



News Release
TSX:TLO

TALON METALS RECEIVES SHAREHOLDER APPROVAL AND CLOSSES FINANCING TRANSACTION

Road Town, British Virgin Islands (January 18, 2017) – Further to a press release dated December 19, 2016, Talon Metals Corp. (“**Talon**” or the “**Company**”) (TSX:TLO) is pleased to announce that the amendment to the loan agreement (the “**Loan Agreement**”), dated November 25, 2015, amongst Talon, Resource Capital Fund VI L.P. (“**RCF VI**”) and certain of Talon’s subsidiaries (the “**Credit Parties**”) has become effective (the “**Loan Amendment**”) pursuant to the terms of an amending agreement, amongst the same parties, dated December 16, 2106 (the “**Amending Agreement**”). Minority shareholder approval for, among other things, the Loan Amendment was obtained today at a special meeting of the Company’s shareholders in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Pursuant to the terms of the Loan Agreement, as amended by the Amending Agreement, among other things:

1. RCF VI has agreed to increase the principal amount of the unsecured loan previously advanced to the Company on December 29, 2015 by US\$2,000,000 (from US\$14,000,000 to US\$16,000,000) to be provided in a second advance (expected to be received by the Company on January 19, 2017) on substantially the same terms as the original loan (the “**Second Advance**”).
2. RCF VI maintains the right to elect to convert all or part of the principal amount of the unsecured loan (including all capitalized interest) into common shares of the Company at any time at a conversion price of C\$0.156 per common share. The outstanding principal amount under the Loan Agreement, as amended, will continue to bear interest at the rate of 12% per annum until the maturity date, being the earlier of: (i) November 25, 2018; and (ii) the date upon which RCF VI elects to accelerate the due date upon the occurrence of certain events, including an event of default; and
3. the proceeds of the Second Advance are required to be used for the purposes of funding the Company’s share of a winter exploration program at the Tamarack Project and the remainder in accordance with a detailed budget relating to the business activities of the Credit Parties as well as to all general, administrative and others costs and expenses of the Credit Parties, as such budget is updated, revised and amended from time to time with the consent of RCF VI.

Pursuant to the Amending Agreement, as consideration for RCF VI’s agreement to increase the principal amount under the Loan Agreement, the Company has issued to RCF VI 15,000,000 common share purchase warrants (the “**Warrants**”), each

exercisable for one common share (each, an “**Warrant Share**”) at an exercise price of CDN\$0.11 per Warrant Share for a period of 48 months from the date of issuance of such Warrants.

For more information, please see the Company’s press releases dated December 31, 2015 and December 19, 2016, the full text of the Loan Agreement and the Amending Agreement and the management information circular of the Company dated December 16, 2016, copies of which are available on Talon’s profile on SEDAR at www.sedar.com.

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 commencement of the winter program at the Tamarack Project, Talon’s decision to fund its proportionate share of such winter program, the receipt of the Second Advance and the use of proceeds in respect of such funds.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, risks related the occurrence of an event of default pursuant to the Loan Agreement, as amended, and risks related to the inability of each of the Company and RCF VI to perform its respective obligations under the Loan Agreement, as amended, as well as certain other risks set out in the Company’s public documents, including its annual information form as at March 30, 2016, filed under the Company’s profile on SEDAR.

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 as well as the Company’s and RCF VI’s ability to perform their respective obligations. 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.