

# **THELON CAPITAL LTD.**

609-475 Howe Street  
Vancouver, BC. V6C 2B3  
Phone: (604) 682-1643 Fax: (604) 682-1666

**THC.V**

**News Release**

**TFHC.F**

## **Thelon enters LOI to Acquire Private Producing Coal Company**

Feb 24, 2011

Thelon Capital Ltd is pleased to announce that it has entered into an option to purchase a 100% interest in a Private Tennessee Mining Company. (Privateco ).

The company is a 30 year old privately held Mining Company currently producing 50,000 tons of Coal a month from 3 permitted mines, with a fourth permit in place and planned to start producing shortly. They currently are supplying local industrial and utility markets, with plans to take advantage of the growing USA export market. This acquisition gives Thelon Capital immediate production and is an important step in Thelon achieving its goal of becoming a million ton annual producer of high quality compliant Coals.

### **Acquisition Highlights**

- 30 years experience in Appalachian Coal production and sales
- Highly respected in Coal mining and reclamation
- Produces and sells currently to local Utility and industry
- Producing 50,000 tons/m from 3 permitted Strip and Auger mines with 4 additional mines planned
- Has over 22,000,000 tons of recoverable Coal, including 4.5 million Tons of Blue Gem Seem Metallurgical Coal under permit or lease
- Employees over 100 people locally
- Has an estimated \$24 million USD in Operating mining equipment, Wash Plant and support infrastructure.
- No debt and cash flow positive for last 3 fiscal years.
- Current management stays in place

The option allows for Thelon to purchase 100 percent of the outstanding shares of the Company for \$35,000,000 USD and pay \$7 million dollars for \$7million in surety bonds. Thelon must pay \$1million 14 days from signing and \$41 million in 120 days. Thelon may get a 60 day extension by adding \$500,000 to the deposit.

Timothy Webb P.E, a qualified person under national instrument 43-101, has approved the technical information contained in this release.

The LOI is subject to certain conditions including due diligence by Thelon, acceptance of the transaction by the TSX Venture Exchange and other conditions customary for transactions similar in nature to the transaction.

**THELON CAPITAL LTD.**

On behalf of the Board of Directors

Per: Jason Walsh  
President

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this News Release.*