

Telson Mining Corporation

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Telson Mining takes big step towards building Tahuehueto mine after conditional loan approval

Telson Mining Corporation (CVE:TSN) (OTCMKTS:SOHFF) is one step closer to finalising construction of its flagship Tahuehueto project.

The mining company announced Wednesday that it had received conditional approval for a line of credit worth US\$12 million from an unnamed international investment bank.

Tahuehueto is a district-scale epithermal mineralized system that Telson believes has the capability to become a substantial gold asset. The company envisions Tahuehueto as a 1,000 ton per day operation.

READ: Telson Mining shifts focus to Tahuehueto gold project in Mexico
The loan was conditionally approved after Telson successfully completed technical, financial and commercial due diligence on the project, the miner said in a release.

Final approval is based on Telson sourcing additional funding of at least US\$5 million, as well as the bank's own due diligence and completion of the loan and security pledge agreements.

Loan terms

Under the terms of the proposed loan, Telson has 36 months from the closing date to repay the US\$12 million amount, with a three-month grace period 12 months from the closing date on principal repayments at an annual interest of 12.5%.

Telson will grant the agent 0.75 of one warrant per every US\$1 raised for the total facility amount. One full warrant is exercisable for 48 months following the closing date.

The exercise price will be the lesser of the 20-day volume weighted average price of the shares on the closing date or C\$0.34, the value of shares on April 26, 2019 when the companies entered into an initial mandate.

Other fees include a 2% origination fee of the facility amount, which would be paid to the bank; a 2% arrangement fee for any amount of the credit line that the bank may syndicate to third party lenders; and a 2% yearly commitment fee on the undrawn balance of the loan amount.

The Vancouver-based company also said that its president and CEO will be attending the upcoming Precious Metals summit in Beaver Creek, Colorado next week to source additional funds as per the loan agreement.

Telson told investors that it can complete Tahuehueto's construction within six months once funding is in place.

Shares of Telson jumped nearly 7% on Wednesday at C\$0.23 in Toronto.

Contact Angela at angela@proactiveinvestors.com

Price: 0.065

Market Cap: \$10.34 m

1 Year Share Price Graph



April 2019 September 2019 March 2020

Share Information

Code: TSN

Listing: TSX-V

52 week High Low
0.4 0.04

Sector: Gold & silver

Website: www.telsonmining.com

Company Synopsis:

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

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