



Telferscot to Acquire Silver/Gold Mines in Mexico & Strategic Supply Alliance

TORONTO, Ontario, May 17, 2016 – Telferscot Resources Inc. (CSE:TFS) (“Telferscot” or the “Company”) is pleased to announce the signing of a binding Letter of Intent (“LOI”) to acquire the issued and outstanding shares of Auxico Resources Canada Inc. (“Auxico”). The LOI calls for the issuance of up to 23,500,000 shares of the Company following a consolidation of Telferscot shares to equal not more than 3,000,000 issued and outstanding immediately prior to completion. The Company currently has 104,856,961 shares outstanding following the recent Return of Capital (see Press Releases dated March 24, 2016 and April 29, 2016).

Auxico’s principal project is the Zamora Property, located in the State of Sinaloa, Mexico approximately 85km southeast of the city of Culiacan. Zamora covers 3,376 hectares and hosts 15 Silver/Gold mines and exploration prospects. Historical workings at Zamora date back to the 1800’s and in 1982 the Consejo de Recursos Minerales “CRM” (now referred to as the Servicio Geologico Mexicano “SRM” or Geological Services of Mexico) partially restored remaining mine infrastructure on the property. Details on historic resources at Zamora will be provided in due course.

Auxico recently announced a strategic supply alliance with CVMR® Corporation to produce nano silver powders for their clients in the defense, aerospace, electronics, automotive and medical industries. Additionally, Auxico disclosed that it has reached an agreement to lease port facilities at Coatzacoalcos, Mexico which will enable the company to ship directly to CVMR® in Toronto.

There are a number of conditions precedent for both Telferscot and Auxico to the completion of a Definitive Agreement for the acquisition including, but not limited to, completion of due diligence, a consolidation of Telferscot shares at a ratio of one new share for each thirty-five existing shares, completion of ongoing audits, and any necessary exchange and regulatory approvals.

Following completion of the Definitive Agreement, the Company will provide further information on the transaction and expected timelines to completion. In the meantime, investors may visit www.auxicoresources.com for further information about Auxico.

About Telferscot Resources Inc.

Telferscot Resources Inc. is a Canadian company listed on the CSE under ticker symbol TFS. For further information and access to the Company’s public disclosure record please consult SEDAR at www.sedar.com or the Canadian Securities Exchange at www.cnsx.ca.

This news release may contain forward-looking statements that are based on the Company’s expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances, unless otherwise required to do so by law.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

Stephen Coates, President
Telferscot Resources Inc.
Office: 416-642-1807
info@telferscotresources.com

Catherine Beckett, Manager Corporate Affairs
Telferscot Resources Inc.
Office: 416-642-1807
info@telferscotresources.com