



Telson Resources Inc.
(TSX.V: TSN OTCBB: SOHFF)
Shares Issued: 94,016,995

Telson Resources Inc. Announces Closing of the Purchase of the Campo Morado Mine, Guerrero State, Mexico from Nyrstar Mining Ltd.

Vancouver, British Columbia, June 14, 2017 – Telson Resources Inc. (“**Telson**” or the “**Company**”) (TSX Venture – TSN.V) is pleased to announce that it has received final TSX Venture Exchange (“**TSXV**”) approval for and has closed its acquisition of the Campo Morado mine, located in Guerrero State, Mexico (the “**Campo Morado Mine**”). Further to its news release of April 27, 2017, Telson has closed the Share Purchase Agreement, as amended (the “**Agreement**”) with Nyrstar Mining Ltd. and Nyrstar Mexico Resources Corp. (collectively “**Nyrstar**”) and has purchased all of the shares of Nyrstar’s Mexican subsidiary companies that make up and own 100% of the Campo Morado Mine, such that these subsidiary companies are now wholly-owned subsidiaries of Telson.

Under the terms of the Agreement, Telson will pay a total purchase price of US\$20 million plus any Variable Purchase Price. US \$800,000 was paid at signing of the Agreement, US \$2.0 million was paid immediately before today’s closing, US \$700,000 is due by June 30, 2017 and US \$16.5 million is due by June 13, 2018, as the anniversary of closing.

Nyrstar also retains the right to receive a Variable Purchase Price on future zinc production on the first 10 million tons of ore processed by Telson at the Campo Morado Mine when the price of zinc is at or above US \$2,100 per tonne. Telson shall pay Nyrstar the greater of either of (a) or (b) below:

- (a) US\$20 per tonne of zinc sold if the zinc price received is over US\$2,100 per tonne; or
- (b) a percentage of the Net Smelter Revenue received from zinc from the Campo Morado Mine based upon the following:
 - (i) if the zinc price received is greater than US\$2,100 per tonne and less than or equal to US\$2,200 per tonne, then 0.5% of the Net Smelter Revenue;
 - (ii) if the zinc price received is greater than US\$2,200 per tonne and less than or equal to US\$2,300 per tonne, then 1.5% of the Net Smelter Revenue;
 - (iii) if the zinc price received is greater than US\$2,300 per tonne and less than or equal to US\$2,400 per tonne, then 2.5% of the Net Smelter Revenue;
 - (iv) if the zinc price received is greater than US\$2,400 per tonne and less than or equal to US\$2,500 per tonne, then 3.5% of the Net Smelter Revenue; and
 - (v) if the zinc price received is greater than US\$2,500 per tonne, then 4.25% of the Net Smelter Revenue.

Telson maintains the right under the Agreement to purchase 100% of the Variable Purchase Price at any time for US \$4 million. Nyrstar also has a right of first refusal, on the same commercial terms and conditions offered by an arm’s length third party to enter into an offtake agreement for the purchase of zinc concentrates.

The Campo Morado Mine is an underground multi-metal mine located in Guerrero State, Mexico, 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.

Previous exploration conducted by both Nyrstar and Farallon at Campo Morado has consisted of 577,155 cumulative metres of diamond drilling in 3,036 surface and underground diamond drill holes, extensive geochemical and geophysical surveying (gravity, magnetic, IP and radiometric), metallurgy, geological mapping etc.

The most recent NI 43-101 compliant mineral resources as publicly disclosed by Nyrstar on April 29, 2015 are presented in the following.

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

(This table presents depleted resources and does not include the mined-out former resources of the G9 and G9 Del Oro zones.)

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 intends to recommence mining activities at Campo Morado in the near future upon securing necessary operating capital.

At a recent site visit to Campo Morado, Telson's management team was able to meet with the leaders of the local community, municipality representatives, members of the former mining union and current mine employees, all of whom have pledged their support with Telson's plan to reactivate the mine.

Antonio Berlanga, CEO, stated "Telson's management is very pleased to successfully complete the Campo Morado Mine acquisition, which we see as a unique and positive way to quickly add value for our Company's shareholders. We are in advanced discussions with several concentrate offtake purchasers to secure the operating capital required to recommence mining operations and once funding is successfully achieved, hope to bring the Campo Morado Mine back on stream, producing concentrate before the end of 2017 or earlier. There are no assurances that we will successfully complete an offtake agreement to facilitate commencement of operations on the above schedule, however we are working diligently to finalize same."

The Company is also pleased to announce that it has received TSXV approval and is concurrently closing on US \$2.8M of its previously announced private placement financing. Gross proceeds received by the Company were CDN\$3,791,919.69 and were used to fund the initial US \$2.8M payments under the Agreement. A total of 8,399,319 shares will be issued (3,448,774 shares at 31 cents per share and 4,950,545 shares at 55 cents per share). All shares issued under the private placement are subject to a four month and one day resale restriction under applicable securities laws. The funding was received from two corporate entities, each controlled by Estrategica Corporativa en Finanzas, a related party of the Company. The related party is a significant shareholder with a control position in the Company, for which the Company previously received shareholder consent in late 2015, in accordance with TSXV policy.

The balance of the private placement to the same party for 1,732,691 shares at CDN\$0.55 per common share is expected to close before the end of June to fund the further US \$700,000 payment under the Agreement due by June 30, 2017.

The issuance of private placement securities to a non-arms' length party also constitutes a related-party transaction under Multilateral Instrument 61-101 ("MI 61-101"). Because the Company's shares trade only on the TSXV, the issuance of securities is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and fits within an exemption from the minority approval requirements of Section 5.6 of MI 61-101.

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

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; the ability of the Company to negotiate and enter into one or more offtake agreements to fund rehabilitation and recommencement of operations at the Campo Morado Mine; success of exploration, development and bulk sample processing activities; anticipated results of check assay results and the closing of the Campo Morado purchase contemplated by the Agreement. 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 Campo Morado Mine can be achieved, including converting historical mineral resources into current mineral resources; 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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