



Telson Mining Corporation
TSX.V: TSN OTC Pink: SOHFF
Frankfurt: TSGN.F
Shares Issued: 161,364,823

Telson Closes Second and Final Tranche of Non-Brokered Private Placement

Vancouver, British Columbia, May 27, 2020

Telson Mining Corporation (“**Telson**” or the “**Company**” (TSX Venture Exchange-TSN, OTC Pink-SOHFF, Frankfurt-TSGN (formerly SQ82)) is pleased to announce that it has closed a second and final tranche of the non-brokered private placement (the “Private Placement”) originally announced on December 27, 2019. This second tranche consisted of 1,965,990 units of the Company at a price of \$0.10 per unit for gross proceeds of \$196,599. Each unit is comprised of one common share and one half of one whole transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share of the Company at \$0.25 within twenty-four (24) months from closing. All securities issued under the Private Placement are subject to a hold period expiring four months and one day after the closing date. Total issued and outstanding shares in the Company after completion of the second tranche of the Private Placement is 161,364,823.

In accordance with applicable securities laws and the policies of the TSX Venture Exchange (“TSXV”), the Company issued an aggregate of 361,239 finder’s units, each finder’s unit consists of one common share and one-half of one warrant. Each whole warrant is exercisable into one common share at a price of \$0.25.

This press release is also being disseminated as required by National Instrument 62-103 The Early Warning System and Related Take Over Bids and Insider Reporting Issues in connection with the filing of an early warning report (the “Early Warning Report”) regarding the acquisition of securities of the Company by Estrategica Corporativa en Finanzas, S.A.P.I. de C.V. (“Estrategica”) of Mexico.

Estrategica acquired 1,412,400 shares of the Company at a price of \$0.10 per Share and Warrants to acquire an additional 706,200 shares at a price of \$0.25 per Warrant under the Private Placement.

Prior to the Private Placement, Estrategica beneficially owned 35,403,250 Common Shares. Accordingly, Estrategica beneficially owns an aggregate of 36,815,650 Common Shares of the Company, representing approximately 22.82% of the 161,364,823 issued and outstanding Shares of the Company on an undiluted basis and approximately 25.27% (42,107,607 Common Shares) of the Company, on a partially diluted basis, assuming exercise of the Warrants held by Estrategica.

As previously reported in the Early Warning Report filed by Estrategica dated February 10, 2020, Roberto Guzman Garcia (“Guzman”) a director of Telson, is the controlling mind of Estrategica, and Estrategica has previously acted jointly with Promotora de Sistemas de Information, S.A.P.I. de C.V. (“Promotora”) and Macro Holdings & Investments, LLC (“Macro”). Guzman, Promotora and Macro did not participate in the Private Placement. Together, Estrategica,



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Guzman, Promotora and Macro (the "Joint Actors") own and control 42,430,644 Common Shares and 5,745,197 warrants of Telson.

On a non-diluted basis, the Joint Actors own or control approximately 26.29% of the 161,364,823 issued and outstanding Shares of Telson and, on a partially-diluted basis (assuming exercise of warrants held by the Joint Actors) the Joint Actors own or control approximately 28.83% of the Shares of Telson. Estratégica acquired the securities for investment purposes and may increase or decrease its beneficial ownership or control depending on market or other conditions.

A copy of the Early Warning Report for Estratégica can be found under the Company's profile at www.SEDAR.com.

About Telson Mining Corporation

Telson Mining Corporation is a Canadian based mining company with two 100% owned Mexican gold, silver and base metal mining projects.

Telson's Tahuehueto mining project, located in north-western Durango State, Mexico where construction has been advanced to approximately 70% completion and waiting for final funding to finish construction of the processing plant and related assets to produce gold, silver, lead and zinc in concentrates within its own on-site mineral processing facility, with a designed capacity of at least 1,000 tonnes per day. The Company is targeting completion of construction six to eight months after securing final funding.

Campo Morado is a polymetallic base metal mine that produces zinc, lead, copper, silver and gold. Four months after purchasing Campo Morado, Telson brought the mine back into operation initiating preproduction in October 2017 and declared commercial production in May 2018, operating the mine continuously for 22 months until August 2019 when the project was put on care and maintenance. Telson brought the mine out of care and maintenance, reinitiating mining and milling operations late January 2020, operating through February and March however, temporarily suspended operations at the beginning of April as mandated by the Mexican Government Ministry of Health which proclaimed a national health emergency suspending all "non-essential" public and private sector business, including mining as a result of the COVID-19 pandemic. The Company is planning on re-starting operations in early June after the Mexican government recognized mining as essential to the economy and are allowing companies to initiate mining activities.

Visit: www.telsonmining.com

On Behalf of the Board of Directors

(signed) "Ralph Shearing"

Ralph Shearing, President and Director

Cautionary Note Regarding Production Decisions and Forward-Looking Statements

It should be noted that Telson 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



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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).

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 the planned recommencement of mining operations at Campo Morado; and other possible events, conditions or financial performance that are 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; that recommencement of operations at Campo Morado will proceed as planned; 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.

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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