

# Talon Metals Corp.

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## Talon Metals advancing exciting Tamarack project, one of the US's only undeveloped nickel projects

- Tamarack project boasts over 18 kilometres of strike length
- Rio Tinto is active joint venture partner
- Talon bullish on nickel price

### What Talon Metals Corp does:

Talon Metals Corp (TSE:TLO) (OTCPINK:TLOFF) is advancing the giant Tamarack nickel project in Minnesota, USA, to potentially supply the rapidly growing electric vehicle (EV) battery materials market.

The 124 square kilometre asset comprises the Tamarack North project and the Tamarack South project. Talon is in a joint venture there with mining giant Rio Tinto PLC (LON:RIO), where the smaller firm can earn up to a 60% stake.

The Tamarack project boasts over 18 kilometres of strike length, with numerous high-grade intercepts outside the current resource area.

A 2018 resource estimate showed higher confidence indicated resources of 3.6 million tonnes at 2.45% nickel-equivalent with additional inferred resources of 4.4 million tonnes grading 2.11% nickel-equivalent.

An updated preliminary economic assessment (PEA) dated March 20, 2020, suggested an after-tax net present value (NPV) for the project of US\$291 million, at a 7% discount rate. Capital costs were pegged at a total of US\$259 million. It has an eight-year mine life, 2.82% nickel-equivalent head grade. The after-tax internal rate of return (IRR) was put at a world-class 36%. There is further room to grow the firm's value, it said.

Tamarack is one of the only undeveloped nickel projects in the US and could be one of the only options for nickel if EV raw materials are going to be sourced domestically.

### How is it doing:

On August 18 this year, Talon told investors it had kicked off a new drill program to expand the Tamarack resource, focusing on prospective targets outside the current resource area.

The news came just days after Talon closed a C\$5.1 million financing to advance the asset. The firm said using an experienced drill team, advanced drilling techniques and suitable equipment meant it could sink more metres quicker and at a lower cost.

"Our first drill program was rewarded with a combined total of approximately 38 meters of massive sulphides distributed over five drill holes with a weighted average grade of 7.8% nickel equivalent or 20.8% copper equivalent," it said.

"The Talon team is now focused on rapidly and cost-effectively evaluating a subset of the Tamarack intrusive complex over a strike length of approximately two kilometers with the goal of increasing the present resource size."

**Price:** 0.34

**Market Cap:** \$189.73 m

#### 1 Year Share Price Graph



December 2019 June 2020 December 20

#### Share Information

**Code:** TLO

**Listing:** TSX

**52 week High Low**  
0.43 0.075

**Sector:** Mining

**Website:** [www.talonmetals.com](http://www.talonmetals.com)

#### Company Synopsis:

Talon is a TSX-listed base metals company in a joint venture with Rio Tinto on the high-grade Tamarack Nickel-Copper-Cobalt Project located in Minnesota, USA, comprised of the Tamarack North Project and the Tamarack South Project. Talon has an earn-in right to acquire up to 60% of the Tamarack Project.

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In July 2020, the group unveiled detailed positive metallurgical results, which could increase throughput and extend the mine life.

Since March, it said flotation optimization had been conducted on a composite sample grading 1.6% nickel and 1% copper, which is considered representative of the mineralization at Tamarack.

Based upon test results, Talon said it is "optimistic" that the large body of mineralization above the high-grade massive sulphide unit - the 138 Zone - could be included in future mine plans.

Talon president Sean Werger told Proactive in late July that in addition to the drill program, the firm was also finalizing the flowsheet to potentially produce a sulphate, required for lithium-ion batteries for electric vehicles.

Once the flowsheet is complete, it will examine and report the economics associated with producing for the electric vehicle market (sulphate), as compared to producing for the stainless steel market (concentrate). Talon expects this work to be completed in the third quarter of 2020.

### **Inflection points:**

- Drilling results
- More details on processing optimization work
- Nickel price moves

### **What the boss says:**

On July 10 this year, Talon's metallurgist Oliver Peters spoke to Proactive and explained why the average nickel grade of around 1.6% at Tamarack (high end of spectrum) was a potential plus to its development since in most deposits the average is between 0.2% and 2%.

"Generally speaking, the lower the grade of the nickel in the ore, the more challenging it is to extract it economically," he said.

Looking ahead to forthcoming activity at Tamarack, he said: "At this point, we are essentially just focusing on getting the highest net present value (NPV) for the project and tweak the different process steps and to extend the mine life."

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