



**Telson Resources Inc.**  
**TSX.V: TSN OTCBB: SOHFF**  
**Shares Issued: 104,149,005**

## **Telson Resources Inc. Initiates Activities for Restart of Mining Operations at Campo Morado and Closes Final Tranche of Private Placement**

**Vancouver, British Columbia, July 20, 2017** – Telson Resources Inc. (“**Telson**” or the “**Company**”) (TSX Venture – TSN.V) is pleased to announce that it has closed the final tranche of the private placement as announced in a press release dated [June 14, 2017](#) and accordingly has issued 1,732,691 shares at 55 cents per share, and paid an additional US\$700,000 to Nyrstar Mining which concludes all payments that were currently due under the agreement terms as summarized in the former referenced press release.

The funding was received from Estratégica 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 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.

With the successful acquisition of 100% of the Campo Morado Mine, Telson has initiated the hiring and training of personnel whom are currently servicing all milling and mining equipment located at the mine site. Internal technical mine plan studies are advancing in preparation for restarting mining operations at Campo Morado.

Although during Campo Morado’s last full production year of 2014 only zinc and copper concentrates were recovered using room and pillar mining methods, Telson is planning to restart mining operations employing block caving mining methods to potentially reduce mining costs with an emphasis on maximizing recoveries of all economic metals including gold, silver, zinc, lead and copper. Additionally, Telson is planning to focus mining activities to zones outlined within the defined resources where higher precious metal content is available.

Telson is also conducting preliminary leach testing on tailings collected from the tailings dam. If preliminary testing proves positive, Telson will initiate industrial scale leach testing of existing tailings and will investigate the possibility of adding a leach circuit to the mill design which could significantly increase recovery of precious metals on an ongoing basis.

Telson intends to fund its startup mining activities at Campo Morado with potential off-take prepayment loan funding where negotiations with concentrate buyer(s) are at an advanced stage to secure up to US\$7 million of operating capital. If offtake funding is achieved successfully the company hopes to initiate mining at Campo Morado within three months.

The Campo Morado Mine is a fully equipped 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 is shown below.

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 by Farallon Mining and commenced operations in 2009. In 2010 Nyrstar Mining purchased Farallon Mining in a friendly takeover bid valued at C\$409 million and thereby took 100% ownership of the project. Nyrstar suspended production in January 2015 and the mine was placed on care and maintenance.

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%.

#### On behalf of the board of directors

(signed) “Ralph Shearing”

**Ralph Shearing, P.Geol**  
**President**

#### 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.

#### 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 processing plans at the Atocha Mineral Processing Plant for mineralized material from the Company’s Tahuehueto project. 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; that the mineral processing plant recently acquired by the Company will be successfully*

*installed and commissioned, 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.*

**Contacts**

Glen Sandwell, Telson Resources Inc.

Corporate Communications

[ir@telsonresources.com](mailto:ir@telsonresources.com)

Tel: +1(604)684-8071