Telson Resources Inc.



Developing gold, silver and base metals in Mexico's prolific Sierra Madre mineral belt

Legal Disclaimer

This presentation may contain forward looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Telson Resources Inc. relies upon litigation protection for forward-looking statements.

Company Introduction

TELSON RESOURCES INC.

- Canadian-based resource exploration and development company currently focused on two projects in Mexico's prolific Sierra Madre mineral belt

TAHUEHUETO PROJECT

- Advanced project covering a 9,081 hectare property in Durango Mexico
  - 922,391 AuEq (Gold Equivalent Ounces, Au&Ag only) with 665,000 oz Gold and 13.2 million oz Silver, plus significant base metals adding value to the resource
  - 60% of the 922,391 AuEq is "measured & indicated"

JOCUIXTITA PROJECT

- 4,332 hectare property with substantial silver and base metal potential.

Key Management and Directors



Ralph Shearing, Professional Geologist (P.Geo), President/CEO

- 30 years experience in mineral exploration & development.
- Experienced in all aspects of mineral exploration, including geophysics, geochemistry, geology and diamond core drilling.
- 25 years senior management experience with publicly listed companies



Art Freeze, Professional Geologist (P.Geo.), Director

- Over 38 years of experience as an exploration and production geologist.
- Extensive experience in mining development programs and evaluating projects for both senior and junior resource companies. Has held consulting, supervising, and management positions with major and junior mining companies including: GoldCorp, Cominco Ltd., Pasminco Exploration, Echo Bay Mines and Pan American Silver Corporation.
- Senior Consulting Geologist for Goldcorp Inc.



Lianxi Zhang, B.Sc Chemical Eng., Director

- Served as Department and General Manager for Tangshan XinGuang Ltd a developer of coal mines in the North Eastern part of China.
- Founder Tianjin LanDe Investment Co. Ltd. (“Tianjin”), involved in coal mine development, real estate development and direct equity investments in a number of domestic and foreign companies.
- Tianjin is one of the most recognizable investment holding companies in Tianjin City, China investing in Chinese real estate, private companies in China and international publicly traded companies.

Directors



John Lynch, Director

- Extensive experience in corporate management and administration as well as experience in corporate governance.
- Currently President & CEO and a director of NWT Uranium Corp., a TSX Venture Exchange listed company
- Serves on the Board of Directors of URU Metals Limited



Yao Sun, B.Comm, CFA, CMA,CPA, Director

- Active member of the Chartered Financial Analyst Institute (CFA), the Certified Management Accountants (CMA) of Canada and the Certified Practicing Accountants (CPA) of Australia.
- Former financial analyst with Citic Media Group in Beijing, China.
- Currently CEO of Clearstone Capital Corp, a Canadian company which provides advisory services to Canadian and Chinese public companies.



John Anderson, B.A., Director

- Over 20 years experience in the financing and promotion of small to mid-cap public companies.
- President of Purple Fish Capital Management, a private equity firm engaged in the financing of both private and public companies in North America, Europe and Asia.
- Director on the boards of other junior resource companies.
- Mr. Anderson holds a B.A. from the University of Western Ontario.



Don Crossley, CA, Chief Financial Officer

- More than 25 years of experience as a Chartered Accountant, including seven years with KPMG.
- During the past 18 years, he has also served as a director and officer of several public companies.
- Over 23 years providing a full range of accounting services to publicly listed Canadian companies.

WHY MEXICO?

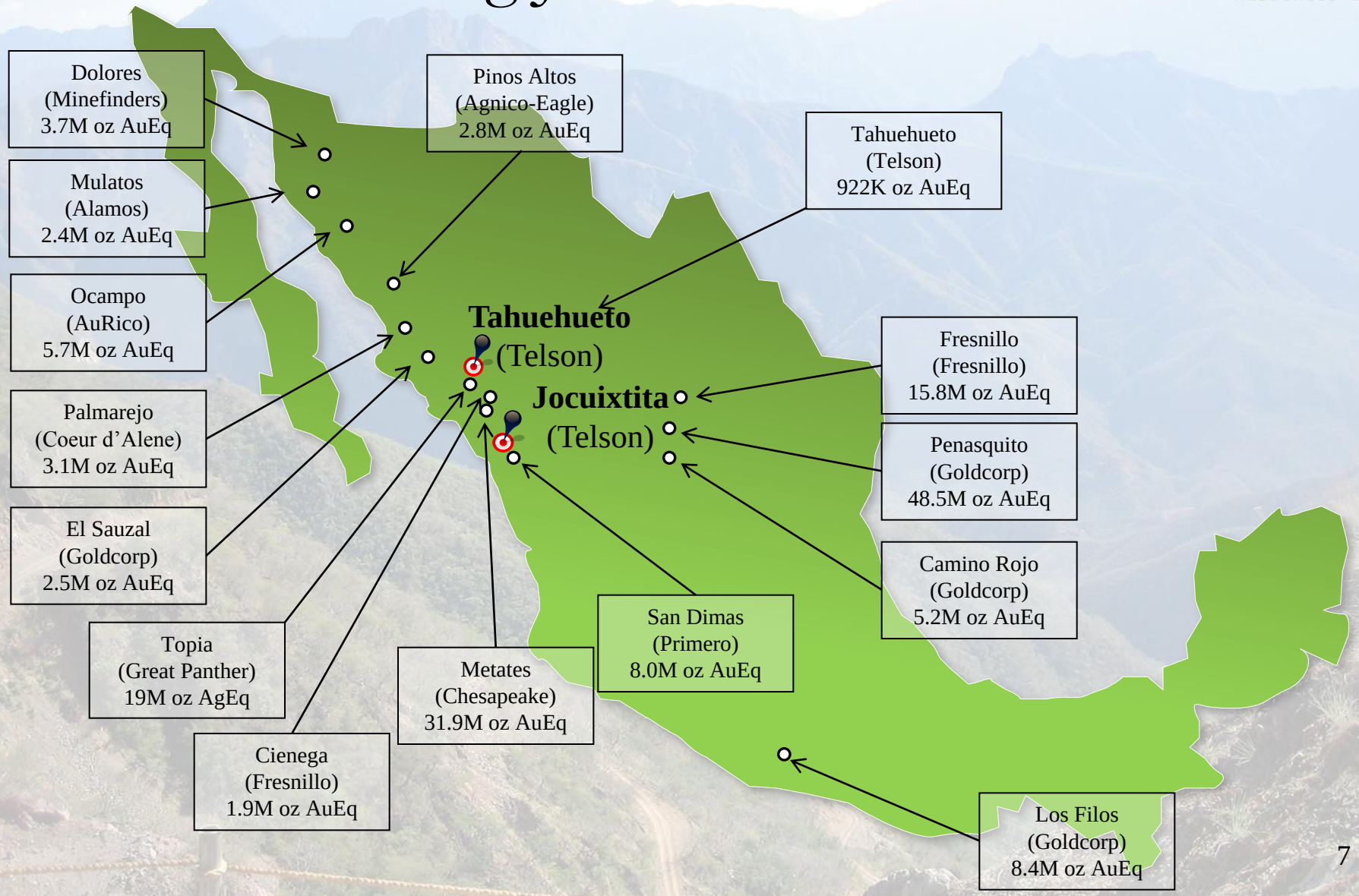
Why Mexico?

- **Very low country risk**
- Management & Board have extensive experience in Mexico
- Mexico has 500 years of mining history
- Mining industry represents a significant part of the national and state economies
- Well established permitting process
- Highly experienced mining workforce
- Stable economy & government
- Mexico has created the right conditions, entities and framework in order to promote & develop mining activity





Prolific Mining Jurisdiction



Tahuehueto Project – Durango, Mexico

- Advanced gold, silver and base metal project
- 9,081 hectares
- 99% owned through Mexican subsidiary

MEXICO

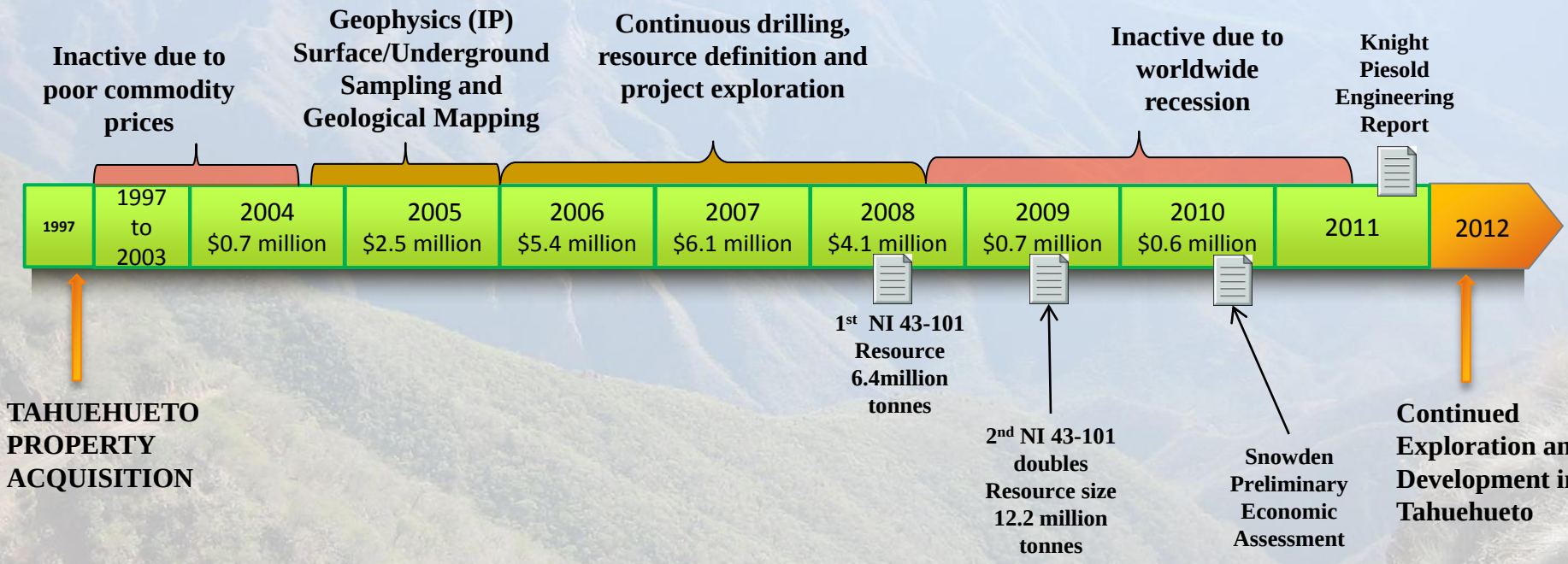
Mexico Position



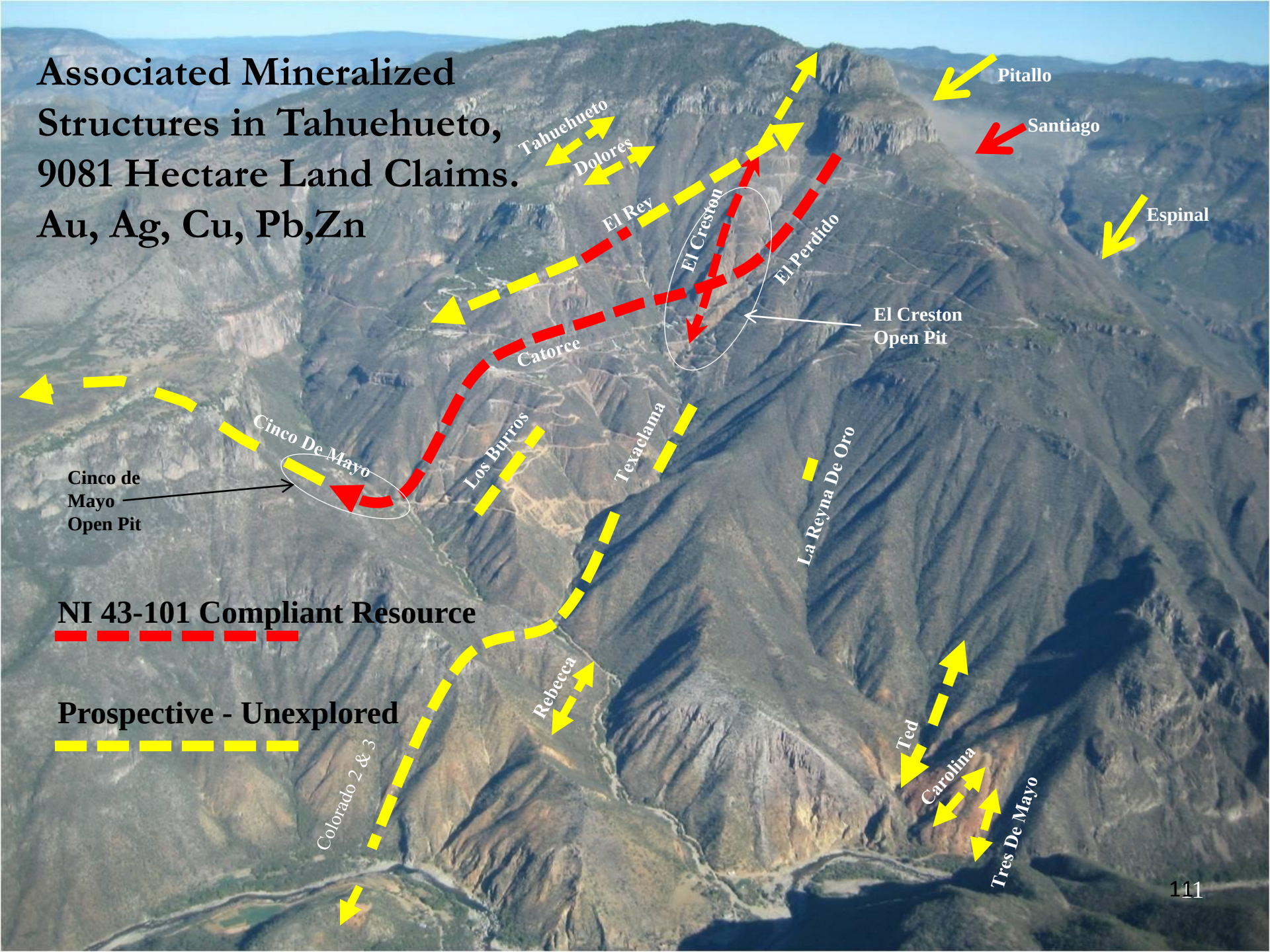
Telson Properties – Location & Access



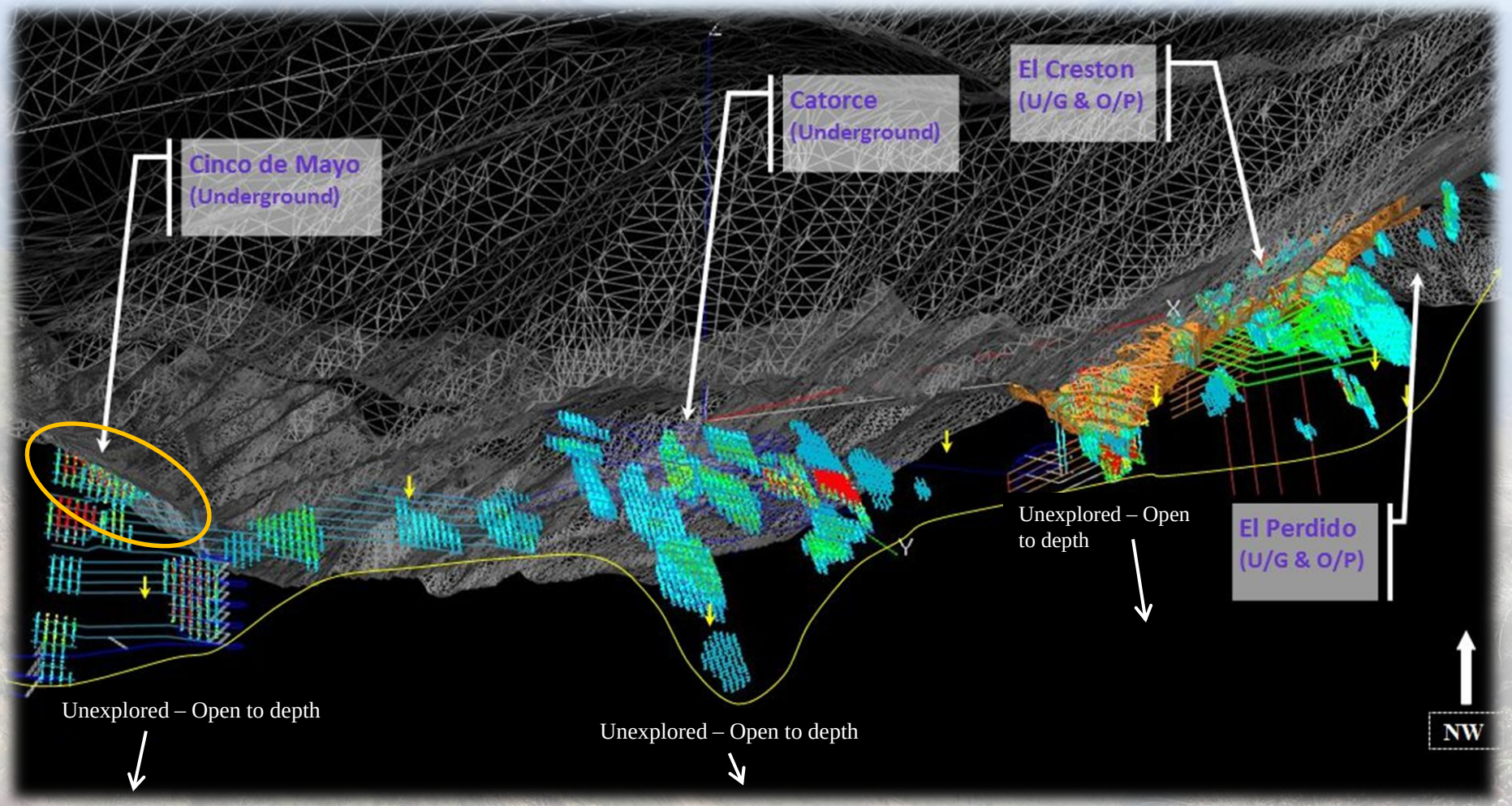
Telson Resources – Tahuehueto Work History



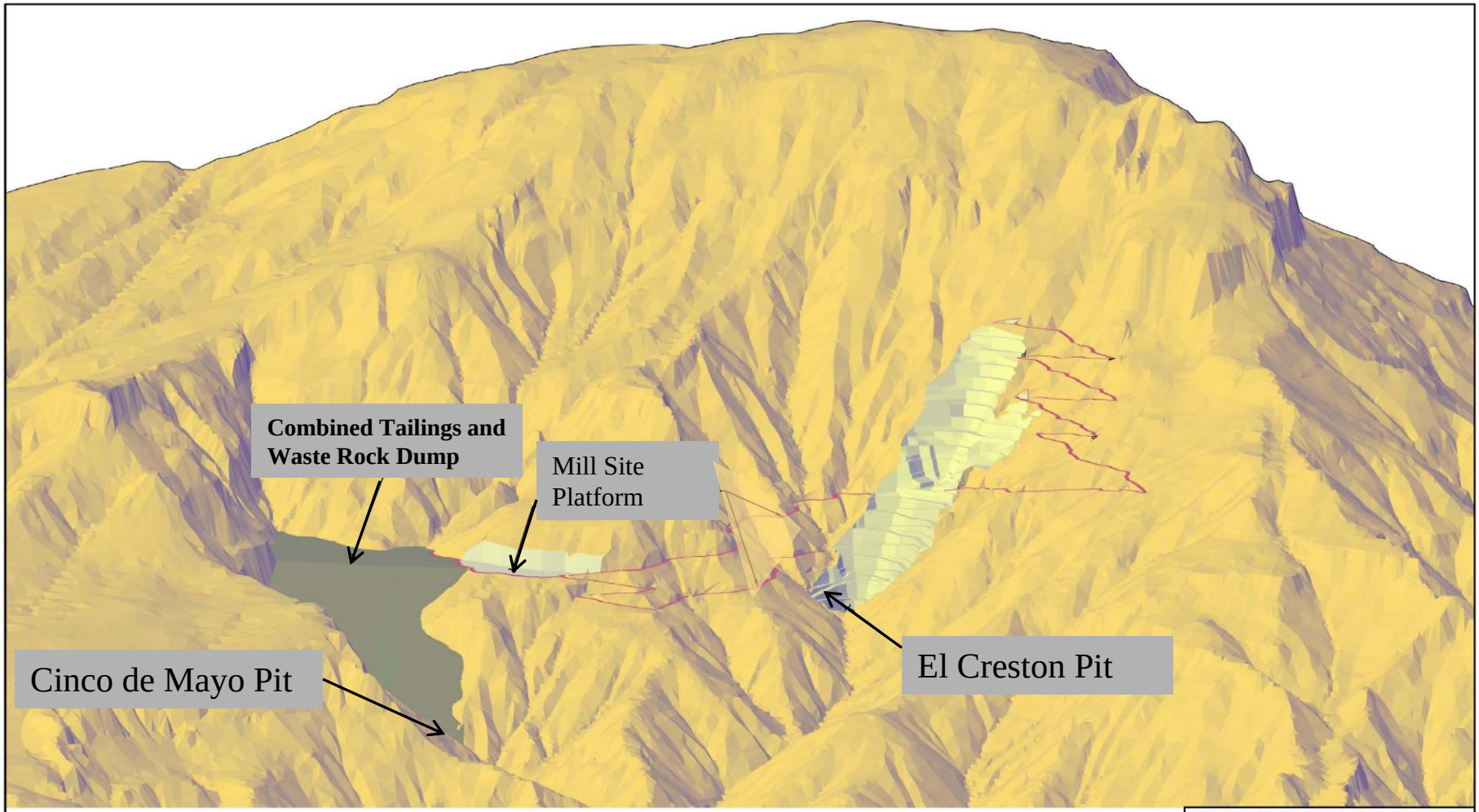
Project expenditures totalling $20.1 million from 2004 to 2010 or 75% of total money raised since Tahuehueto acquisition


Associated Mineralized Structures in Tahuehueto, 9081 Hectare Land Claims. Au, Ag, Cu, Pb,Zn
Tahuehueto
Dolores
El Rey
El Creston
El Perdido
Pitallo
Santiago
Espinal
El Creston Open Pit
Catorce
Cinco De Mayo
Cinco de Mayo Open Pit
Los Burros
Texaclama
La Reyna De Oro
NI 43-101 Compliant Resource
Prospective - Unexplored
Rebecca
Colorado 2 & 3
Ted
Carolina
Tres De Mayo

Mining Concept & Ore Bodies



General Site Arrangement from PEA

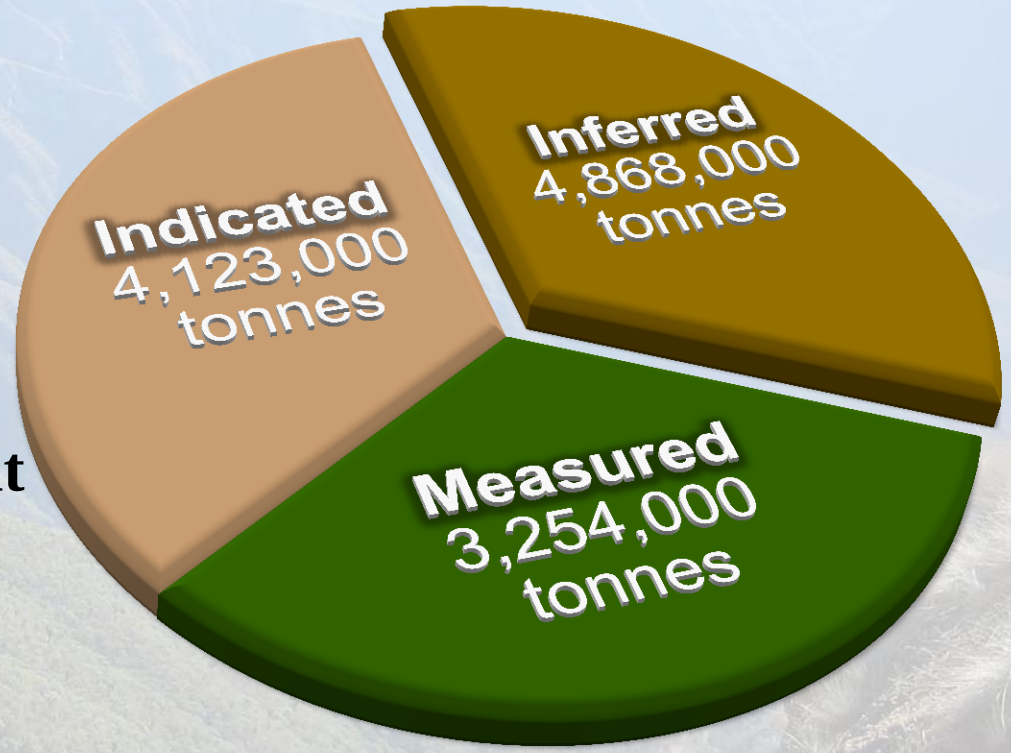


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SOHO RESOURCES CORP.
TAHUEHUETO PROJECT
GENERAL ARRANGEMENT
ISOMETRIC VIEW
Knight Piésold CONSULTING
PIA NO. VA201-141/4
REF NO. VA11-00817
FIGURE 3
REV 0

2009 NI 43-101 Resource Highlights

- **12.2 million tonnes**
  (over 7 million tonnes M&I)
- **665,000 oz Gold** (Au only)
- **13.2 million oz Silver** (Ag only)
- **916,963 oz Gold Equivalent**
  (Gold & Silver only)
- **Plus base metals**
  70 M lbs Cu, 305 M lbs Pb, 569 M lbs Zn



Note: Gold Equivalent calculated using Kitco metal prices January 24, 2013

Results of NI 43-101 Preliminary Economic Assessment (PEA)

	Est PEA Current Metal Prices (Oct 17, 2011)	PEA Metal Prices 3 Yr Average
Net Present Value (5% discount)	**$US 302 million**	$US 109 million
Fully diluted NPV per share	**$1.24**	$0.45
Internal Rate of Return	**59%**	31%
Payback Period (years)	**1.5**	2.25
Net Cash Flow	**$US 477 million**	$US 184 million
Metal Prices $ US	**Gold 1,670.70, Silver 31.80, Copper 3.37, Lead 0.88, Zinc 0.85**	Gold 965.81, Silver 15.38, Copper 2.92, Lead 0.95, Zinc 0.88

Capital Costs for Mine Development

Mining & Development •to prepare mine for contract miners	$US 4.2 million
Pre-Project Capital •Pre-feasibility & Full Feasibility	$US 9.5 million
Infrastructure •Power and road access	$US 21.4 million
Processing Plant •Mill construction & site infrastructure	$US 54.0 million
Total Costs	**$US 89.1 million**

Looking Ahead at Tahuehueto

INFILL DRILLING

- Infill drilling to upgrade the Inferred resource to Measured & Indicated

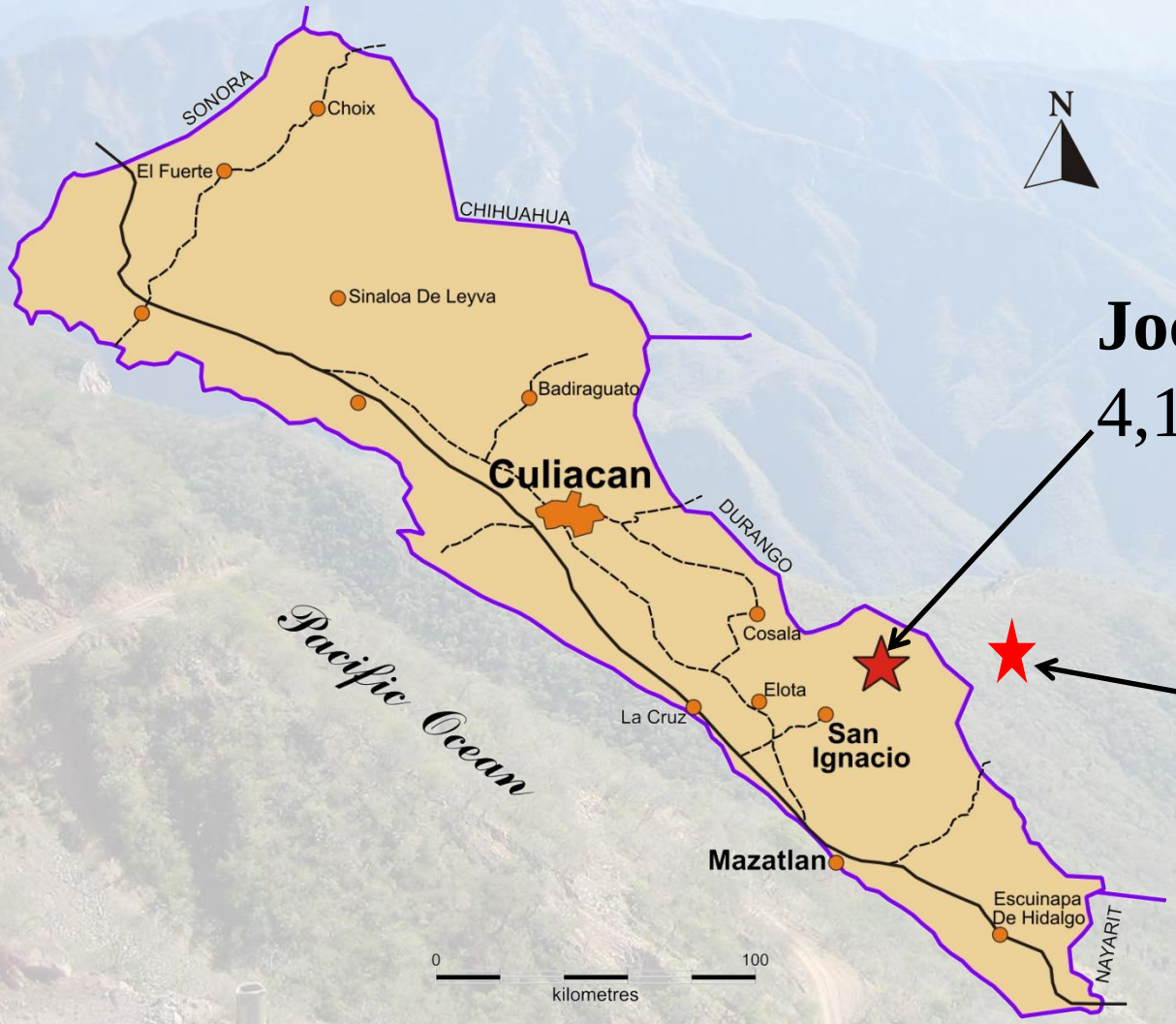
GEOTECHNICAL INVESTIGATION

- Geotechnical investigation indicates open pit mining is possible at Cinco de Mayo
- Positive rock geo-mechanics supports possible open pit & underground operations

ENVIRONMENTAL

- Ongoing collection of environmental data required for mine permitting

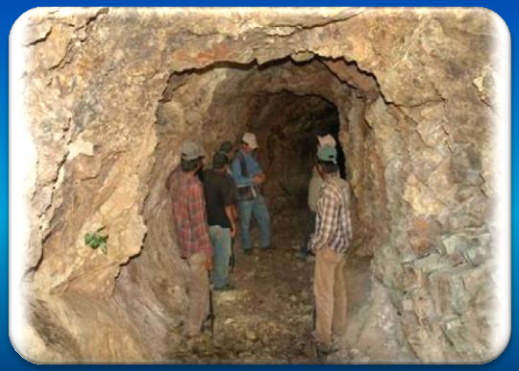
Jocuixtita Project – Sinaloa, Mexico



Jocuixtita Project
4,103 hectares

San Dimas (Tayoltita)
Primero Mining
Current Producer
Historic production over 10 million oz gold
1 billion oz silver

Jocuixtita Silver Project







Underground Workings

Geological mapping and sampling. Underground & Surface

Channel Sampling

Strong Results

Drill Program

13 successful holes including

3m @ 409 g/t Ag
1m @ 1,500 g/t Ag
1.7m @ 989 g/t Ag

Jocuixtita – Drill Hole Locations



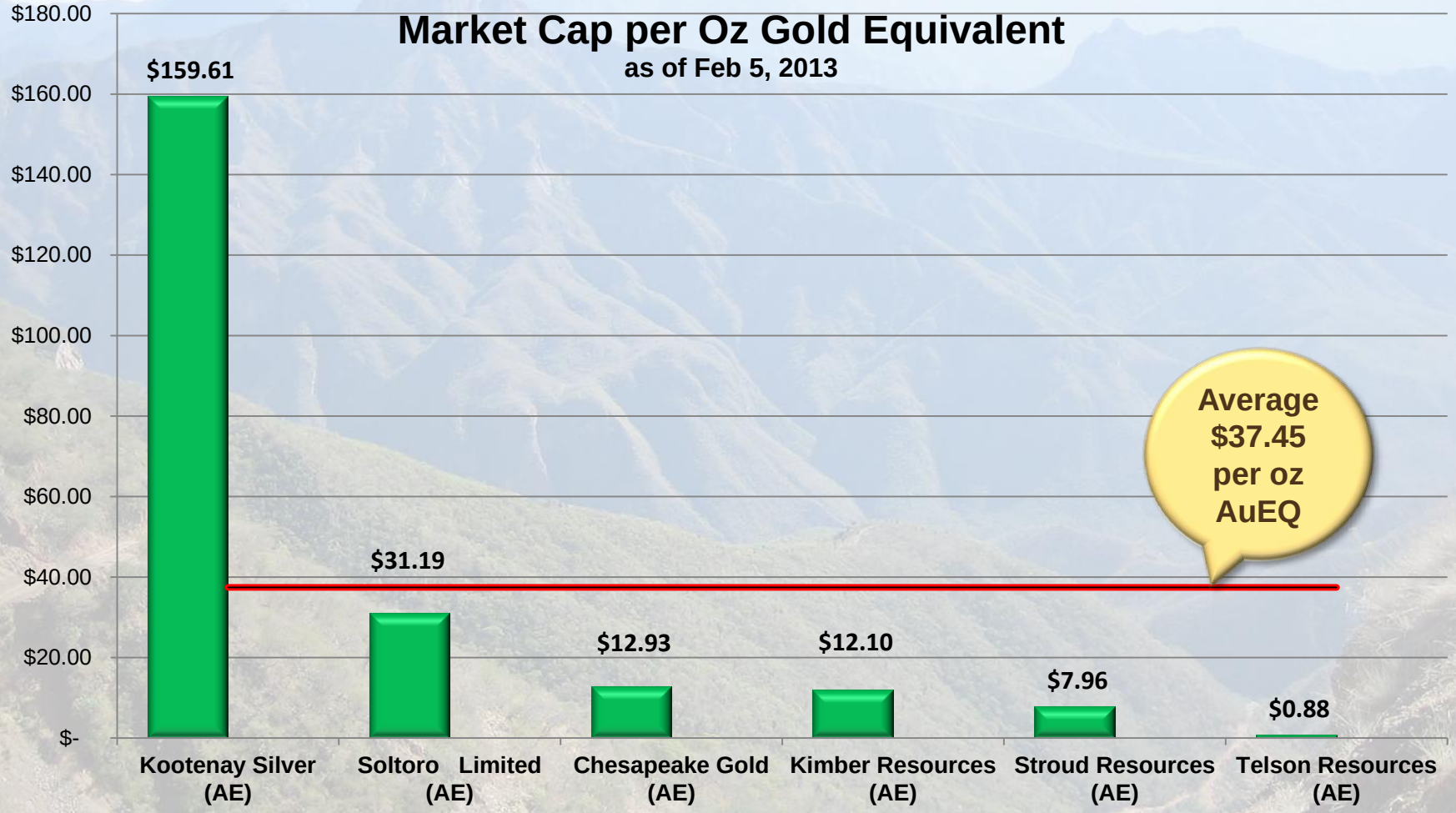
Pre-Feasibility & Operating Budget

Amount - $5,500,000

Description	Amount
Pre-Feasibility Study •Includes resource drilling, tech. data collection, planning & design, metallurgy, environment & land	$3,690,000
Property Costs •Concession taxes & payments, surface rights, exploration support	360,000
Administration •Vancouver and Durango – G&A, marketing, salaries, legal, regulatory, promotion	850,000
Other •Operation capital deficiency, accounts & loans payable, capital raise fees	600,000
	$5,500,000

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Peer Comparison



(AE) Advanced Explorer

"Private presentation for accredited and sophisticated investors only"
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5 Year Stock Chart

Comparison with TSX Global Mining Index



Investment Highlights



Low Country Risk

- Mexico is rated one of the best jurisdictions for mining investments in the world



Reasonable Exploration Risk

- Mexico ranked 1st in worldwide silver production and 4th in gold production
- Tahuehueto project is now at advanced stage (exploration risk greatly reduced)



NI 43-101 Resource Report

- Shows 922,391 gold equivalent ounces and significant base metal content



Preliminary Economic Assessment (PEA)

- Recommends the Company move forward with Tahuehueto Project



Up Trending Precious Metals Prices



Strong Long Term Outlook for Base Metals

Investment Highlights cont'd



Milestone Progress

- Progress is being achieved as Company moves from exploration to development



Market Valuation

- Attractive market valuation as Telson's market cap does not reflect the progress made during the last 24 months, despite positive PEA and NI 43-101 resource statements



Management and Board

- Extensive experience in mining development programs and evaluating resource projects



Significant Ownership

- Management & Insiders own 29% of shares outstanding



Creation of shareholder value

- Moving forward to next phases of development



Merriman Capital initiates coverage with BUY recommendation (October 2011)

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APPENDIX

NI43-101 Compliance

- **Compliance with National Instrument 43-101**
  The economic assessment in the PEA is preliminary in nature and uses inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that this preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

- **Qualified Persons**
  The following qualified persons, as defined in National Instrument 43-101, were involved in the preparation of the PEA and have read and approved the relevant technical portions of this document:
  - Anthony Finch, Beng, Becon, MAusIMM, Divisional Manager, Mining Engineering, Snowden Mining Industry Consultants Inc.
  - Robert Gill, B.A.Sci, P.Eng, Divisional Manager, Geotechnical Engineering, Snowden Mining Industry Consultants Inc.
  - Gary Hawthorn, B.Sc., P.Eng., Westcoast Mineral Testing
  - Scott E. Wilson, C.P.G., President, Scott E. Wilson Consulting Inc.

NI43-101 Compliance (continued)

- The mineral resource estimate for the
- The technical information in this presentation has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 and reviewed by

Cautionary Statements

- This presentation contains certain statements which may be viewed as forward-looking statements that involve risks and uncertainties. When used herein, the words “believes”, “anticipates”, “expects” and similar expressions are intended in certain circumstances, to identify forward-looking statements. Such statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those projected, including the risks of mining operations in a foreign country. Given these uncertainties, you are cautioned not to place undue reliance on such statements. There are no assurances the company can fulfill such forward-looking statements. The company also undertakes no obligation to update those forward-looking statements. Such forward-looking statements are only predictions; actual events or results may differ materially as a result of risks facing the company. Some of these risks include changes in mining methods, possibility of defects in title to mining properties, environmental regulations, lack of financing and undercapitalization, unaudited financial information prepared by management and no verification of commercial mineralized material, with further exploration necessary. All subsequent written and oral forward-looking statements attributable to the company or persons acting on its behalf are expressly qualified in their entirety by such cautionary statements. The financial information contained herein is unaudited and prepared by management and not in accordance with GAAP.

- Telson Resources Inc.is a Canadian company and a reporting issuer in the United States and in the Canadian province of British Columbia. This brochure does not constitute an offer or solicitation and the securities described herein may not be offered or sold in the United States of America or any state thereof or in Canada or any province thereof without registration or an applicable exemption from registration requirements.

- **CAUTIONARY NOTE TO U.S. INVESTORS-THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION PERMITS U.S. MINING COMPANIES, IN THEIR FILINGS WITH THE SEC, TO DISCLOSE ONLY THOSE MINERAL DEPOSITS THAT A COMPANY CAN ECONOMICALLY AND LEGALLY EXTRACT OR PRODUCE. WE USE CERTAIN TERMS ON THIS WEBSITE, SUCH AS “MEASURED,” “INDICATED,” AND “INFERRED” “RESOURCES,” WHICH THE SEC GUIDELINES STRICTLY PROHIBIT . U.S. INVESTORS ARE URGED TO CONSIDER CLOSELY THE DISCLOSURE IN OUR FORM 20-F WICH MAY BE SECURED FROM US, OR FROM THE SEC’S WEBSITE AT http://www.sec.gov/edgar.shtml.**

NI 43-101 Resource Summary

TAHUEHUETO PROJECT – MEASURED AND INDICATED RESOURCES											
Category	**Tonnes (x 1,000)**	**g Au/t**	**Oz. Au (x 1,000)**	**g Ag/t**	**Oz. Ag (x 1,000)**	**Cu%**	**lbs. Cu (x 1,000)**	**Pb%**	**lbs. Pb (x 1,000)**	**Zn%**	**lbs. Zn (x 1,000)**
Measured	3,254	2.40	251	36.30	3.798	0.28	20,439	1.10	79,228	2.07	148,759
Indicated	4,123	1.87	248	33.92	4,496	0.27	24,900	1.03	93,511	1.96	177,894
Total M&I	**7,377**	**2.10**	**498**	**34.97**	**8,294**	**0.28**	**45,339**	**1.06**	**172,738**	**2.01**	**326,653**

TAHUEHUETO PROJECT – INFERRED RESOURCES											
Category	**Tonnes (x 1,000)**	**g Au/t**	**Oz. Au (x 1,000)**	**g Ag/t**	**Oz. Ag (x 1,000)**	**Cu%**	**lbs. Cu (x 1,000)**	**Pb%**	**lbs. Pb (x 1,000)**	**Zn%**	**lbs. Zn (x 1,000)**
Inferred	4,868	1.06	166	31.77	4,971	0.23	24,935	1.23	132,417	2.26	242,241

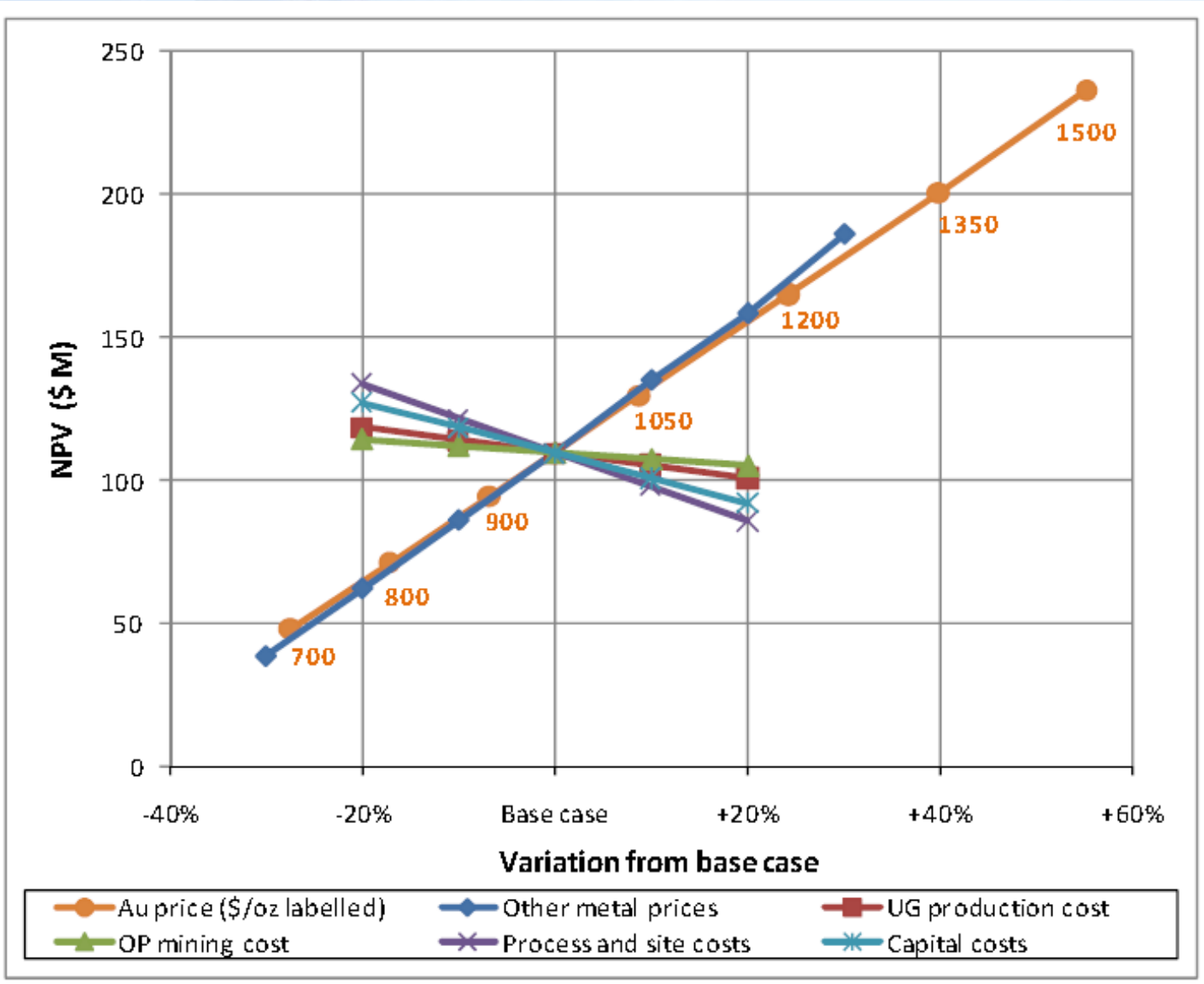
Metal Contained in Concentrates

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total
Au oz (,000)	26	96	64	58	53	37	25	21	19	6	0	**403**
Ag oz (,000)	570	752	773	561	538	679	589	540	425	327	1	**5,775**
Cu lbs (,000)	2,318	4,239	3,498	2,010	2,372	3,863	3,920	2,663	1,801	296	3	**26,984**
Pb lbs (,000)	10,521	15,079	15,988	15,163	12,962	20,361	17,601	16,756	14,658	9,224	58	**148,373**
Zn lbs (,000)	11,961	30,246	27,264	30,599	29,393	35,922	32,289	41,342	24,355	16,050	388	**279,541**

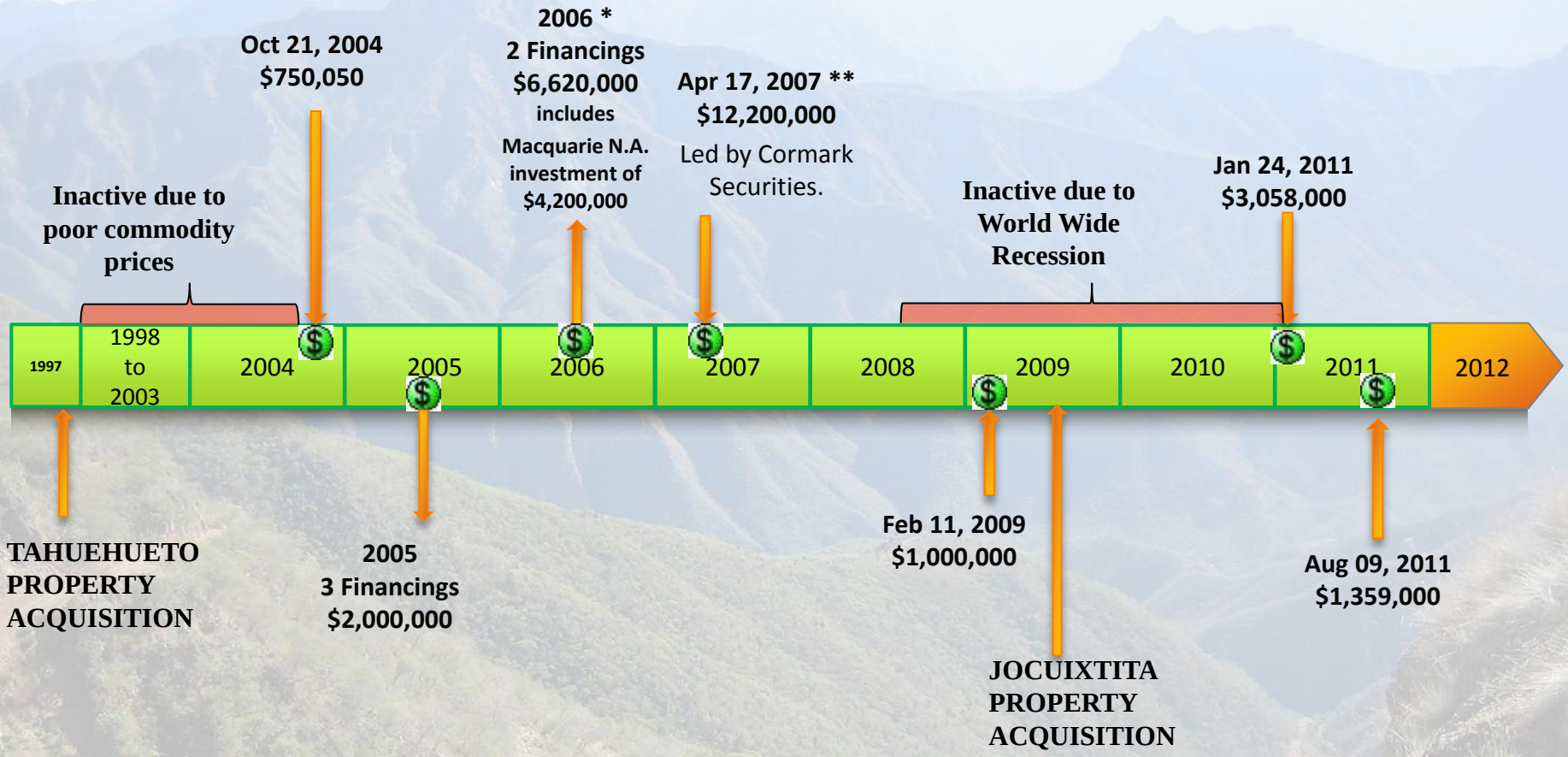
Upside exploration potential in existing resource structures and known unexplored structures could extend mine life and production levels



Sensitivity Analysis - NPV



Telson Resources Inc. – Historic Financings

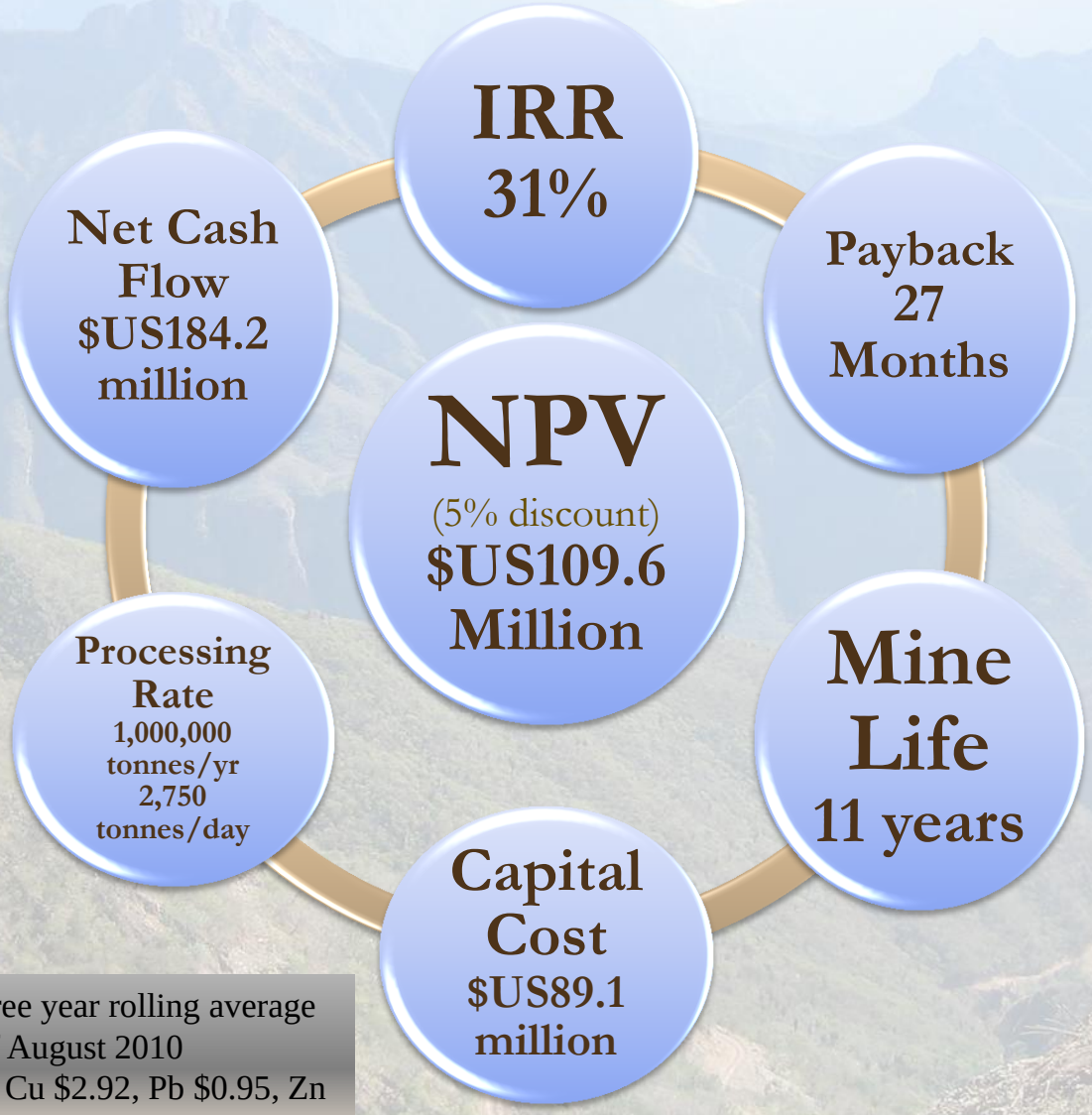


* May 16, 2006 Project attracted an investment of $4.2 million from Macquarie North America

**April 17, 2007 financing included $1,400,000 from Macquarie North America in order to maintain 9.9% ownership.

Total Financings since Tahuehueto acquisition of $26,987,050 (75% spent on exploration)

Summary of PEA Estimates

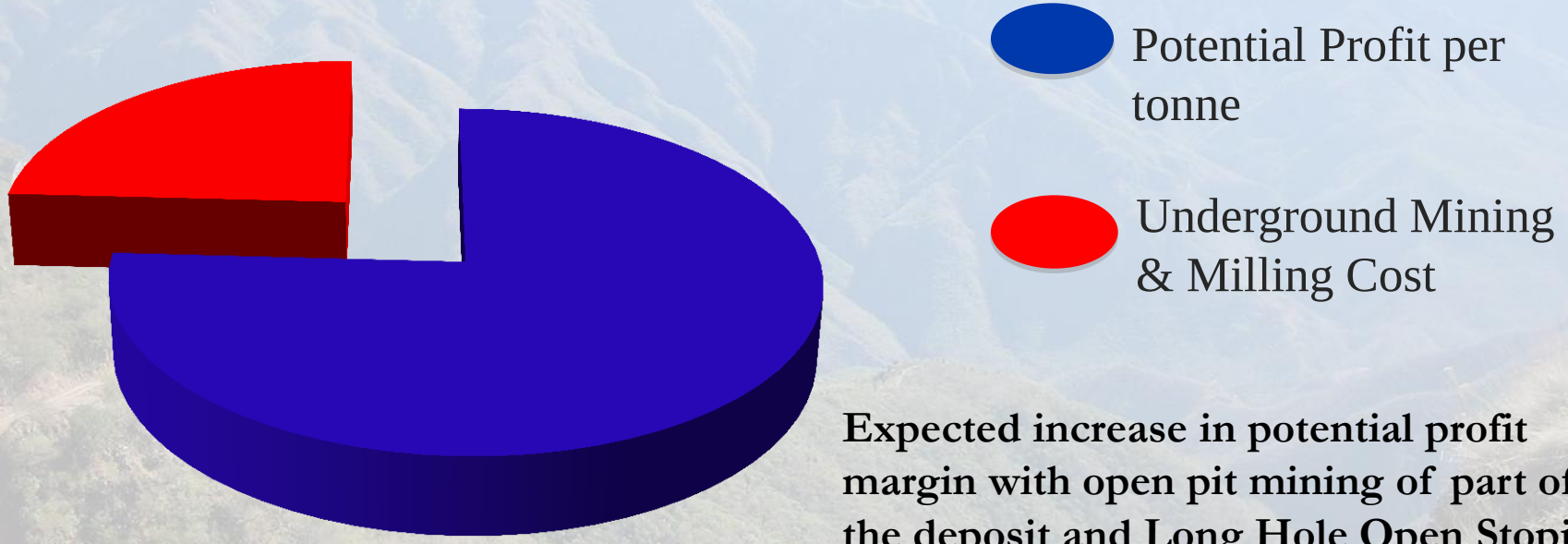


Calculations based on three year rolling average metal prices at the end of August 2010 (Au $965.81, Ag $15.38, Cu $2.92, Pb $0.95, Zn $0.88)

Estimated Value of Tahuehueto Rock

Total Estimated Value of Rock $201.00 per tonne

(Values calculated using Kitco metal prices June 15, 2012)



Expected increase in potential profit margin with open pit mining of part of the deposit and Long Hole Open Stoping mechanized low cost underground mining