

**TALON METALS' INFERRED MINERAL RESOURCE ESTIMATE
EXCEEDS 1 BILLION TONNES AT THE TRAIRÃO IRON PROJECT, BRAZIL**

60% Increase in Inferred Mineral Resources at Trairão Project

Road Town, Tortola, British Virgin Islands (August 4, 2011) – Talon Metals Corp. (“Talon” or the “Company”) (TSX: TLO) is pleased to announce that the cumulative inferred mineral resource estimate now exceeds 1 billion tonnes, following the receipt of the initial mineral resource estimate for Target Area 3 at its 100% owned Trairão Iron Project (“Trairão Project”), located in Pará State, Brazil.

The National Instrument 43-101 (“NI 43-101”) compliant inferred mineral resource estimate (“Resource”) for Target Area 3 is estimated at approximately 414 million tonnes at an average grade of approximately 33% Fe (25% Fe cut-off). The addition of the Resource on Target Area 3 represents an increase of approximately 60% on the cumulative Resource previously reported on Target Areas 1 and 2. The cumulative Resource for these three target areas is approximately 1.102 billion tonnes at an average grade of approximately 36% Fe, with a cut-off of 25% Fe (see Table 1 and Figure 1). The effective date of this updated Resource is August 3, 2011.

Table 1: Inferred mineral resource estimate for the Trairão Iron Project

	Strike (metres)	25% Fe cut-off		35% Fe cut-off	
		Million Tonnes	Grade % Fe	Million Tonnes	Grade % Fe
Target Area 1	2,400	238	39	168	42
Target Area 2	8,000	450	36	219	43
Target Area 3	7,800	414	33	133	42
Total	18,200	1,102	36	520	42

“Reaching our initial strategic threshold of one billion tonnes is a key milestone in advancing our flagship Trairão Iron Project,” said Eddie Scholtz, President and CEO of Talon. “This project has continued to exceed our expectations and we are aggressively moving forward towards completing a preliminary economic assessment this year, and a prefeasibility study next year.”

The NI 43-101 compliant inferred mineral resource estimate for Target Area 3 was carried out by Talon’s independent technical consultants, Coffey Consultoria e Serviços Ltda., a branch of Coffey International in Brazil (“Coffey”), based on the results of 73 reverse circulation (“RC”) drill holes (4,710 metres of drilling), drilled between January and April 2011. As reported in Talon’s news release of July 25, 2011, these RC holes were drilled to depths down to 112 metres over a strike length of 7,800 metres of Target

Area 3. This area represents the eastern and north eastern strike extensions of Target Area 2 and Target Area 1 respectively, and together the three target areas represent the priority target of the Trairão ridge.

The drilling was conducted on a grid where lines were spaced between 200 and 400 metres apart, and the holes were drilled 200 metres apart along the grid lines. Drilling results, combined with surface mapping and regional airborne magnetic survey data, indicate that the Banded Iron Formation (“BIF”) in Target Area 3 comprises two individual parallel units: a Southern unit and a Northern unit, which individually are between 200 and 500 metres wide and together, inclusive of the surficial deposit between the two parallel BIF units, form a mineralized target which is up to 1,000 metres wide at its widest point. Similar to Target Areas 1 and 2, the iron mineralization intersected on Target Area 3 is contained within the weathered zone in saprolite and saprock, as well as in surficial deposits (eluvium and colluvium deposits) that cap the main Trairão ridge. The iron potential on the fresh rock was not tested in this drilling program.

Talon plans to file a third NI 43-101 compliant technical report on the results of the Trairão Project next week. This report will include the mineral resource estimate reported for Target Area 3, as well as the mineral resource estimate announced on June 29, 2011 for Target Area 2.

Geological Mapping and Scout Drilling

The preliminary geological mapping program covering all of the 13 iron target areas on the Trairão licence area has been completed, and scout drilling has been undertaken on many of the target areas in the north part of the licence area. Drilling results indicate that similar targets to those on Target Areas 1, 2 and 3, are located over a cumulative strike length of 4.0 kilometres on Target Areas 8 and 9. On these targets, surficial deposits, saprolite and saprock are preserved on plateaus that overlie the BIFs. On Target Areas 4, 5 and 6, as well as on Target Areas 7, 10 and 13, (which have a cumulative strike length of 9.0 kilometres), the surficial deposits and saprolite are not as well preserved and the mineralization is hosted in saprock and BIFs. Target Areas 11 and 12, in the extreme north of the licence area, have low potential for extensive iron mineralization.

Drilling Update and Outlook

Currently Talon has two RC rigs and five diamond drill rigs on site at the Trairão Project and to date 19,241 metres of RC drilling and 4,443 metres of diamond drilling have been completed.

In addition, RC drilling has been completed and assay results are pending on Target Areas 4, 5 and 6 where the three parallel BIF units have a 2,500 metre strike length over a wide area of some 2,000 metres. The RC rigs are currently drilling on Target Areas 7, 8, 9, 10 and 13 (which have a cumulative strike length of 10.5 kilometres). Thereafter, Talon plans to have the RC drilling rigs continue with deeper infill drilling in selected areas of Target Areas 1, 2 and 3.

The diamond drill rigs are currently drilling on Target Area 1 and Target Area 2. The diamond drilling program is intended to upgrade the mineral resource estimates from the inferred category to the indicated category on these priority areas. An initial “indicated” mineral resource estimate for Target Areas 1 and 2 is anticipated during the fourth quarter of this year. Thereafter, Talon plans to drill selected areas to depth to determine

the mineral resource potential of the underlying BIFs, commencing on Target Areas 1, 2 and 3.

Work on logistics, infrastructure, marketing and environmental aspects of a preliminary economic assessment is underway and is expected to be completed in the fourth quarter of this year. Sampling was undertaken for preliminary metallurgical test work following completion of the mineral characterization study. Preliminary beneficiation tests to produce a marketable concentrate grade are now underway at a selection of laboratories and institutions in Brazil. In addition, a conceptual mining study is ongoing.

Quality Assurance, Quality Control and Qualified Person

Talon's exploration programs are being managed by Talon's Mining Engineer, Mr. Ricardo Álvares de Campos Cordeiro (MAIG) and Talon's VP Exploration, Mr. Paulo Ilidio de Brito (Member: AusIMM). Mr. Cordeiro is qualified person within the meaning of National Instrument 43-101.

The "Qualified Person" who prepared the mineral resource estimates and other technical information presented in this news release is Mr. Bernardo Horta de Cerqueira Viana, who is a geologist, independent of Talon and an employee of Coffey. Mr. Viana is a member of the Australian Institute of Geoscientists ("AIG"). Mr. Viana is responsible for the technical information in this news release and has reviewed, approved and verified the data disclosed in this news release (including sampling, analytical and test data underlying the technical information, and the mineral resource estimates disclosed herein). In Coffey's opinion the mineral resource estimates disclosed herein are compliant with NI 43-101.

Coffey prepared a NI 43-101 compliant technical report on Target Areas 1 and 2 of the Trairão Iron Project entitled "Second Independent Technical Report on Mineral Resources" dated March 29, 2011, a copy of which is available under Talon's SEDAR profile at www.sedar.com. Talon plans to file an updated technical report for Trairão next week.

All drilling samples have been prepared and analyzed by SGS-Geosol Laboratórios Ltda ("SGS") which is ISO14001:2004 and ISO 9001:2008 accredited and is independent of Talon. Sample preparation was conducted at SGS Parauapebas preparation facility whereas analyses were performed at the SGS laboratory based in Belo Horizonte, Brazil. The samples were analyzed by fusion with lithium tetraborate-XRF for SiO₂, Al₂O₃, CaO, Fe₂O₃, K₂O, MgO, TiO₂, P, Mn and Cr₂O₃ and retained moisture (LOI) by multi-temperature.

QA/QC procedures include the submission by Talon of systematic duplicates, blanks and standard samples within every sample batch submitted to SGS. In addition, SGS inserts its own standards, blanks and duplicate samples. The results from these control samples indicate acceptable consistency of analysis.

About the Trairão Project

The Trairão Iron Project is situated within the Serra da Seringa Archean age greenstone belt, within the Carajás Mineral Province in Brazil, which also hosts numerous other iron ore deposits. The Trairão Project comprises eight exploration licences and four applications for exploration licences, for a total area of 76,523 hectares (189,092 acres). The primary protore iron mineralization in the project area is magnetite-rich BIFs. The

BIFs are associated with positive magnetic anomalies and locally are overlain by extensive supergene enriched hematite deposits in surficial and saprolite zones. Thirteen discreet target areas with iron deposits have been delineated within the licence area.

About Talon

Talon is a TSX-listed company focused on the exploration and development of its 100% owned Trairão Iron Project in Pará State, Brazil. The Company has a well-qualified exploration and management team with extensive experience in exploration and project management.

Talon has a treasury of approximately CDN\$30 million 91.8 million common shares outstanding and 107.6 million shares on a fully diluted basis.

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

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Forward-Looking Information

This news release 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, among other things, statements relating to the Trairão Iron Project with respect to estimates in respect of mineral resource quantities, mineral resource qualities, the preparation of a further updated technical report for the Trairão Iron Project and the timing associated therewith, the potential for upgrading the mineral resource estimate for Target Areas 1 and 2 and the timing associated therewith, and targets, goals, objectives and plans (including the Company's drilling-exploration plans and plans regarding scoping and prefeasibility studies) and the timing associated therewith. 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. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: failure to establish estimated mineral resources, the grade, quality and recovery of mineral resources varying from estimates, risks related to the exploration stage of the Company's properties, the possibility that future exploration results will not be consistent with the Company's expectations (including identifying additional and/or deeper mineralization), changes in the price of iron ore, changes in equity markets, political developments in Brazil, uncertainties relating to the availability and costs of financing needed in the future, changes to regulations affecting the Company's activities, delays in obtaining or failures to obtain required regulatory approvals, the uncertainties involved in

interpreting drilling and exploration results and other geological data and other factors (including exploration, development and operating risks). 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.

The mineral resource figures disclosed in this news release are estimates and no assurances can be given that the indicated levels of iron will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the mineral resource estimates disclosed in this news release are well established, by their nature mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

Figure 1: Trairão Iron Project – Exploration Summary, August 2011

