



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

Telson Resources Inc. Initiates Processing of Tahuehueto Ore to Recover Lead and Zinc Concentrates at the Atocha Toll Mill

Vancouver, British Columbia, July 31, 2017 – Telson Resources Inc. (“**Telson**” or the “**Company**”) (TSX Venture – TSN.V) is pleased to announce that processing of Tahuehueto ore for mineral recovery at the Atocha toll mill is underway. It is planned to process the ore at 300 tonnes or more per day.

To date approximately 4,600 tonnes of ore has been delivered to the Atocha mill site and approximately 1,500 tonnes of this ore has been processed through the sulfide flotation mill circuit to recover metal concentrates. A further 900 tonnes have been mined and are stockpiled at the Tahuehueto mine site pending delivery to the Atocha mill.

Mining is continuing underground from the Level 10 ore shoot estimated to contain at least 50,000 tonnes. Telson intends to continue mining on a continuous basis to generate cash proceeds during the Tahuehueto mine construction phase.

Commodities to be recovered are gold, silver, lead, zinc, within lead and zinc concentrates. The company is anticipating similar head grades and recoveries to those that were achieved during its industrial scale bulk sample test completed earlier this year as the ore is being mined from the same zone. Those previously achieved results from Feb 2017 are shown below. (Please see news release issued [February 23, 2017](#)).

Testing on the February 2017 industrial scale bulk sample returned an average head grade of 9.5 g/t gold, 63.9 g/t silver, 3.54% lead and 6.24% zinc. Sulfide flotation processing produced,

- 201 dry tonnes of Pb concentrate with average grades of 124.4 g/t Au, 786.4 g/t Ag, 40.7% Pb and 24.7% Zn.
- 259 dry tonnes of Zn concentrate with average grades of 11.18g/t Au, 147.07g/t Ag, 5.55% Pb and 43.57% Zn

All the concentrates from the February 2017 industrial scale bulk sample were sold generating cash receipts of approximately USD \$1.47 million.

Telson Resources Inc. is a Canadian based resource development company advancing two gold, silver and base metal projects towards production over the coming months of 2017 and early 2018. Telson's Tahuehueto Project, located in north-western Durango State, Mexico and its recently acquired Campo Morado Mine in Guerrero, Mexico purchased from Nyrstar Mining are both polymetallic deposits containing significant gold, silver, lead, zinc and copper. Subject to securing funding, Telson plans to recommence mining operations at Campo Morado within 3 to 5 months while at the same time develop it's Tahuehueto Project through the mine construction phase with an anticipated timeline to be producing at the project site in its own mineral processing facility by the first quarter of 2018 or earlier.

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

Tel: +1(604)684-8071