



Telson Signs Term Sheet for Loan Facility and Offtake Agreement with Trafigura for up to US\$15 Million To Finalize Mine Construction at Tahuehueto.

Vancouver, British Columbia, Monday October 30, 2017.

Highlights:

- Executed terms sheet for loan facility with Trafigura for up to US\$15 million for mine construction.
- Funding enables construction of mineral processing facility, related mining facilities, plus infrastructure and underground development at Tahuehueto
- Funds Available to the Company in Three Tranches According to Development Progress and certain conditions with first tranche within 30 days of signing formal agreements.
- The Offtake Terms are for 100% production of zinc and lead concentrates with a minimum fixed tonnage, starting delivery in January 2018 and ongoing until December 2022

Telson Resources Inc. ("Telson" or the "Company") (TSX Venture – TSN.V) is very pleased to announce it has signed a term sheet of a Loan Facility and Offtake Agreement with Trafigura Mexico S.A. de C.V. ("Trafigura"), a market leader in the global commodities industry, to sell 100% of the lead and zinc concentrate produced at the Tahuehueto Mine from January 1st 2018 to December 31st 2022. Trafigura will provide Telson with a credit facility of US\$15 million upon signing formal agreements, thereby securing the bulk of the capital requirements to construct and operate an ongoing 1,000 tonne per day mining operation at Tahuehueto.

Although Telson cannot guarantee the completion and signature of final contracts, negotiations have reached fully mutual agreement terms and the parties have signed a term sheet providing comfort to both parties to conclude and execute final contracts which are being currently drafted and are expected to be signed during the next couple of weeks.

About Trafigura

Founded in 1993, Trafigura is one of the largest physical commodities trading groups in the world. Trafigura sources, stores, transports and delivers a range of raw materials (including oil and refined products and metals and minerals) to clients around the world. The trading business is supported by industrial and financial assets, including 49.6% owned global oil products storage and distribution company Puma Energy; global terminals, warehousing and logistics operator Impala Terminals; Trafigura's Mining Group; 50% owned DT Group which specializes in logistics and trading; and Galena Asset Management. The Company is owned by around 600 of its 4,100 employees who work in 61 offices in 36 countries around the world. Trafigura has achieved substantial growth over recent years, growing revenue from US\$12 billion in 2003 to US\$98.1 billion in 2016. The Group has been connecting its customers to the global economy for more than two decades, growing prosperity by advancing trade.

Visit: www.trafigura.com

About Telson Resources Inc.

Telson Resources Inc. is a Canadian based mining company producing gold, silver and base metal from its two



Mexican Mine Projects. Telson's Tahuehueto Project, located in north-western Durango State, Mexico and its recently acquired Campo Morado Mine in Guerrero, Mexico are both polymetallic deposits containing significant gold, silver, lead, zinc and copper. Telson is currently mining and processing ore at its 100% owned Campo Morado Mine at a rate of approximately 1,400 tonnes per day and at its 100% owned Tahuehueto Mine Project at a rate of approximately 150 tonnes per day and direct shipping Tahuehueto preproduction ore to a toll mill for processing off-site. By securing the funding outlined in this Press Release, Telson will initiate the construction of a commercial mining operation on its Tahuehueto project, with an expected timeline to be completed and operational during the summer of 2018.

Visit: www.telsonresources.com

On behalf of the board of directors

(signed) "Ralph Shearing"

Ralph Shearing, P.Geol, President and Director

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, such as production rates and increases; success of exploration, development and bulk sample processing activities; and timing for processing at its own mineral processing facility on the Tahuehueto project site. 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 and the Tahuehueto Project can be achieved, 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



Telson Resources Inc.
TSX.V: TSN OTCBB: SOHFF
Shares Issued: 107,071,371

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

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