

THELON CAPITAL LTD.

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

www.theloncapital.com

THC- V

News Release

TFHC.F

Thelon Signs Lease Agreement to Double Production Royalties on Jellico Coal Project.

May 24, 2011

Thelon Capital Ltd. is pleased to announce that it has, through its wholly-owned subsidiary, Clear Fork Mining, signed a second lease agreement with a private contractor to mine a second 600-acre section of its Jellico Coal Project, known as Miller Mt. It is scheduled to start production in calendar 2012. This mine site is projected to produce an average of 20,000 tons per month for approximately 7-10 years. Under the terms of the lease, Thelon Capital Ltd. will receive the greater of \$7 per ton royalty or ~9% of gross sales price of the Coal. Thermal Coal is currently selling for \$90 per ton and Blue Gem Coal is currently selling for \$185 per ton.

The Jellico Coal Project is 6400 acres of fee simple land that has a historic resource of over 12 million tons of compliant thermal and metallurgical coals (this is a historical report and is not NI 43-101 compliant, it is for reference only). It is located in the prolific Appalachian Coal district in Claiborne County of Tennessee. There is currently 20,000 tons per month being produced from 640 acre section of the Jellico Coal project referred to as White Oak.

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

THELON CAPITAL LTD.

On behalf of the Board of Directors

Per: Jason Walsh
President

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.