



Telson Secures US\$15 Million Loan Facility and Offtake Agreement with Trafigura and is Now Fully Funded to Finalize Mine Construction at Tahuehueto

Vancouver, British Columbia, December 18, 2017.

Highlights:

- Executed secured loan facility with Trafigura for US\$15 million for Tahuehueto 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 of US\$7.5Mn already received in Telson's bank account.
- The Offtake Agreements are for 100% production of zinc (Zn) and lead (Pb) concentrates with a minimum annual 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 entered into 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 has provided Telson with a credit facility of US\$15 million thereby securing the capital requirements to construct and operate an ongoing 1,000 tonne per day mining operation at Tahuehueto. The Signing Date was on December 7, 2017.

Key Terms:

US\$15 Million Loan Facility
<ul style="list-style-type: none">• Three-year term with twelve-month grace period followed with 24 repayment installments.• Loan Facility Matures on December 2020 with very competitive interest rates.• No hedging conditions• No equity based payments• US \$ 15 Million available in three tranches as follows,<ul style="list-style-type: none">➢ 1st Tranche - US\$7.5 million has been received by the Company➢ 2nd Tranche - US\$5.0 million will be available 4 months from the Signing Date and not later than 6 months after the Signing Date.*➢ 3rd Tranche - US\$2.5 million will be available 6 months from the Signing Date and not later than 9 months after the Signing Date.*
Offtake Agreement
<ul style="list-style-type: none">• 60-month term ending December 2022 for Tahuehueto Pb and Zn concentrate production• Fixed minimum tonnage to be sent during the offtake term• Very Competitive industry payable metal terms at LME and LBMA Spot prices• Access to prompt payments 5 days after delivery, providing excellent liquidity to the operation• Competitive transport charges



Telson Resources Inc.
TSX.V: TSN OTCBB: SOHFF
Frankfurt: SQ82
Shares Issued: 124,218,120

Telson has provided industry standard security to Trafigura in the form of a corporate guarantee, a promissory note plus a pledge of the mining concessions and fixed assets of Telson's 100% owned subsidiary company Real de la Bufa, S.A. de C.V. The extent of Telson's liability to Trafigura within the Agreements under Mexican law is limited to the amount of the offtake loan plus interest.

Antonio Berlanga, CEO of Telson, states "We are extremely happy to once again announce to our shareholders a major strategic funding and offtake agreement. This prepayment facility provided by Trafigura allows us to initiate construction of our planned 1000 tonne per day mineral processing facility plus related infrastructure on the Tahuehueto project site. We have already advanced more than 400 m of underground development on the mine plan and previously purchased more than 85% of the mill equipment which has been in storage in Tepehuanes. Our current construction plans are targeting to complete mine and mill construction late 2018 and then start to process gold and silver in lead and zinc concentrates at the project site. This prepayment facility and offtake agreement demonstrates the confidence our major concentrate buyer has in the Tahuehueto project and our ability to rapidly construct the mine and mill thereon."

* The second loan facility draw down tranche as outlined in the Key Terms above, requires Telson to secure additional funding of US \$5 million in the form of equity and/or loan and that at least US \$4.5 million these funds have been invested on the Tahuehueto projects' capital expenditures and the third loan facility draw down of US \$2.5 million requires Telson to secure additional funding of US \$2.5 million in the form of equity and/or loan and evidence that at least US \$2 million these funds have been invested on the Tahuehueto projects' capital expenditures. Management points out that the Company still has available at least US\$5 million from its Line Of Credit with its major shareholder as originally announced in a press release dated July 27, 2016 and thereby can draw down the US \$5 million required to secure the second tranche on the current Trafigura loan facility.

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 percent owned global oil products storage and distribution company Puma Energy; global terminals, warehousing and logistics operator Impala Terminals; Trafigura's Mining Group; and Galena Asset Management. The Company is owned by around 600 of its 3,935 employees who work in 62 offices in 35 countries around the world. Trafigura has achieved substantial growth over recent years, growing revenue from USD12 billion in 2003 to USD136.4 billion in 2017. 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.

Visit: www.telsonresources.com



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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; 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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