

# Telson Resources Inc. Completes Acquisition Agreement with Nyrstar Mining Ltd to Acquire 100% of the Campo Morado Mine, Mexico

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Vancouver, April 27, 2017 - [Telson Resources Inc.](#) ("Telson" or the "Company") (TSX Venture - TSN.V) is pleased to announce that it has entered into a definitive Share Purchase Agreement (the "Agreement") with Nyrstar Mining Ltd. and Nyrstar Mexico Resources Corp. (collectively "Nyrstar") to purchase all of the shares of Nyrstar's Mexican subsidiary companies that make up and own 100% of the Campo Morado mine, located in Guerrero State, Mexico (the "Campo Morado Mine").

Under the terms of the Agreement Telson has agreed to pay total purchase price of US\$20 million plus any Variable Purchase Price, as described below, to Nyrstar under the following schedule.:

-US \$800,000 at signing of the Agreement;

-US \$2.7 million on or before June 12, 2017;

-US \$16.5 million on the one year anniversary following the closing date of the transaction.

Nyrstar shall also retain the right to receive a Variable Purchase Price on future zinc production on the first 10 million tons of ore processed by Telson at the Campo Morado Mine when the price of zinc is at or above US \$2,100 per tonne. Telson shall pay Nyrstar the greater of either of (a) or (b) below:

-US\$20 per tonne of zinc sold if the zinc price received is over US\$2,100 per tonne; or

-a percentage of the Net Smelter Revenue received from zinc from the Campo Morado Mine based upon the following:

-if the zinc price received is greater than US\$2,100 per tonne and less than or equal to US\$2,200 per tonne, then 0.5% of the Net Smelter Revenue;

-if the zinc price received is greater than US\$2,200 per tonne and less than or equal to US\$2,300 per tonne, then 1.5% of the Net Smelter Revenue;

-if the zinc price received is greater than US\$2,300 per tonne and less than or equal to US\$2,400 per tonne, then 2.5% of the Net Smelter Revenue;

-if the zinc price received is greater than US\$2,400 per tonne and less than or equal to US\$2,500 per tonne, then 3.5% of the Net Smelter Revenue; and

-if the zinc price received is greater than US\$2,500 per tonne, then 4.25% of the Net Smelter Revenue.

Telson maintains the right under the Agreement to purchase 100% of the Variable Purchase Price at any time for US \$4 million.

Nyrstar shall also have a right of first refusal, on the same commercial terms and conditions offered by an

arm's length third party to enter into an offtake agreement (the "Offtake Agreement") for the purchase of zinc concentrates. The closing of the Agreement is subject to TSX Venture Exchange ("TSXV") approval.

The Campo Morado Mine is an underground multi-metal mine located in Guerrero State, Mexico, with infrastructure, installations and equipment capable of processing 2,500 metric tonnes of ore per day. The property area comprises approximately 12,045 hectares in six mining concessions that are some 160 kilometers south- southwest of Mexico City.

There are 767 exploration diamond drill holes in place (252.802.8m) and six mineralized bodies that have been delineated as JORC compliant resources (Reforma, El Largo, El Rey and Naranjo where all historic resources remain in place and two other zones, the G9 and G9 Del Oro that have seen significant production and are largely depleted).

Mineral resources as publicly disclosed by Nyrstar on April 29, 2015 are presented in the table below. Telson is not treating these resources as its own current resources, but as historical resources. Telson believes them to be relevant and reliable based on the processes and practices that it understands Nyrstar followed. Please note the mineral resources described below were calculated in accordance with JORC. A Qualified Person for Telson has not conducted sufficient work to classify the historical resources as current mineral resources and Telson is not treating the historical estimates as current mineral resources. Telson will review the historical work and undertake to make any reconciliations required between JORC categories and National Instrument 43-101 categories of mineral resources. A prior technical report dated March 31, 2010 produced for Farallon Mining Inc. is available, and includes mineral resource disclosure.

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This table presents depleted resources and does not include the mined out areas of the G9 and G9 Del Oro zones.

The Campo Morado Mine was commissioned and commenced operations in 2009. Production was suspended in January 2015 and the mine was placed on care and maintenance due to deteriorating industry conditions. During 2014, the mine processed 657,000 tons of ore with an average grade of 1.2g/t Au, 115.7 g/t Ag, 4.6% Zn, 1.2% Cu and 0.9% Pb. The concentrates produced in the same year were 48,000 tons of Zn concentrate at 47% Zn and 29,000 tons of Cu concentrate at 13%, including 6 koz of Au and 0.9mm of Ag.

In order to fund the initial closing payments under the Agreement, the Company arranged two financings from two corporate entities, each controlled by Estrategica Corporativa en Finanzas, a related party of the Company. The related party is a significant shareholder with a control position in the Company, for which the Company previously received shareholder consent in late 2015, in accordance with TSXV policy.

The initial funding was structured as a convertible debt in the face amount of USD \$800,000 (CAD\$1,069,120), convertible into common shares at a price of \$0.31 per common share, at any time before the maturity date of the debt which was set at three years from the date of closing. The debt was to bear interest at a rate of 8% per annum (simple interest), with no interest accruing during the 3-month period commencing from the Closing Date. These funds were deposited in trust to be held and used to either: i) pay the initial payment to Nyrstar on signing the Agreement; or ii) be returned to the investor with no penalty to the Company in the event the parties were unable to complete the Agreement. The funds have now been paid to Nyrstar and consequently the investor has agreed to convert the loan into an equity private placement based on the original conversion terms of the convertible loan. Accordingly the Company will, subject to TSXV acceptance, issue the investor 3,448,774 common shares in the capital of the Company. The Company will rely on the "part and parcel pricing exemption" as defined in TSXV Policy 4.1 in respect of this financing, as it was integral to entry into of the Agreement.

The second portion of the private placement financing will consist of USD\$2,700,000 consisting of shares only, at CDN\$0.55 per common share. When combined together the average cost of the two placements is CDN\$0.50 per share, being a 45% premium to the closing market price of the Company's shares as of April 26, 2017.

All securities issued under the private placements will be subject to a four month hold period under applicable securities laws.

The proposed issuance of private placement securities to a non-arms' length party also constitutes a related-party transaction under MI 61-101. Because the Company's shares trade only on the TSXV, the issuance of securities is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and exempt from the minority approval requirements of Section 5.6 of MI 61-101.

#### 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.

On behalf of the board of directors

(signed) "Ralph Shearing"

Ralph Shearing, President

#### 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 the closing of the Campo Morado purchase contemplated by the Agreement. 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 can be achieved, including converting historical mineral resources into current mineral resources; 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.

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