



Telferscot Signs Agreement to Acquire Silver-Gold Assets in Mexico

TORONTO, Ontario, June 30, 2016 – Telferscot Resources Inc. (CSE:TFS) (“**Telferscot**”) and Auxico Resources Canada Inc. (“Auxico”), a private Canadian corporation, are pleased to announce that they have entered into an amalgamation agreement (the “Amalgamation Agreement”) as per the Letter of Intent (see press release May 17, 2016).

Pursuant to the Amalgamation Agreement, and on the effective date of the Amalgamation Agreement, the following shall occur:

- a) Following a 35:1 share consolidation, to be approved by shareholders, Telferscot shall issue 23,900,000 fully paid, issued and outstanding common shares from treasury (the “Exchange Shares”) to Auxico Shareholders, being one (1) Exchange Share for each one (1) Auxico share issued and outstanding as of the execution of the Amalgamation Agreement and all such Auxico shares shall be cancelled;
- b) Auxico is in the process of completing a financing whereby Auxico shall issue secured convertible debentures (the “Debentures”) being convertible into 5,000,000 Auxico Shares for gross proceeds of US\$2,000,000. Telferscot shall assume the obligations of Auxico pursuant to the Debentures. Further to such assumption, Telferscot shall reserve for issuance 5,000,000 Exchange Shares;

Closing of the transaction is subject to a number of conditions, including the completion of satisfactory due diligence, receipt of any required shareholder, regulatory and third-party consents, the CSE having conditionally accepted the relisting of Telferscot’s common shares and the satisfaction of other customary closing conditions.

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. Statements about the closing of the transaction, expected terms of the transaction, the number of securities of Telferscot that may be issued in connection with the transaction, and the parties’ ability to satisfy closing conditions and receive necessary approvals are all forward-looking information. 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.

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