

## Telson Secures US\$5 Million Loan Facility and Offtake Agreement with Trafigura and is Now Fully Funded to Restart Operations at Campo Morado Mine

Vancouver, British Columbia, Monday September 18<sup>th</sup>, 2017.

### Highlights:

- Executed loan facility with Trafigura in the amount of US\$5 million for working capital
- Full funding enables restart of mining and mineral processing at Campo Morado Mine
- Full US\$5 million has been received into Telson’s bank account
- The Offtake Agreements are for 100% production of zinc and lead concentrates with a minimum fixed tonnage, starting delivery in October 2017 and ongoing until December 2021

Telson Resources Inc. ("Telson" or the "Company") (TSX Venture – TSN.V) is very pleased to announce it has entered into a Loan Facility and Offtake Agreements (the “Agreements”) with Trafigura Mexico S.A. de C.V. (“Trafigura”), a market leader in the global commodities industry, to sell 100% of the lead and zinc concentrate produced at the Campo Morado Mine from the commencement of commercial production estimated during October 2017 and until December 2021. Trafigura has provided Telson with a credit facility of US\$5 million thereby securing full working capital requirements to initiate the restart of continuous mining operations at the Campo Morado Mine.



### Key Terms:

#### US\$5 Million Loan Facility

- US\$5 million received in Telson’s bank account on September 15, 2017
- Three-year term with six-month grace period followed with 30 repayment installments.
- Loan Facility Matures on September 2020 and bears interest at rate equal to LIBOR (3M) +5%
- No hedging conditions
- No equity based payments

#### Offtake Agreement

- 51-month term ending December 2021 for Campo Morado Pb and Zn concentrate production
- Fixed minimum tonnage to be sent during the offtake term
- Very Competitive industry payable metal terms at LME and LBMA Spot prices
- Access to prompt payments 5 days after delivery, providing excellent liquidity to the operation
- Competitive transport charges

Telson has provided industry standard security to Trafigura in the form of a corporate guarantee, a promissory note plus a pledge of the shares of Telson 100% owned subsidiary company Nyrstar Campo Morado, S.A. de C.V. The extent of Telson’s liability to Trafigura within the Agreements under Mexican law is limited to the amount of the offtake loan plus interest.

Antonio Berlanga, CEO of Telson, states “We are very happy to be able to deliver to our shareholders this exciting key milestone which has secured Telson not only the US\$5 million working capital we were seeking allowing Telson to commence full mining operations at Campo Morado but also, very good concentrate sale terms plus an experienced and professional funding partner recognized worldwide as a leading commodities trader. This working capital will now allow us to finalize the mill clean up and refurbishment, that we initiated immediately after acquiring this project, and commence full-scale mining and mill processing in early October”. To view short video of ball mill restart during operational testing – Sept 2017 <[click here](#)>.



Telson is currently mining underground on Campo Morado at approximately 500 tonnes per day and will, over the next two weeks, add additional equipment and personnel to increase underground mining production toward 2,000 tonnes, or more, per day. In early October, the Company plans to begin the mineral processing mill restart at a planned rate of approximately 1,400 tonnes per day and will methodically and steadily increase the mineral processing mill throughput rate to a planned 2,000 tonnes per day within 6 to 12 months as milling techniques and recoveries are perfected and subsequently increase production to the ultimate capability of the mill which is currently rated at 2,500 tonnes per day.

### **About Trafigura**

Founded in 1993, Trafigura is one of the largest physical commodities trading groups in the world. Trafigura sources, stores, transports and delivers a range of raw materials (including oil and refined products and metals and minerals) to clients around the world. The trading business is supported by industrial and financial assets, including 49.6% owned global oil products storage and distribution company Puma Energy; global terminals, warehousing and logistics operator Impala Terminals; Trafigura's Mining Group; 50% owned DT Group which specializes in logistics and trading; and Galena Asset Management. The Company is owned by around 600 of its 4,100 employees who work in 61 offices in 36 countries around the world. Trafigura has achieved substantial growth over recent years, growing revenue from US\$12 billion in 2003 to US\$98.1 billion in 2016. The Group has been connecting its customers to the global economy for more than two decades, growing prosperity by advancing trade.

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

### **About Telson Resources Inc.**

Telson Resources Inc. is a Canadian based resource development company advancing two gold, silver and base metal projects towards production over the coming months of 2017 and 2018. Telson's Tahuehueto Project, located in north-western Durango State, Mexico and its recently acquired Campo Morado Mine in Guerrero, Mexico purchased from Nyrstar Mining are both polymetallic deposits containing significant gold, silver, lead, zinc and copper. Telson is currently mining ore at Tahuehueto at a rate of approximately 150 tonnes per day and direct shipping to a toll mill for processing off-site. By securing the funding stated in this Press Release, Telson will recommence mineral processing milling operations at Campo Morado in early October while at the same time, subject to additional financing, intends to continue the development of its Tahuehueto Project through the mine construction phase with an anticipated timeline to be processing at the project site in its own mineral processing facility during 2018.

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



**On behalf of the board of directors**

*(signed) "Ralph Shearing"*

**Ralph Shearing, P.Geol, President and Director**

**Qualified Person**

This press release was prepared under the supervision and review of Ralph Shearing, P.Geol., President and Director of Telson Resources Inc., a Professional Geologist registered in Alberta as a member of the professional organization APEGA, and a Qualified Person as defined by NI 43-101.

***Cautionary Note Regarding Forward-Looking Statements***

*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 possible events, conditions or financial performance that is 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; timing for the restart of continuous mining operations at the Campo Morado Mine, 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; 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*

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