



Telson Resources Inc. Announces NI 43-101 Pre-Feasibility Study for its Tahuehueto Project in Durango, Mexico has been filed on SEDAR

Vancouver, British Columbia, January 23, 2017 – Telson Resources Inc. (“Telson” or the “Company”) (TSX Venture – TSN.V) is pleased to announce that further to the Company’s news release dated December 06, 2016, the independent National Instrument NI 43-101 compliant Pre-Feasibility Study (“PFS”) for its Tahuehueto project in Durango, Mexico has been filed on SEDAR. This PFS has been prepared by Metal Mining Consultants Inc. based in Highlands Ranch, Colorado. Metal Mining Consultants is a full-service mining engineering firm, specializing in all aspects of exploration, mine development, and mine operations.

The Tahuehueto Project (“Tahuehueto” or the “Project”) is an advanced exploration stage polymetallic project. The mineralization consists of epithermal Au-Ag veins and brecciated structures with lead, zinc and copper, and is located in the Durango State within the prolific Sierra Madre Mineral Belt which hosts a series of historic and producing mines and most of México’s active exploration and development projects.

The Project configuration evaluated in this PFS is 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 floatation circuits producing lead, copper, and zinc concentrates. The concentrates will be trucked from site for smelting and refining.

The highlights of this Pre-Feasibility Study report include:

- Post-tax Net Present Value (“NPV”), using an 8% discount, of \$77M, with an internal rate of return (“IRR”) of 36% and a payback period of three years.
- Pre-tax NPV, using an 8% discount, of 138M with an IRR of 56%.
- Financial Analysis completed on base case metal price forecasts of \$0.87/lb for lead, \$0.92/lb for zinc, \$2.65/lb for copper, \$1,180/oz for gold and \$16.70/oz for silver.
- Metal Prices lower than 3-year averages.
- Average annual earnings before interest, taxes, depreciation, and amortization (“EBITDA”) of \$16.7M per year and \$352M over the life of the Project.
- Probable Mineral Reserves of 3.3 million tonnes, grading 3.4 g/t gold, 41.8 g/t silver, 0.31% copper, 1.1% lead and 2.0% zinc.
- 21-year mine life with average annual production of 16,100 oz of gold, 177,100 oz of silver, 900 k-lbs of copper, 3,200 k-lbs of lead and 5,600 k-lbs of zinc.
- Pre-production capital costs of \$32.2M including \$17.2M surface site development including mill construction and \$14.9M of mining equipment and preliminary underground development.

Due diligence during the finalization of the Technical Report discovered that gold and silver revenues in the copper concentrate were not accounted for during first 9 years of production. Correcting this oversight has

resulted in an increase to the NPV and IRR and EBITDA as disclosed in the Company's December 6, 2016 press to the current disclosure of this press release as follows,

- Post-tax Net Present Value ("NPV"), using an 8% discount, has increased by \$7 million from \$70M to \$77M, and the post-tax internal rate of return ("IRR") has increased by 3% from 33% to 36%.
- Pre-tax NPV, using an 8% discount, has increased by \$12 from \$126M to \$138M and the pre-tax internal rate of return ("IRR") has increased by 6% from 50% to 56%.
- Average annual earnings before interest, taxes, depreciation, and amortization ("EBITDA") has increased by \$18M from \$334M to \$352M over the life of the Project.

"With the delivery of this Prefeasibility Study we are now able to present shareholders a clear path forward to achieve the Company's goal of commercial production at Tahuehueto. Management is committed to this goal and will continue with its numerous initiatives already in progress to secure the necessary mine build funding, as well as to progress development and engineering work currently underway on site, advancing the project towards production throughout the coming year." stated Ralph Shearing, P.Geol, President of Telson.

The complete PFS dated January 20th, 2017 is available through the Internet under the Company's profile on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Company's website at www.telsonresources.com.

On behalf of the board of directors

(signed) "Ralph Shearing"

Ralph Shearing, President

Qualified Person

The "qualified person", (as such term is defined in NI 43-101), who prepared the mineral resource estimates disclosed in this press release is Mr. Scott Wilson, B.A. Geology, a Certified Professional Geologist and member of the American Institute of Professional Geologists in Denver, Colorado. Mr. Wilson is the independent resource estimate consultant for Telson Resources Inc. and has reviewed the technical information contained in this press release. The NI 43-101 compliant report related to this press release has been filed on SEDAR and has been posted on the Company's website within the timeframe specified by NI 43-101. Mr. Wilson is the President of Metal Mining Consultants Inc. and is independent of Telson as determined by the definitions and criteria set forth in NI 43-101. There is no affiliation between Scott Wilson and Telson except that of an independent consultant/client relationship.

Cautionary Note Regarding Forward-Looking Statements

Statements contained in this news release that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable Canadian securities laws. Forward Looking Information includes, but is not limited to, disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; the timing and costs of future activities on the Company's properties; success of exploration, development and bulk sample processing activities; anticipated results of check assay results; and the timing of receipt of the PFS. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as "plans", "expects", "scheduled", "estimates", "forecasts", "intends", "anticipates" or variations of such words and phrases. In preparing the Forward-Looking Information in this news release, the Company has applied several material assumptions, including, but not limited to, that the current exploration, development, environmental and other objectives concerning the Tahuehueto Project can be achieved; that the implementation of the selective mining method will prove feasible based on the results of the bulk sample; the continuity of the price of gold and other metals, economic

and political conditions and operations. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Cautionary Note Regarding References to Resources and Reserves

This news release uses the terms "measured and indicated resources" and "inferred resources". We advise U.S. investors that while these terms are defined in, and permitted by, Canadian regulations, these terms are not defined terms under SEC Industry Guide 7 and not normally permitted to be used in reports and registration statements filed with the SEC. "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility studies, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves", as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in this category will ever be converted into reserves. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists or is economically or legally minable.

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