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Examining the Mineral Wealth of Northern Minnesota

Thank you, Chairman Stauber, and members of the Subcommittee on Energy and Mineral Resources for inviting me here today. I am here today representing Talon Metals as the Community Outreach & Government Relations Manager. Talon Metals is a mineral exploration and development company focusing on sourcing nickel and other critical minerals from the Tamarack Nickel Project here in Minnesota that will contribute the raw materials needed for building out our nation's domestic supply chains. I am also speaking to you today as a lifelong resident of rural Minnesota, where I have a passion for living the "small-town" life with my family; farming, camping, making maple syrup and enjoying the lake.

The Tamarack Nickel Project, located in Aitkin County, is one of the few high-grade nickel projects discovered globally in the 21st century, and is currently the only development stage high-grade nickel project in the United States. Talon has entered into an agreement with Tesla to supply 75,000 metric tonnes (165 million lbs) of nickel in concentrate from the Tamarack Nickel Project once commercial production is achieved. Currently, the United States has one operating high-grade nickel mine, and due to our current supply chain, 100% of that nickel is exported for processing and refining. With the Talon and Tesla partnership model, we are looking to recreate the supply chain and go from raw material to battery, here in the US.

Our team has been working to collect data on the Tamarack nickel deposit and surrounding environment in order to design a modern underground mine that meets environmental standards. As part of our Company tribal engagement statement, we are also committed to gathering input and seeking meaningful consultation with tribal governments. We recognize that underground mining involves disturbance of the earth and that communities and tribal governments have concerns about the potential for negative impacts on the environment. We intend to submit a mine plan for the regulatory review process that addresses the concerns we hear and incorporates the values and interests of our communities and tribal governments. The mine plan we submit will utilize best practices for modern mining, and the latest technologies to both protect the environment while also producing the natural resources required for the energy transition.

Looking at the Tamarack Nickel Project, we can see the potential for discovering more critical minerals here in Minnesota. The current known nickel resource at Tamarack is a small portion of the remaining geological area of interest for Talon, and while we are moving forward with shaping a mine design for the known resource, our team is also continuing ongoing exploration. In our most recent efforts, the exploration team has intercepted high-grade world class nickel mineralization up to 2 miles away from the current resource area.

As a resident of Aitkin County, I have seen the benefits that have been brought to our community from the mineral exploration activities at Tamarack. The Project's land package of over 31,000 acres sits on state and private lands and has contributed over \$11 million through state mineral lease fees for conducting our exploration activities. These funds are broken down to a local level, directly benefiting the counties, cities, and schools in the region. In addition, over \$56 million has been spent on local goods and services in Minnesota for the project's exploration activities. Of this, over \$12 million has been spent

within a 30-mile radius of the project, directly benefiting our local economy. A case study on royalty revenue from the Talon project was conducted by the DNR in 2021 and estimated over \$115 million in royalties. Our team has also made extreme efforts to hire locally, with 80% of employees based in Minnesota. For future underground mine operations, Talon has a partnership agreement with the US Steelworkers which will support regional workforce development.

Our team at Talon believes that we can explore and develop new sources of nickel and other critical minerals for battery manufacturing in the United States while also protecting the environment, cultural resources and our communities. As a community member in Tamarack, MN I believe we can too. It is an exciting time for mineral exploration and development, and I feel grateful that I can live the “small-town” life I love here in northern Minnesota, while also being a part of our nation’s important and historic energy transition that relies on minerals and metals for creating a sustainable future.