

Telson Reaches Agreement with Nyrstar to Amend Loan Agreement

27.11.2018 | [Business Wire](#)

[Telson Mining Corp.](#) ("Telson" or the "Company") (TSX-V – TSN, OTC Pink – SOHFF, Frankfurt – TSGN (formerly SQ82)) is pleased to announce that it has reached an agreement to amend the terms of its Loan Agreement dated June 13, 2018 (the "Loan Agreement") with Nyrstar Canada (Holdings) Ltd ("Nyrstar"). The amended terms of the Loan Agreement will help Telson to better manage its cash flows at Campo Morado in a subdued zinc price environment.

Effective November 19, 2018, Telson and Nyrstar agreed to amend the terms of the Loan Agreement to reduce the monthly principal repayment from US\$1.0 million to US\$500,000, which also effectively extends the repayment period of the US\$6.5 million balance that was due under the Loan Agreement.

The main terms of the amended Loan Agreement are as follows:

- 1) Telson agreed to pay on or before November 23, 2018 an amount of US\$500,000 as principal repayment plus any accrued interest. (Paid)
- 2) Telson will make monthly principal repayments of US\$500,000 on the 13th day of each month starting on December 13, 2018 and up until October 2019, plus any accrued interest.
- 3) The interest rate did not change and was kept at a rate of 10% per annum.
- 4) Along with the monthly principal repayments mentioned above, Telson will also pay:
 - a) 70% of any monthly free cash flow generated by Telson; plus any monthly excess cash balance above US\$500,000; plus
 - b) 50% of the monthly free cash flow generated by Telson on the Tahuehueto Project once Telson declares commercial production.

Telson has agreed to repay in full the balance of the Loan Agreement no later than October 31, 2019.

Antonio Berlanga, Telson's Chief Executive Officer stated: "We are very pleased with the cooperation of Nyrstar in providing Telson an extended time frame within which to repay the Nyrstar loan in reduced monthly payments. The current global trade wars have adversely affected commodity prices world-wide and are most likely the main reason for the instability in the price of zinc over the past several months which have impacted Campo Morado's revenues. These reduced monthly payments agreed to by Nyrstar help us better manage our positive cash flows from this project. We note that after a somewhat steep decline in zinc prices from the US\$1.40/lb range to the US\$1.05/lb range, zinc prices have recovered to the US\$1.20/lb range."

About Telson Mining Corporation

[Telson Mining Corp.](#) is a Canadian based mining company with two Mexican gold, silver and base metal mining projects. Telson is currently in commercial production at its 100% owned Campo Morado Mine in Guerrero, Mexico. Effective May 15, 2018 Telson declared commercial production at Campo Morado. Telson is currently producing zinc and lead concentrates with gold, silver and copper as by-products, processing approximately 2,000+ tons per day through the Campo Morado milling facilities.

Telson's 100% owned Tahuehueto Project, located in north-western Durango State, Mexico is currently in construction development. Pre-production commenced at Tahuehueto in August 2017, currently mining at a rate averaging approximately 200 tonnes per day and shipping ore to a third-party toll mill for processing. Management has a targeted timeline at Tahuehueto to be producing with its own on-site mineral processing plant, with a designed capacity of at least 1,000 tonnes per day, during the first quarter of 2019.

Regular metal concentrate deliveries and sales are well underway from both projects.

Visit: www.telsonmining.com

On behalf of the board of directors

(signed) "Ralph Shearing"
Ralph Shearing, P.Geol, President and Director

Cautionary Note Regarding Production Decisions and Forward-Looking Statements

It should be noted that at Tahuehueto, Telson is mining reserves supported by a pre-feasibility published early 2017 while at Campo Morado pre-production mining is proceeding without the benefit of pre-feasibility or feasibility studies that outline mineral reserves and has 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 Campo Morado 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). This will soon be replaced by a pre-feasibility study ("PFS") that will allow the application of modifying factors to the mineral resources to allow a portion of them to be converted to mineral reserves.

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 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, zinc, lead 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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Die URL für diesen Artikel lautet:

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