



CORPORATE PROFILE

Telson Mining Corporation is a Canadian based publicly traded mining company operating in Mexico with two gold, silver and base metal mining projects. Telson is currently in commercial production at its 100% owned Campo Morado Mine in Guerrero State, Mexico, processing approximately 2,000+ tons per day through the mines milling facilities producing zinc and lead concentrates with gold, silver and copper as by-products,

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 around 200+ tonnes per day and 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.

INVESTMENT HIGHLIGHTS

- ◆ Telson owns 100% of 2 producing mines in Mexico (Tahuehueto & Campo Morado)
- ◆ Current Measured and Indicated Resources of both projects contain 2.3Mn ounces of AuEq (gold and silver only) at the two projects and the addition of base metals could double the contained metal value
- ◆ Campo Morado announced commercial production on May 15, 2018, a full 3 months ahead of schedule and has been operating continuously for over one year having commenced pre-production at 1,400 tpd in October 2017.
- ◆ Campo Morado in 2018 processed 578.6K tonnes of mineralized development material producing 40.4K tonnes Zn concentrate & 7.4K tonnes Pb concentrate.
- ◆ Campo Morado NI 43-101 compliant M&I Resource contains 16.6 million tonnes at estimated grades of 1.70 g/t Au, 123 g/t Ag, 0.80% Cu, 0.93% Pb, 4.01% Zn using a ZnEq threshold of 5.5%.
- ◆ Campo Morado M&I Resources contain 908,784 oz Au, 66+ million ounces Ag equating to 1.7 million AuEq ounces (gold & silver only)
- ◆ The Tahuehueto mine is under construction and currently in preproduction by toll milling. Production in Telson's own newly constructed 1,000+ tpd mill is expected upon completion of construction targeted during Q1, 2019.
- ◆ Tahuehueto construction is permitted and fully funded to complete construction.
- ◆ Tahuehueto processed 9.5k tonnes of ore at average rate of 106 tpd producing 713 tonnes Zn & 360 tonnes Pb concentrates during Q1 2018 with concentrate sales generating US\$3.04 million cash.
- ◆ Tahuehueto PFS at 550 tonnes/day with an after-tax NPV (8% discount) of US\$77 million, an IRR of 36% and a 21 year mine life. Updated Tahuehueto PFS underway at a minimum of 1000 tonnes per day
- ◆ Tahuehueto Probable Mineral Reserves of 3.26 million tonnes with grades of 3.40 g/t Au, 41.80 g/t Ag, 0.35% Cu, 1.19% Pb and 2.24% Zn
- ◆ Tahuehueto Total M&I Resources of 6.1 million tonnes contains 486,000 ounces gold
- ◆ Management team with over 200 years of combined experience in the mining and capital markets industries with full insight and long-term, hands on experience building and operation mines in Mexico.

Readers should be cautioned that cash sales should not be equated with revenues, as until commercial production is achieved at Tahuehueto, which is not expected until early 2019, once Telson completes construction of its proposed onsite mineral processing facility, any proceeds from the sale of concentrates are considered under Canadian GAAP to be applied as an offset to development costs and not counted as revenues on Telson's income statement. Furthermore, Telson is not, during the pre-production stage, able to disclose the costs/expenses associated with generating such cash sales or provide guidance on profitability (if any).

Metal Prices Used in above calculations: Au \$1,339.80, Ag \$16.58, Cu \$3.14, Pb \$1.09, Zn \$1.47

Telson is advancing past the exploration and development phase into the production phase of the *Standard Exploration To Production Market Cycle* and is poised to dramatically increase shareholder value as cash flows increase over the coming year of 2018 and into the first year of full commercial production at both mines during 2019.

Standard Exploration to Production Market Cycle





CAMPO MORADO MINE

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 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. The main revenue generator at Campo Morado will initially be zinc and is expected to transition to gold in the medium term. Telson acquired Campo Morado in June 2017 and started pre-production in Q4 2017 with the first concentrate sales in November 2017. **Commercial production began on May 15, 2018, a full 3 months ahead of schedule.**

During 2018, a total of 578.6K tonnes of ore was processed through the milling facilities at Campo Morado, producing 40.4K tonnes of zinc concentrate and 7.4K tonnes of lead concentrate. Production continues on a daily basis currently processing approximately 2,000+ tpd. The project also hosts approximately 3.2 million tonnes of historic tailings material containing significant gold, silver & copper that may be available for future recovery. Telson is currently investigating new technology recovery methods that may allow recovery of these metals to realize their hidden value.

Campo Morado holds excellent exploration potential. Former operators developed 10 largely untested geochemical anomalies, some of which have coincident geophysical anomalies and 5 largely untested gravity, induced polarization and magnetic geophysical anomalies. There are also several geophysical borehole EM anomalies below the existing mineralized zones that make up the Campo Morado M&I Resources and some of these borehole anomalies have been drill tested intersecting massive sulfide mineralization in potentially stacked sulfide lenses below the known mineralized zones. Telson plans to initiate exploration in 2019 to test these anomalies and unlock the undiscovered hidden potential of Campo Morado and possibly expand the size of the Campo Morado operation, targeting a potential doubling of throughput capacity within five years should sufficient new resources be delineated.



CAMPO MORADO MINERAL RESOURCES

ZnEq (%)	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
Measured						
9.27	9,292,000	1.70	124	.082	0.94	4.56
Indicated						
7.94	7,335,000	1.70	123	0.78	0.92	3.31
Measured & Indicated						
8.68	16,627,000	1.70	123	0.80	0.93	4.01
Inferred						
7.27	988,000	1.32	116	0.64	0.92	3.20

Mineral Resources have an effective date of November 5, 2017; Eric Tittley, PGeo, Tittley Consulting Ltd., is the Qualified Person responsible for the Mineral Resource estimate. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Mineral Resources were depleted to December 2014, the last phase of mining, by removing all material from the tabulation found in the excavation solids models provided by Telson Mining Corporation. Zinc equivalent calculations used metal prices of USD 1.20/lb for zinc, USD 2.80/lb for copper, USD 17/oz for silver, USD 1150/oz for gold and USD 0.90/lb for lead and metallurgical recoveries of 70% for zinc, 68% for copper, 38% for silver, 25% for gold, and 60% for lead. Metal price assumptions used in the ZnEq calculation are the same assumptions used in establishing the cut-off for the estimates and reasonable prospects of eventual economic extraction. A 5.5% ZnEq cut-off in bold is considered to be appropriate for the sub-level caving mining method planned for extraction of the mineralization in the various deposits. All Mineral Resource estimates, cut-offs and metallurgical recoveries are subject to change as a consequence of more detailed economic analyses that would be required in Pre-Feasibility and Feasibility studies. The 5.5% ZnEq cut-off in bold is considered the base case Mineral Resource estimate. Other estimates are reported in the context of cut-off grade sensitivity analysis. Gold grade estimates are reported as grams per tonne rounded to two decimal places. Silver grade estimates are reported as grams per tonne rounded to an integer. Copper, lead, zinc and zinc equivalent estimates are reported as percent rounded to two decimal places. Tonnages are reported as metric tonnes round to one thousand tonnes. Rounding as required by reporting guidelines may result in apparent summation differences.



TAHUEHUETO PROJECT

This 7,492-hectare property covers at least 12 mineralized zones hosted within a structurally controlled epithermal system that has been traced for more than 6 km. Exploration programs have defined significant gold-silver and base metal reserves and resources along one explored structural zone. Mineralization of gold, silver, copper, lead, and zinc has been outlined within reserves and resources along the length of the explored structural zone which have allowed Telson to determine excellent economics for a mining operation at Tahuehueto.

On July 6, 2017, Telson announced that it had begun a program of pre-production during the Tahuehueto mine development and construction phase. Ore is being mined from the El Creston zone within underground mine development workings and higher grade ore is shipped to the Atocha Toll Mill near Tepihuanes for processing while lower grade ore is stockpiled for future processing when the mill construction is complete in early 2019.

On December 18, 2017 the Company announced that it had secured a US\$15 million loan facility and Offtake Agreement with Trafigura Mexico S.A. de C.V. which will provide the balance of funding required to finalize mine construction which is expected to be complete by the end of Q1 2019. To date Telson has drawn down US \$12.5 million from the Trafigura loan facility.

Significant exploration upside potential exists both on the existing reserve/resource explored structures along strike and down dip of the known mineralization which is open in all directions as well as within numerous other mineralized, but unexplored, structures known to occur within the core 700 ha concession area. Exploration potential exists outside of the core area where Telson controls an additional 6700 hectares of concessions which cover about 80% of the mineralized District Tahuehueto, and there is a significant discovery potential within this government recognized geological district.

Telson intends to continue to expand the reserves and resources on structures where there are defined reserves and resources and commence exploration on the less explored structures within this core 700 ha area. A Greenfields type of exploration program will also be designed and implemented after production is achieved to explore the regional Tahuehueto District potential within Telson's concession area.



TAHUEHUETO PROJECT—MINERAL RESERVES AND RESOURCES (Source: Metal Mining Consultants Inc.—PFS January 20, 2017)

Category	Mass (kt)	Au (g/t)	Contained Au (koz)	Ag (g/t)	Contained Ag (koz)	Cu (%)	Contained Cu (lb x 1000)	Pb (%)	Contained Pb (lb x 1000)	Zn (%)	Contained Zn (lb x 1000)
Probable	3,264	3.40	356	41.80	4,387	0.35	25,028	1.19	85,762	2.24	161,314

Note: Mineral Reserves were defined as mineralized material that occurred within the stope shapes that were based on and NSR value of \$62/t. Measured and Indicated resources within the defined mining shapes (stopes) were used to estimate Probable Reserves. No Proven Reserves were defined due to the limited definition resource drilling, limited definition by exploratory mining and the lack of geotechnical data that addresses underground mining. Probable Mineral Reserves include the effects of mining dilution assumptions which average 15% and extraction ratio assumptions which averaged 94%. Mining dilution was assumed to have zero (0) grade.

Canadian Institute of Mining, Metallurgy and Petroleum standards were followed in the estimation of the Mineral Reserves. Mineral Reserves were estimated using metal price forecasts of \$0.60/lb for lead, \$0.75/lb for zinc, \$2.10/lb for copper, \$1,000/oz for gold and \$19.12/oz for silver. The low metal prices were selected to drive the mine plan towards mineralization with the highest confidence in the prospects of economic extraction. These metal prices were not used for the economic analysis of the mineral deposit. Totals may not add due to rounding. The foregoing mineral reserves are included within the current Mineral Resource Estimate for the Project.

Category	Mass (kt)	Au (g/t)	Contained Au (koz)	Ag (g/t)	Contained Ag (koz)	Cu (%)	Contained Cu (lb x 1000)	Pb (%)	Contained Pb (lb x 1000)	Zn (%)	Contained Zn (lb x 1000)
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
Inferred	4,868	1.06	166	31.77	4,971	0.23	24,935	1.23	132,417	2.26	242,241

Note: The above mineral resources have been calculated using a cut-off of 2.5 g/t AuEq. These resource numbers are preliminary in nature. They include 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. This document was prepared under the supervision and review of Ralph Shearing, President & Director of Telson Mining Corporation, a Professional Geologist registered in Alberta as a member of the professional organization APEGA, and a Qualified Person as defined by NI 43-101.



CORPORATE AND CAPITAL STRUCTURE

(as of January 14, 2019)

TSX Venture Trading Symbol	TSN
OTC Pink Trading Symbol	SOHFF
Frankfurt Stock Exchange	TSGN (formerly SQ82)
Share price	Cdn\$ 0.415
Shares Issued	139,569,152
Stock Options Outstanding	10,627,166
Warrants Outstanding	4,562,401
Fully Diluted	154,758,719
Market Capitalization	Cdn\$ 57,921,198
90-day daily avg. trading volume	16,520
52 week trading range	Cdn \$0.35 - \$1.00
Cash Position	~Cdn\$ 4.5 million

DIRECTORS AND OFFICERS

Jose Antonio Berlanga Balderas	CEO and Director
Ralph Shearing	President and Director
Enrique Margalef	Director and VP Corp Development
Rory Godinho	Director of Capital Markets
Arturo Bonillas	Independent Director
Remigio Martinez Muller	Independent Director
Yao Sun	Independent Director
Roberto Guzman	Director
Omar Garcia Abrego	Chief Financial Officer

CONTACT INFORMATION

Legal Counsel	Miller Thomson LLP (604) 687-2242
Transfer Agent	Computershare Trust (604) 661-9400
Auditors	Davidson & Company LLP (604) 687-0947

Vancouver Office
#1000—1111 Melville St., Vancouver, BC, V6E 3V6
Tel: +1 (604)684-8071 Email: ir@telsonmining.com

Mexico Office
Calle Insurgentes Sur No. 1811, sexto piso, Col. Guadalupe Inn.
C.P. 01020 CD de Mexico Tel: +1 52 55-55533708