

Telson Resources Inc. Initiates Preproduction Tests at Campo Morado and is on Schedule for Mid October 2017 Restart of Commercial Production

Vancouver, British Columbia, October 2, 2017

Highlights:

- Mill clean up and refurbishment is nearing completion
- 25,000 tonnes mined and stockpiled on coarse ore patio
- 5,000 tonnes processed through crushing circuit and stockpiled on crushed ore patio
- Commercial production to re-Start at ~1,400 tonnes per day in next several weeks

Telson Resources Inc. ("Telson" or the "Company") (TSX Venture – TSN.V) is pleased to inform shareholders that the Campo Morado mill clean up and refurbishment is nearing completion with underground mining operations being ramped up utilizing two jumbo drills and additional haulage trucks that have mined and delivered approximately 25,000 tonnes to the coarse ore patio.

Ore crushing has been initiated and is progressing normally, to date accumulating a crushed ore stockpile of at least 5,000 tonnes. The Company plans to stockpile at least 7,000 tonnes of crushed ore as well as 60,000 tonnes of coarse ore to create more than one constant month supply of mill feed to sustain steady mineral processing operations.



After completing mill maintenance and refurbishment where necessary during September, successful operation tests of the mills grinding, flotation, thickening and filtration circuits have been conducted using water. Testing is continuing, verifying the continual steady state operational capability of equipment, instrumentation plus the hermetic integrity of the process circuit. To this point in time all equipment, instrumentation and mill circuits are working normally.

Telson is planning to initiate commercial production at an initial processing rate of approximate 1,400 tonnes per day at Campo Morado within the next several weeks of October 2017. As processing techniques are perfected the Company plans to slowly increase the mines production rate towards the mills capacity of 2,500 tonnes per day over the next six to twelve months.

Please click on the following links to view videos of various operation underway at Campo Morado

- 1 Trucking Mined Ore to Crusher: <https://youtu.be/fNFRVHEiKgg>
- 2 Feeding Coarse Ore to Crusher: <https://youtu.be/MGf6P9hDlfl>
- 3 Crushed Ore Stockpiling: <https://youtu.be/ZTXliHV6oK0>
- 4 Cyclone and SAG Mill Testing: <https://youtu.be/L8Q3k0XA38l>
- 5 Mill Control Centre in Operation: <https://youtu.be/fC4rIrXV1m0>



About Telson Resources Inc.

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. Telson is currently mining ore at Tahuehueto at a rate of approximately 150 tonnes per day and direct shipping to a toll mill for processing off-site. Subject to securing funding, Telson plans to soon recommence mineral processing milling operations at Campo Morado while at the same time develop its Tahuehueto Project through the mine construction phase with an anticipated timeline to be processing at the project site in its own mineral processing facility near the end of the first quarter 2018.

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



Telson Resources Inc.
TSX.V: TSN OTCBB: SOHFF
Shares Issued: 104,721,348

Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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