

Telson CEO, Antonio Berlanga and President, Ralph Shearing
Lead concentrate in the foreground and zinc concentrate in the background

TAHUEHUETO PROJECT - DURANGO, MEXICO

Pre-Feasibility study completed for 500 tonne per day underground mining operation (See January 23, 2017 press release)

Telson Resources Inc. is a Canadian based resource company focused on the development of its advanced stage Tahuehueto gold-silver and base metal project in northwestern Durango State, Mexico.

Telson's immediate plans are to advance Tahuehueto through mine development and construction during 2017 and early 2018 to build and operate an underground mining operation as envisioned within its recently released NI – 43 101 compliant Pre-Feasibility Study. Initial ore processing throughput of 550 tonnes in the first 6 to 8 months of production is planned to be expanded late in the first year of operation possibly doubling initial processing tonnages.

Telson recently purchased the Tahuehueto Mineral Processing Plant which comprises approximately 80% of the mine processing equipment which will be required to construct the processing facility at Tahuehueto. The balance of the required equipment will be purchased as sourced, over the next several months prior to transporting the equipment for installation at site.

Mine development commenced on site during September 2016 with the development of the Level 10 Portal to access and collect a 3500 tonne industrial scale bulk sample of Tahuehueto ore which was transported to a mill near Guanacevi, Durango and fully processed to produce lead and zinc concentrates containing significant precious metal content. The resulting concentrates have been sold to concentrate purchasers for cash proceeds of approximately US $1.47 million. Following in November 2016 with the commencement of underground development of the 5m x 5m Haulage Level Portal, which to date has been driven approximately 180 m to intersect the El Creston Zone.

CAMPO MORADO - GUERRERO, MEXICO

On April 27, 2017, Telson Resources Inc. announced it had entered into a Share Purchase Agreement with Nyrstar Mining Ltd to purchase all of the shares of Nyrstar's Mexican subsidiary companies that make up and own 100% of the Campo Morado mine, located in Guerrero State, Mexico.



The Campo Morado Mine is an underground multi-metal mine with infrastructure, installations and equipment capable of processing 2,500 metric tonnes of ore per day. The property area comprises approximately 12,045 hectares in six mining concessions that are some 160 kilometers south- southwest of Mexico City.

The Campo Morado Mine was commissioned and commenced operations in 2009. Production was suspended in January 2015 and the mine was placed on care and maintenance due to deteriorating industry conditions. During 2014, the mine processed 657,000 tons of ore with an average grade of 1.2g/t Au, 115.7 g/t Ag, 4.6% Zn, 1.2% Cu and 0.9% Pb. The concentrates produced in the same year were 48,000 tons of Zn concentrate at 47% Zn and 29,000 tons of Cu concentrate at 13%, including 6 koz of Au and 0.9mm of Ag.

TELSON RESOURCES INC.

Corporate Summary (as of June 02, 2017)

Industry:	Mineral Exploration & Development
TSX.V Symbol	TSN
OTCBB Symbol:	SOHFF
Shares Outstanding:	94,016,995
Stock Options:	6,825,000
Warrants:	25,177,250
Shares Fully Diluted:	126,019,245
Recent Share Price:	$0.345
52 Week Trading Range:	$0.04 / $0.55
Market Capitalization:	$32,435,863

Officers & Directors

J.Antonio Berlanga Balderas	CEO, Director
Ralph Shearing	President, Director
Enrique Margalef	VP Corp. Dev, Director
Arturo Bonillas	Director
Remigio Martinez Muller	Director
Yao Sun	Director
Omar Garcia Abrego	Chief Financial Officer

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Tahuehueto Project Pre-Feasibility Study

Source: Metal Mining Consultants Inc.—January 20, 2017

On January 20, 2017, Telson released the results of a Pre-Feasibility Study ("PFS"). Key findings from this report included a potential mine life of 21 years, with a Payback Period of 3 years. Net Present Value ("NPV") at an 8% discount rate post tax of US$ 77 million and an Internal Rate of Return of 36%.

The project configuration evaluated in the PFS was an owner operated 790 tpd underground mine that will utilize overhand cut and fill mining with conventional mining equipment in a blast/load/haul operation. Mill feed will be processed in a 550 tpd comminution circuit consisting of primary and secondary crushing, grinding in a single ball mill followed by three flotation circuits producing lead, copper and zinc concentrates. The concentrates will be trucked from site for smelting and refining.

Summary of Preliminary Economic Assessment	
Avg Annual Revenue ("EBITDA")	$US 16.6 million
Net Present Value (8% discount)	$US 77 million
Internal Rate of Return (IRR)	36%
Payback Period	3 years
Mine Life	21 years
Capital Cost	$US 32.2 million
Calculations based on metal prices in US$ of - Gold $1,180.00/oz, Silver $16.70/oz, Copper $2.65/lb, Lead $0.87/lb, Zinc $0.92/lb	

Note: The PFS is preliminary in nature, including inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PFS will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Tahuehueto Project - Mineral Reserves (Source: Market Mining Consultants Inc.—PFS January 20, 2017)

Category	Mass (kt)	Au (g/t)	Contained Au	Ag (g/t)	Contained Ag	Cu (%)	Contained Cu	Pb (%)	Contained Pb	Zn (%)	Contained Zn
Probable Reserves	3,264	3.40	356	41.80	4,387	0.35	25,028	1.19	85,762	2.24	161,314

Tahuehueto Project - Mineral Resources (Source: Market Mining Consultants Inc.—PFS January 20, 2017)

Category	Mass (kt)	Au (g/t)	Contained Au	Ag (g/t)	Contained Ag	Cu (%)	Contained Cu	Pb (%)	Contained Pb	Zn (%)	Contained Zn
Measured	3,254	2.40	251	36.30	3,798	0.28	20,439	1.10	79,228	2.07	148,759
Indicated	4,123	1.87	248	33.92	4,496	0.27	24,900	1.03	93,511	1.96	177,894
Total M&I	**7,377**	**2.10**	**498**	**34.97**	**8,294**	**0.28**	**45,339**	**1.06**	**172,738**	**2.01**	**326,653**
Inferred	**4,868**	**1.06**	**166**	**31.77**	**4,971**	**0.23**	**24,935**	**1.23**	**132,417**	**2.26**	**242,241**

Two cut-offs were used to tabulate the gold, silver, copper, lead and zinc resources. A cut-off of 2.0g Au-equivalent/tonne was chosen to capture sulfide mineralization potentially available to underground extraction and flotation processing, while a cut-off of 3.0g Au-equivalent/tonne was applied to oxidized mineralization potentially available to underground extraction, which will likely yield lower flotation recoveries than the unoxidized material. This document was prepared under the supervision and review of Ralph Shearing, President



CAMPO MORADO MINE
Guerrero State, Mexico



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Upon closing the acquisition agreement Telson plans to secure operating capital through off-take loan funding and bring the mine back into production as soon as possible over the coming months.

Mineral resources as publicly disclosed by Nyrstar on April 29, 2015 are presented in the table below. A prior technical report dated March 31, 2010 produced for Farallon Mining Inc. is available, and includes historic mineral resource disclosure.

Name of operation	Ownership	Mining method	Commodity	Measured Mineral Resources		Indicated Mineral Resources		Measured and indicated Mineral Resources		Inferred Mineral Resources	
				2014	2013	2014	2013	2014	2013	2014	2013
Campo Morado	100%	UG	(Mt)	7.90	10.26	6.80	6.70	14.70	17.00	2.15	2.14
			Zn (%)	4.43	4.31	2.98	3.14	3.76	3.85	2.22	2.44
			Cu (%)	0.87	0.73	0.89	0.71	0.88	0.72	0.92	0.71
			Pb (%)	0.87	0.90	0.75	0.84	0.81	0.88	0.73	0.81
			Ag (g/t)	112.00	114.00	98.00	110.00	106.00	113.00	89.10	105.00
			Au (g/t)	1.27	1.34	1.43	1.72	1.34	1.49	1.49	1.88

Note: This statement is reported in accordance with the NI 43-101 guideline for disclosure and based on information from a Mineral Resource and Mineral Reserve statement prepared under the supervision of independent Qualified Person Gilles Arseneau, P.Geo. (APEGBC) of Arseneau Consulting Services, Vancouver, British Columbia, Canada in accordance with the CIM Definition Standards.

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