



Telson Mining Corporation
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Telson Mining Corporation Updates Tahuehueto Mine Underground Development Program and Exposes New and Targeted Veins

Vancouver, British Columbia, October 2, 2018

Telson Mining Corporation (“**Telson**” or the “**Company**”) (TSX-V – TSN, OTC Pink – SOHFF, Frankfurt – TSGN (formerly SQ82)) is pleased to provide the following update on the progress of underground development at its Tahuehueto Mine development project.

Underground development is primarily focused on accessing the strongly mineralized El Creston structure hosting multiple veins and its sub-parallel El Perdido vein structure. The company has been steadily advancing underground development to access these veins at three different levels namely, Level 12 at 1553 elevation, Haulage Level at 1322 elevation and a new, Level 20, yet to be developed at 1232 elevation by advancing Level 20 access decline currently under construction (View image at <https://goo.gl/FfDWby>).

The new Level 20 decline, initiated in the Haulage Level has advanced approximately 120 meters and will, when completed over the coming weeks, provide access to one of the richest ore shoots discovered to date at Tahuehueto containing over 700,000 tonnes of ore as outlined in in the Company’s 2017 project Pre-Feasibility Study.

The Level 12 decline initiated from surface at 1553 m elevation with a 4 x 4.5 meters cross section has been extended 260 meters in length at -15% and has reached and crossed its initial El Creston Target. This development will allow for the Company to exploit the veins outlined below, 60 meters vertically using cut and fill mining methods.

Multiple mineralized veins have been cut in Level 12 Decline as follows, (View image at <https://goo.gl/fQZY3U>)

El Perdido Vein was crossed approximately 130 m from the portal entrance displaying strong mineralization 4 meters in width with another 2 meters of brecciated stockwork mineralization.

A new vein was discovered and is named **Enmedio Vein**, located between Perdido and Creston veins, about 150 meters from portal entrance displaying 1.5 meters width of good mineralization.

The **El Creston** structure was intersected at approximately 215 meters extending over 25 meters containing a series of mineralized veins and stockwork with the strongest two veins each about 4.5 meters in width located at the footwall and hanging wall respectively. Both of these very important veins are strongly mineralized.

Channel samples have been collected from all of these veins and are currently being analyzed by an independent lab. Assay results will be released when available.



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The development teams are now advancing production levels and pre-production drifts at Level 12 in both strike directions to the northeast and southwest along both the footwall and hanging wall veins in El Creston as well as the El Perdido vein. This development drifting provides six new faces to advance development and pre-production mining. Grade control is in place to ensure that ore mined with a quality over 10 g/t AuEq from these developments, is being sent for pre-production processing to the Atocha Toll Mill. The ore below this quality is being stored for future processing in the 1,000 tpd processing plant that is currently under construction at Tahuehueto.

Antonio Berlanga, CEO, states "The development of these 6 production stopes within the Level 12 decline, plus the additional 6 stopes that will be developed soon from the Level 20 decline currently underway, ensures the Tahuehueto Mine development provides access to at least the first 2 years of ore production at the projected capacity of 1,000 tpd. This development also ensures a steady supply of above 10 g/t AuEq ore to be shipped to the Atocha Toll Mill to continue to generate sales of produced zinc and lead concentrates containing significant gold and silver content to be delivered to Trafigura under the Telson/Trafigura Off-take loan agreement.

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. Effective May 15, 2018 Telson declared commercial production at Campo Morado. Telson is currently producing zinc and lead concentrates with gold, silver and copper as by-products, processing an average of approximately 2,000+ tons per day through the Campo Morado milling facilities. Telson's 100% owned Tahuehueto Project, located in north-western Durango State, Mexico is currently in construction development. Pre-production commenced at Tahuehueto in August 2017 currently mining at a rate averaging 170 tonnes per day during Sept 1st – 23rd 2018, shipping ore to a third-party toll mill for processing. Management has a targeted timeline at Tahuehueto to be producing with its own on-site mineral processing plant, with a designed capacity of at least 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



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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 at Tahuehueto, Telson is 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 and 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 Campo Morado 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.

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



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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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