



Telson Mining Corporation  
TSX.V: TSN OTC Pink: SOHFF  
Frankfurt: TSGN.F  
Shares Issued: 161,364,823

## Telson Forms Strategic Funding Alliance with Accendo Banco for US\$12 Million

**Vancouver, British Columbia, June 16, 2020**

Telson Mining Corporation (“**Telson**” or the “**Company**”) (TSX Venture Exchange-TSN, OTC Pink-SOHFF, Frankfurt-TSGN (formerly SQ82)) announces that it has signed an updated term sheet with Accendo Banco, S.A. Institucion de Banca Multiple (“Accendo”) whereby Accendo will, subject to final due diligence, provide Telson with a US\$12 Million Medium Term Loan Facility (“MTLF”) for the purpose of funding construction at Telson’s Tahuehueto mining project and general working capital purposes.

The main terms and conditions of Accendo’s MTLF are as follows:

- Loan facility amount – US\$ 12 Million
- Repayment term – 3 years with a one-year grace period on principal
- Repayable in 24 equal monthly payments starting 12 months after closing
- Interest rate of 13.5% per annum
- Secured by second ranking security interest over all assets of the Company
- An arrangement fee of 2.5% of the facility amount payable from the proceeds upon first draw down at the closing
- An origination fee of 2.5% of the facility amount payable from the proceeds upon first draw down at the closing
- Telson to issue, subject to TSX Venture Exchange approval, 15 Million bonus warrants at an exercise price of \$0.09/share for a period of 48 months. The bonus warrants are to be issued in lieu of a work fee but subject to cancellation if the loan facility does not close
- The loan facility is subject to final due diligence of Accendo

In addition to the MTLF, Accendo will provide Telson further financial support as follows:

1. Accendo intends to purchase up to US\$500,000 (approximately Cdn\$678,800) of Telson’s critical existing debt with Tahuehueto mining project’s suppliers (arm’s length) and has agreed to convert the debt into common shares of Telson based on a coverage ratio on the debt amount settled. The parties have agreed that the shares to be issued will be based on 1.2x coverage ratio to the nominal debt amount purchased by Accendo and shares will be issued at the last closing price of the Company shares as quoted on the TSX Venture Exchange on June 15, 2020.
2. Accendo has introduced investors willing to participate in an equity investment in Telson of up to \$750,000. Accordingly, the Company intends to conduct a non-brokered private placement (the "Private Placement") of up to 7,500,000 units (the "Units") at a price of \$0.10 per Unit for total proceeds of up to \$750,000. Each Unit will consist of one common share of the Company and one half of a transferable share purchase warrant



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(each whole warrant being a "Warrant" of the Company). Each whole Warrant will entitle the holder to acquire one additional common share of the Company for a period of two years at an exercise price of \$0.15 per share. The proceeds from the Offering are expected to be used to continue advancing the construction of Tahuehueto project and general working capital.

All the above transactions are subject to TSX Venture Exchange approval.

Mr. Ralph Shearing, Telson's CEO and President states " Telson's management is extremely pleased to have gained the major financial support of Accendo Banco and upon closing of the US\$12 Million loan facility, the Company will be in a position to advance its 100% owned Tahuehueto gold mine towards the completion of construction which we strive to achieve in early 2021.

"On behalf of Accendo Banco we are very excited to become involved with Telson Mining Corporation as one of their main financial backers and intend to move rapidly to complete final due diligence in order to close Telson's funding within the next 1 to 2 months" stated Javier Reyes de la Campa, CEO of Accendo "our technical mining team have come to know the Tahuehueto Gold Project well and Accendo is convinced that it is one of Mexico's premier advanced gold mines under development and will soon reach production with our bank financial assistance. We are committed to help Telson reach production at Tahuehueto and intend to use our financial knowledge and network within the Mexican mining industry to assist with additional funding, if required."

### About Telson Mining Corporation

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 six to eight months after securing final funding.

Campo Morado is a polymetallic base metal mine that produces zinc, lead, copper, silver, and gold. 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. Telson brought the mine out of care and maintenance, reinitiating mining and milling operations late January 2020, operating through February and March however, temporarily suspended operations at the beginning of April as mandated by the Mexican Government Ministry of Health which proclaimed a national health emergency suspending all "non-essential" public and private sector business, including mining as a result of the COVID-19 pandemic. The Company re-started operations on June 3, 2020 after the Mexican government recognized mining as essential to the economy and are allowing companies to initiate mining activities.

Visit: [www.telsonmining.com](http://www.telsonmining.com)

**On Behalf of the Board of Directors**



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(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; 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 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; the continuity of the price of gold and other metals, economic and political conditions and operations and that the Filings will be completed in the time period anticipated. 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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