



Telson Mining Corporation
TSX.V: TSN OTC Pink: SOHFF
Frankfurt: TSGN.F
Shares Issued: 130,184,348

Telson Mining Corporation Campo Morado Update

Vancouver, British Columbia, Sept 5, 2018

Telson Mining Corporation ("Telson" or the "Company") (TSX-V – TSN, OTC Pink – SOHFF, Frankfurt – TSGN (formerly SQ82)) provides summary of Q2 2018 financial report.

On Wednesday, August 29, 2018, the Company filed its condensed interim consolidated financial statements for the three and six months ended June 30, 2018 and 2017 ("Q2 Quarterly Report"). The Q2 Quarterly Report presented financial information for April, May and June 2018, that included 45 days of pre-production and 45 days of commercial production at the Campo Morado mine. Telson declared commercial production at Campo Morado effective May 15, 2018 (see news release dated [May 23, 2018](#)).

Telson advises that concentrate cash sale value realized from pre-production under International Financial Reporting Standards ("IFRS") are not accounted as revenue on the condensed interim consolidated financial statement of loss, instead these are capitalized net of production costs and development expenses and presented as mineral interest and development assets upon reaching commercial production. Accordingly, Telson capitalized a net profit of approximately C\$7.3 million for Campo Morado as mineral interest and development assets during the pre-production period from Jan 1 to May 15, 2018.

During the last 45 days of the quarter or since the start of commercial production on May 15, 2018 to June 30, 2018, the Company recorded a total amount of C\$987,055 as mine operating earnings which is presented on the Q2 Quarterly Report. Mining operations at Campo Morado are currently processing at a rate of approximately 2,000 tonnes per day which management intends to increase to 2,500 in the near future and increase towards 3,000 by the end of this year.

Antonio Berlanga, CEO states, "Our outstanding Campo Morado operations team have performed beyond expectations and continue to work diligently to improve the operational results at Campo Morado. Pre-production and more recently, commercial production, has funded the acquisition of surface and underground equipment as well as processing plant equipment, all of which are allowing a steady increase in production rates and corresponding concentrate sales. Telson will continue to invest in Campo Morado to increase production capacity, mill recoveries and quality of concentrates to maximize the mine's profitability."

Telson's Campo Morado Mine has achieved direct site costs for mining, milling and administration during Q2 of approximately US\$56.6, US\$51.6 and US\$51.8 per tonne respectively for, April, May and June. These current direct site costs are approximately 36% lower than the estimated direct site costs of US\$72.26 per tonne used for the same categories in Telson's recently published independent Preliminary Economic Assessment and approximately 40% lower than the previous operator's last year of production during 2014.



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About Telson Mining Corporation

Telson Mining Corporation is a Canadian based mining company with two Mexican gold, silver and base metal mining projects.

Telson is currently in commercial production at its 100% owned Campo Morado Mine in Guerrero, Mexico. Telson acquired Campo Morado in June 2017 and re-commenced mining and processing operations in October 2017 with development and pre-production on a trial basis that started at an average processing rate of 1,400 tonnes per day and effective May 15, 2018 declared commercial production based on operating for at least 60 consecutive days at 75% of the Campo Morado mill's nameplate capacity of 2,500 tonnes per day.

Telson's Tahuehueto Project, located in north-western Durango State, Mexico is currently in development and pre-production at a rate of approximately 100 tonnes per day using a third-party toll mill for processing. Tahuehueto Project has also entered a construction phase with a timeline to be producing on its own mineral processing plant, with a designed capacity of 1,000 tonnes per day, during the first quarter of 2019. Regular metal concentrate deliveries and sales are well underway from both projects.

Visit: www.telsonmining.com

On behalf of the board of directors

(signed) "Ralph Shearing"

Ralph Shearing, P.Geol, President and Director

Qualified Persons

This press release was prepared under the supervision and review of Ralph Shearing, P.Geol., President and Director of Telson Mining Corporation, 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 Campo Morado 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 declared commercial production at Campo Morado prior to completing a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, readers should be cautioned that Telson's production decision has been made without a comprehensive feasibility study of established reserves such that there is greater risk and uncertainty as to future economic results from the Campo Morado mine and a higher technical risk of failure than would be the case if a feasibility study was completed and relied upon to make a production decision. Telson has completed a preliminary economic assessment ("PEA") mining study on the Campo Morado mine that provides a conceptual life of mine plan and a preliminary economic analysis based on the previously identified mineral resources (see News Release dated November 8, 2017 and April 4, 2018). This will soon be replaced by a pre-feasibility study ("PFS") that will allow the application of modifying factors to the mineral resources to allow a portion of them to be converted to mineral reserves.



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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, zinc, lead 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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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