of highly prospective assets in Brazil.

Talon is managed by an experienced and professional team with an established record in the financing, exploration and development of major exploration projects.

Potash

Potash is an important fertilizer for agricultural crops worldwide. Global demand for potash has seen a 35% increase on a cumulative basis between 2000 and 2007. In 2008, potash prices reached a historical high of more than US\$900 a tonne. While prices have declined and are currently in the US\$400 a tonne range, the outlook remains positive for elevated prices to persist in the future. In addition, worldwide demand is projected to increase and economic potash deposits are not readily found.

Brazil, which currently imports approximately 90% of its potash for its key agricultural industry, is a major global consumer of potash. The country has only one domestic potash mine (Vale's Taquari-Vassouras potash mine), where the reserves on the current underground conventional mining operation are expected to be depleted within the coming eight years. Given Brazil's need for potash and its limited current domestic production, Talon is pursuing the opportunity to develop a new local source of potash to supply the domestic agricultural market.

Sergipe Potash Project

The Sergipe Potash Project comprises ten onshore and two offshore prospects in Brazil. Talon holds exploration licences over a total area of 107,987 hectares (266,840 acres) and has applications submitted for exploration licences for a further 4,982 hectares (12,311 acres), for a total area of 112,969 hectares (279,152 acres).

These properties are in the same Sergipe sedimentary basin as established oil producing wells and the nearby Taquari-Vassouras potash mine, which is operated by Vale and produced 607,000 tonnes of potash in 2008.

In July 2010, Talon outlined its plans for its first potash drilling program, which is expected to start in late August 2010. Twelve drill sites have been identified for preliminary drilling. Talon has commissioned an international drilling contractor with local Brazilian operations to undertake the drilling program and specialized drilling equipment is currently being brought onto site.

Talon's Phase I exploration program began in Q3 2009 and included extensive remodelling of the geology of the Sergipe basin, based on approximately 234 line kilometres of 2D seismic data and the relogging of 286 historical oil wells in the area. Ercosplan, an international consulting and engineering company with more than 50 years experience in the potash industry, provided an independent status report on Talon's potash properties in April 2010.

Ercosplan's report concluded that there is the potential to delineate through further drilling, potash mineralization on a scale comparable to other current large potash projects elsewhere in the world, while noting that Talon's Sergipe Potash Project is at an early stage of exploration.

Ercosplan estimated the order of magnitude of exploration target sizes that may be anticipated within Talon's properties include up to approximately 450 million tonnes of sylvinitic mineralization, and up to approximately 1.1 billion tonnes of carnallitic mineralization, subject to further successful drilling.¹ The depth of the potash mineralization ranges between 500 metres and 1,700 metres. Targets identified by Ercosplan will be the priority for Talon's first drilling program.

Sergipe Potash Project



Stock Symbol – TSX: TLO
Share Price – CDN \$0.425
Shares Outstanding – 64 m

Updated August 2010

DIRECTORS & MANAGEMENT

Stuart Comline, Interim President, CEO & Director
Luis Mauricio F. Azevedo, COO & Director
Paulo Ildio de Brito, VP Exploration
Nelson F. M. Pfaltzgraf, CFO

Warren Newfield, Director
Carl Ravinsky, Director
Jonathan Schneider, Director
Gregory S. Kinross, Director
Frank Crothers, Director

Gold

Talon has a number of gold projects in Brazil, most of which are managed by joint venture partners.

Tapajós Gold Province – Pará State

- São Jorge is a 57,420 hectare gold project. In June 2010 the Company announced that it intends to option 100% of São Jorge to Brazilian Gold Corporation (TSXV: BGC). This transaction is expected to close in Q3 2010.

- Água Branca (9,356 ha; 100% optioned to Brazauro Resources Corp. – TSXV: BZO)

Other Gold Projects

- Rio Maria (43,378 ha; JV with Troy Resources NL - TSX: TRY, located in the Cumaru Gold District, Pará State)

- Batistão (20,000 ha; 100% TLO, located in the Peixoto de Azevedo-Alta Floresta Gold District, Mato Grosso State)

- Campo Grande (2,611 ha; 100% TLO, located in the Iron Quadrangle, Minas Gerais State) (Subject to Vendor Royalty, 0.5 – 2% NSR)

Saber Gas Project

Talon acquired the Saber Gas Project when it merged with Saber Energy Corp. in March 2010. This project is being managed and operated by joint venture partner Tlou Energy Pty (“Tlou”) and they are currently fully funding the current exploration program. On August 12, 2010, Talon signed a binding Memorandum of Understanding with Tlou Energy regarding the Saber Gas Project, whereby Talon will transfer to Tlou Energy all of its rights in the Saber Gas Project licenses in return for a 30% interest in Tlou Energy.

The Saber Gas Project has land licenses totalling approximately 3 million acres over prospective coal bed methane (“CBM”) and shale gas desoposits in Botswana, Africa. The aim of this project is to explore, establish and commercialize CBM and shale gas production.

Tlou Energy is a joint venture between the Mitchell Group and Walcot Capital. Both are leaders in the exploration and development of CBM and shale gas projects in Australia, China and India.

Footnotes

¹The potential quantity of potash is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. The potential quantities of target mineralization disclosed have been determined based on sylvinitite and carnallitite logged in drill holes or identified in down hole geophysical logs and applying an area of influence of 1,500 metres around the individual mineralized drill holes within the Talon properties. No grades have been provided as Talon has not been able to undertake independent reasaying of the core and therefore the estimated quantities do not represent a mineral resource. Further drilling and assaying is required to confirm the historical data.

Potash fertilizer



Brazil Office
Avenida Jornalista Ricardo Marinho
no 360 salas 111, 112, e 113
Barra da Tijuca - Rio de Janeiro - RJ, Brazil
Tel: +55 21 3388-5936
Fax: +55 21 3418-4579

Registered Head Office
Talon Metals Corp.,
Craigmuir Chambers,
P.O. Box 71, Road Town,
Tortola, British Virgin Islands

Contact
Erica Belling
VP Investor Relations
Tau Capital Corp.
Tel: 416-361-9636
Fax: 416-361-0330
ebelling@taucapital.com