



Telson Mining Corporation
TSX.V: TSN OTC Pink: SOHFF
Frankfurt: TSGN.F
Shares Issued: 159,037,594

Telson & Trafigura Execute Waiver Request Conditionally Extending Loan Re-Payment Deadline to June 30, 2021

Vancouver, British Columbia, April 17, 2020

Telson Mining Corporation ("**Telson**" or the "**Company**" (TSX Venture Exchange-TSN, OTC Pink-SOHFF, Frankfurt-TSGN (formerly SQ82)) is pleased to announce that it has entered into a letter agreement (the "Letter Agreement") with Trafigura Mexico, S.A. de C.V., ("Trafigura") which defines the terms under which Trafigura will provide Telson a waiver to certain terms of the Loan Agreements entered into between the companies.

Under the terms of the Letter Agreement, Telson acknowledges that it is in default of its loan obligations under two loan agreements entered into between Trafigura and Telson as follows;

- 1) Loan agreement dated September 11, 2017 (the "Campo Morado Loan Agreement"), entered into between Trafigura as creditor, Nyrstar Campo Morado, S.A. de C.V. ("Campo Morado") as borrower and Telson and Grupo Minero Mexicano Nyrstar, S.A. de C.V. as joint obligors (the "Campo Morado Joint Obligor") and,
- 2) Loan agreement dated December 7, 2017 (the "Real de la Bufa Loan Agreement") and together with the Campo Morado Loan Agreement (the "Loan Agreements"), entered into between Trafigura as lender, Real de la Bufa, S.A. de C.V. ("Real de la Bufa") and together with Campo Morado (the "Borrowers") as borrower, and Telson as a joint obligor (the "Real de la Bufa Joint Obligor", and together with the Campo Morado Joint Obligor, the "Joint Obligor").

Material Terms of the Letter Agreement

1. Trafigura has provided their approval and consent to allow Telson to avoid a cause for default by granting Telson a waiver, forgoing defaults under the Loan Agreements, and deferring interests and principal payments until June 30, 2021.
2. This waiver also eliminates the Loan Agreements restriction on Telson for disposition of assets, if necessary, to generate cash to allow Telson to repay its loan obligations to Trafigura.
3. Trafigura agrees to restructure the entire loan debt obligation under terms and conditions to be negotiated on good faith by both parties based on market conditions and updated cash flow projections which confirm the projects financial viability,
 - a. If the Tahuehueto Project is ramped up or,
 - b. If Telson successfully raises funding in sufficient amounts to fully fund the final construction and ramp up of the Tahuehueto Project, which funding amount and requirements for



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effective ramp up, to be independently verified by a mutually acceptable independent engineering consultant.

- c. And subject to the fulfillment of the milestones outlined in section 7 below.
4. Telson undertakes to conduct a process to market assets for potential sale (the "Transaction") in amounts to repay loan obligations to Trafigura.
5. Telson will transfer all its assets in the Campo Morado Project and its assets in the Tahuehueto Project to a trustee in order to secure the full repayment of the Loan Agreements. Should Telson repay the total debt due to Trafigura under the Loan Agreements, the Trust will be terminated, and all assets held within the Trust will return to Telson
6. Telson undertakes to make every effort to,
 - a. Raise funding to repay the full amount of the Loan Agreements and at the same time to,
 - b. Progress the Transaction and should Telson not obtain sufficient funding to repay the Loan Agreement debt before June 30, 2021, Telson intends to perform the sale of one or more of its project assets, to generate sufficient funds to repay the Loan Agreements.
7. Milestones - Telson will take all reasonable commercial efforts to advance the Transaction, adhering to the time schedule outlined below and will provide Trafigura evidence that this process is advancing to the following schedule.
 - a. Before December 31, 2020, Telson shall have received at least three (3) letters of intent from potential buyers regarding the Transaction.
 - b. Before March 31, 2021, Telson shall have received at least three (3) binding offers from potential buyers regarding the Transaction.

It is recognized that a breach of the Letter Agreement shall not have occurred should Telson fail to receive the letters of intent and binding offers as contemplated in the above sections as a result of market conditions which fail to generate bona fide interest in the purchase of the assets so long as Telson has in good faith made all commercially reasonable efforts to advance the Transaction and can provide evidence of such efforts.
 - c. No later than June 30, 2021, the corresponding sales and purchase agreement shall be executed between Telson and the relevant purchaser if Telson has not either, repaid its loan debt obligations or satisfied the conditions outlined within section 3 above.
8. In partial consideration of the waiver granted by Trafigura, Telson shall issue to Trafigura 12,000,000 warrants exercisable into one common share for each warrant at an exercise price of \$0.175 per share over a term of 36 months. If any of the Campo Morado Project or the Tahuehueto Project are sold and Telson repays its total debt under the Loan Agreements within the timeline proposed above the warrants will expire and thereby be canceled.

"Telson is very pleased to have received the cooperation of Trafigura in the negotiations to finalize the Letter Agreement thereby obtaining Trafigura's waiver to a default under the Loan Agreements", stated Ralph Shearing, Telson's President & CEO, "the additional time now available of just under 16 months for our Company to repay our loan debt to Trafigura, will allow Telson a reasonable time frame to achieve



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funding and finish construction of its robust 100% owned flagship asset, the Tahuehueto gold mine project”

About Telson Mining Corporation located

Telson Mining Corporation is a Canadian based mining company with two 100% owned Mexican gold, silver and base metal mining projects.

Telson's Tahuehueto mining project, located in north-western Durango State, Mexico where construction has been advanced to approximately 70% completion and waiting for final funding to finish construction of the processing plant and related assets to produce gold, silver, lead and zinc in concentrates within its own on-site mineral processing facility, with a designed capacity of at least 1,000 tonnes per day. The Company is targeting completion of construction during 2021, six to eight months after securing final funding.

Campo Morado is a polymetallic base metal mine with mining and milling equipment capable of producing up to 2,500 tonnes per day. Four months after purchasing Campo Morado, Telson brought the mine back into operation initiating preproduction in October 2017 and declared commercial production in May 2018, operating the mine continuously for 22 months until August 2019 when the project was put on care and maintenance as a result of declining zinc prices and community issues. Telson brought the mine out of care and maintenance and reinitiated mining and milling operations during late January 2020.

Visit: www.telsonmining.com

On Behalf of the Board of Directors

(signed) “Ralph Shearing”

Ralph Shearing, President, CEO and Director

Cautionary Note Regarding Production Decisions and Forward-Looking Statements

It should be noted that Telson declared commercial production at Campo Morado prior to completing a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, readers should be cautioned that Telson's production decision has been made without a comprehensive feasibility study of established reserves such that there is greater risk and uncertainty as to future economic results from the Campo Morado mine and a higher technical risk of failure than would be the case if a feasibility study was completed and relied upon to make a production decision. Telson has completed a preliminary economic assessment (“PEA”) mining study on the Campo Morado mine that provides a conceptual life of mine plan and a preliminary economic analysis based on the previously identified mineral resources (see News Release dated November 8, 2017 and April 4, 2018).

Statements contained in this news release that are not historical facts are “forward-looking information” or “forward-looking statements” (collectively, “Forward-Looking Information”) within the meaning of applicable Canadian securities laws. Forward Looking Information includes, but is not limited to, disclosure regarding the planned recommencement of mining operations at Campo Morado; the ability to recommence outstanding payments to Nyrstar; and other possible events, conditions or financial performance that are based on assumptions about future economic conditions and courses of action; the timing and costs of future activities on the Company's properties, such as production rates and increases; success of exploration, development and bulk sample processing activities, and timing for



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processing at its own mineral processing facility on the Tahuehueto project site. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as “plans”, “expects”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or variations of such words and phrases. In preparing the Forward-Looking Information in this news release, the Company has applied several material assumptions, including, but not limited to, that the current exploration, development, environmental and other objectives concerning the Campo Morado Mine and the Tahuehueto Project can be achieved; that recommencement of operations at Campo Morado will proceed as planned; that discussions with Nyrstar and the abeyance of any potential default proceedings will be completed in a timely manner and on reasonable terms, the continuity of the price of gold and other metals, economic and political conditions and operations. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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