

TELSON INITIATES WORK AT TAHUEHUETO - COLLECTION OF 2,000 TONNE BULK SAMPLE

VANCOUVER, BRITISH COLUMBIA, August 23, 2016 – Telson Resources Inc. (TSX Venture - TSN) (“Telson” or the “Company”) is pleased to announce that it has initiated the process of collecting a 2,000 tonne bulk sample from the El Creston area on its Tahuehueto Project.

Portal construction on El Creston at level 10, 1,597 elevation was initiated August 22, 2016 and will be advanced northward a minimum of 100 meters to develop and prepare the mine to produce the 2,000 tonne bulk sample. The sample will be shipped in conventional dump trucks for processing to a new 120 tonne/day flotation mill facility named Andes, located approximately 85 Km northwest of the project. The underground development work, collection, transport and processing of the bulk sample is estimated to be completed late October 2016.



Figure 1 - Detonator cord ready for 1st blast initiating Portal construction.

The results of this industrial test, will provide proof of concept of the selective mining method, ground support, mining costs, and metal recovery processes to be utilized within the Tahuehueto mill design. In addition, it will



Figure 2 - Andes Processing Mill Facility

allow fine tuning of grinding parameters, reagent types and concentrations to be utilized, and milling techniques to improve on the excellent recoveries already demonstrated during bench scale metallurgical testing conducted by the Company in 2010 and earlier by previous operators. Furthermore, the Company will produce lead concentrates containing gold and silver as well as zinc concentrates which it will market to various concentrate buyers and will entertain the possibility of securing a dedicated concentrate buyer for the potential future productions of the mine.

Jose Antonio Berlanga, Telson's CEO stated "*We are extremely excited to initiate the collection and processing of this 2,000 tonne industrial test in order to support the assumptions being made in the Pre-Feasibility Study currently being prepared for an early October delivery to our shareholders and to better estimate the long term economics of the project.*"

About Telson Resources

Telson Resources Inc. is a Canadian based resource company focused on the exploration and development of its advanced stage Tahuehueto gold-silver project in northwestern Durango State, Mexico. The 7,492-hectare property consists of 28 mining concessions covering at least 12 mineralized zones hosted within a structurally

controlled epithermal system that has been traced for more than 6 km. Tahuehueto lies within the prolific Sierra Madre Mineral Belt, which hosts a series of historic and producing mines and most of Mexico's active exploration and development projects. Some of these mining operations near to Tahuehueto are noted as follows; Fresnillo gold mine La Cienega - 49 km southeast, Great Panther's Topia silver mine - 25 km south, Chesapeake gold project Metates - 60 km southeast, Basis silver mine - 122 km southeast, Primero's historic Tayoltita gold mine - 160 km southeast, and Endeavour silver mine in Guanacevi - 88 km northeast.

Qualified Person

This press release was prepared under the supervision and review of Ralph Shearing, P.Geol., President and Director of Telson Resources Inc., a Professional Geologist registered in Alberta as a member of the professional organization APEGA, and a Qualified Person as defined by NI 43-101

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Ralph Shearing"

Ralph Shearing, President

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WARNING: The Company relies upon litigation protection for "forward-looking" statements. This News Release may contain forward-looking statements including but not limited to comments regarding the timing and content of up-coming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. The Company assumes no obligation to update forward-looking statements, except as required by law.

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