



## **Telson Discloses Tahuehueto Mining & Concentrate Preproduction, Metallurgical Balances & Cash Sale Results for 2017 and Announces Plans for Corporate Name Change**

Vancouver, British Columbia, February 15<sup>th</sup>, 2018

### **Highlights:**

- **22,662 tonnes ore mined during July – Dec 31, 2017 from El Creston Zone Averaging of 132 t/day**
- **Tahuehueto Toll Milling processed 14,377 tonnes of ore during 2017,**
- **Average Head Grade of ore milled in 2017 was 6.94 g/t gold, 84.36 g/t silver, 5.29% zinc, 2.64% lead.**
- **Average recoveries of ore processed in 2017 - 82.4% gold, 87.8% silver, 79.4% lead and 74.4% zinc.**
- **Produced 666 tonnes of lead concentrate and 1,130 tonnes of zinc concentrate in 2017**
- **643 tonnes lead and 1,039 tonnes zinc concentrates sold 100% for total cash proceeds of approximately USD \$5.24 million received by Telson**
- **Average grade of lead con sold 46.8% lead, 122.2 g/t gold, 1,292 g/t silver, 13.5% zinc, 2.5% copper.**
- **Average grade of zinc con sold was 48.9% zinc, 4.95 g/t gold, 128.3 g/t silver, 1.40% lead, 0.39% copper.**
- **Telson to change its name to TELSON MINING CORPORATION to reflect its transition from an exploration and development issuer into a mining company.**

Telson Resources Inc. ("Telson" or the "Company") (TSX Venture – TSN.V) is very pleased to announce the results of pre-production mining and processing at its 100% owned Tahuehueto Mine Development Project located in Durango, Mexico. Pre-production mining averaging 132 t/d at Tahuehueto commenced during July 2017 with toll milling operations starting during August 2017. Mining and toll milling continued through to mid December 2017 when operations were shut down during Christmas holidays. Mining and toll milling resumed in January 2018.

During the 6 months of pre-production operations in 2017, mining at Tahuehueto produced 22,662 tonnes of ore from the El Creston Zone and toll milling at the Atocha Processing Plant milled approximately 14,377 of this ore. The average head grade of the total pre-production ore processed was 6.94 g/t gold, 84.36 g/t silver, 5.29% zinc, 2.64% lead.

During the 2017 pre-production program the Company produced; 666 tonnes of lead concentrate with average grades of 45.32% lead, 122 g/t gold and 1,374 g/t silver and 14.03% zinc and; 1130 tonnes of zinc concentrate averaging 49.95% zinc. 3.83 g/t gold, 113 g/t silver and 1.2% lead.

Of the above concentrate produced, Telson sold 643 tonnes of lead concentrate with average grades of 122.2 g/t gold, 1292 g/t silver, 46.87% lead, 13.52% zinc, 2.5% copper and 1039 tonnes of zinc concentrate with average grades of 48.98% zinc, 4.95 g/t gold, 128.3 g/t silver, 1.40% lead, 0.39% copper for total cash proceeds of USD \$5.24 million which proceeds have been paid in full and received by the Company. Readers should be cautioned that cash sales should not be equated with revenues, as until commercial production is achieved at Tahuehueto, which is not expected until early 2019, once Telson completes construction of its proposed onsite mineral processing facility, any proceeds from the sale of concentrates are considered under Canadian GAAP to be applied as an offset



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to development costs and not counted as revenues on Telson's income statement. Furthermore, Telson is not, during the pre-production stage, able to disclose the costs/expenses associated with generating such cash sales or provide guidance on profitability (if any).

Antonio Berlanga, CEO of Telson, states "Management is very pleased with the results of our Tahuehueto preproduction toll milling program. We are consistently producing excellent lead concentrates above 46% lead with high precious metal content averaging 122 gAu/t and over 1,200 gAg/t, while zinc concentrate grades are averaging above 48% Zinc. Payable metal recoveries are also excellent, averaging 82.48% gold, 87.82% silver, 79.47% lead and 74.49% zinc for total 2017 preproduction. This preproduction program, to continue throughout 2018, allows us to continue to optimize metal recovery techniques which we are confident will be perfected over the coming year and will allow Telson to transfer this processing and recovery knowledge for its own milling facility under construction at Tahuehueto and hopefully, reduce the startup and commissioning time of this future on-site 1,000 + tonne per day Tahuehueto mineral processing facility.

#### **About Telson Resources Inc.**

Telson Resources Inc. is a Canadian based junior resource mining company currently in pre-production at two Mexican gold, silver and base metal mining projects and is advancing both towards commercial production over the coming months of 2018. At the recently acquired Campo Morado Mine in Guerrero, Mexico, Telson has recommenced mining and processing operations with pre-production from mine development on a trial basis at an average 1,500 tonnes per day during the recommissioning stage and intends to advance towards commercial production at full capacity of approximately 2,500 tonnes per day during 2018. Telson's Tahuehueto Project, located in north-western Durango State, Mexico is currently in pre-production at approximately 150 tonnes per day utilizing a toll mill for processing and has entered a construction phase with a timeline to be producing on site in its own mineral processing plant capable of milling at least 1,000 tonnes per day towards the end of 2018. Regular metal concentrate delivery and sales are underway from both projects.

Visit: [www.telsonresources.com](http://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 association APEGA, and a Qualified Person as defined by NI 43-101. Data verification by Mr. Shearing includes personal inspection of the Tahuehueto mine site, reviewing mining facilities, drill core, underground development and discussing work programs and results with geology and mining personnel.

#### ***Cautionary Note Regarding Production Decisions and Forward-Looking Statements***

*It should be noted that Telson has commenced pre-production mining at both projects. At Tahuehueto, Telson is*



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*mining reserves supported by a pre-feasibility published early 2017 while at Campo Morado pre-production mining is proceeding without the benefit of pre-feasibility or feasibility studies that outline mineral reserves.*

*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; timing for the restart of continuous mining operations at the Campo Morado Mine, 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 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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**For further information about Telson Resources Inc., please contact:**

Glen Sandwell  
Corporate Communications Manager  
[ir@telsonresources.com](mailto:ir@telsonresources.com)  
Tel: +1 (604) 684-8071