

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 arranges \$25 million Royalty Stream Financing

July 28, 2011

Thelon Capital Ltd. (“Thelon”) is pleased to announce that it has arranged a \$25 million Royalty Stream Debt Facility (the “Financing”) with Waterton Global Value L.P. (“Waterton”), a mining-focused investment group based in Toronto. “We are very excited to have the opportunity to work with Waterton on this project and to have them as financial partners” stated Jason Walsh, President of Thelon. The proceeds of the Financing will be used to complete the purchase of a private coal mining company (the “Target”), as previously announced by Thelon on February 24, 2011.

Thelon would also like to announce it has amended the terms of the purchase agreements with Clear Fork Mining as well as with the Target. Thelon has received all the necessary extensions to complete the acquisitions.

Target Acquisition Highlights

- The group is based in Tennessee and has mining sites in Tennessee and Kentucky
- Highly respected group in coal mining and reclamation
- Produces and sells currently to a local utility and broader industry in general
- Producing approximately 50,000 tons/m from three permitted strip and auger mines with four additional mines planned
- Resources include over 25.6 million tons of recoverable coal, including 4.5 million tons of Blue Gem Seam specialty coal leases which include 12.32 million ton 43-101 compliant Resource (the balance of 9.68 million tons is non NI 43-101 compliant.)
- Eight years permitted life of mine
- Over 100 local employees
- Includes an estimated US\$24 million of operating mining equipment, wash plant and load out facility
- No debt and cash flow positive for last three fiscal years.
- Current management and staff will stay in place, providing continuity to operations and bringing over 30 years experience in Appalachian coal production and sales

The Financing is subject only to the completion of a \$20 million equity raise, and certain other standard debt financing conditions.

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.

Forward-Looking Statements

This news release contains forward-looking statements. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Such statements are based on current expectations, are subject to a number of uncertainties and risks. These uncertainties and risks include, but are not limited to, the strength of the economy; operational, funding, and liquidity risks; the degree to which mineral resource estimates are reflective of actual mineral resources. Risks and uncertainties about Thelon's business are more fully discussed in the company's disclosure materials filed with the securities regulatory authorities in Canada and available at www.sedar.com and readers are urged to read these materials. Thelon assumes no obligation to update any forward-looking statement or to update the reasons why actual results could differ from such statements unless required by law.