

Form 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION

This disclosure is intended to communicate the compensation provided to Thelon’s President and Chief Executive Officer (the “CEO”), the Chief Financial Officer (the “CFO”) and the three other most highly compensated officers of Thelon (if they individually received more than \$150,000 of total compensation during the most recently completed financial year) during the year ended September 30, 2013 (collectively, the “Named Executive Officers” or “NEOs”) and the directors of Thelon. For the year ended September 30, 2013, Thelon’s NEOs were Jason Walsh, Thelon’s former CEO, Geoffrey R. Watson, Thelon’s current CFO, George W. Heard, Thelon’s former CEO, and Michelle Pillon, Thelon’s former CFO.

Compensation Discussion and Analysis

Thelon relies solely on Board discussion to determine compensation paid to executives and directors, without any formal objectives, criteria or analysis. As Thelon is still in the developmental stage as a junior mining company, Thelon’s compensation program consists primarily of stock options.

The long-term incentive program is intended to align the interests of the NEOs, directors, consultants and employees with those of Thelon’s shareholders over the longer term and to provide a retention incentive for each NEO. This component of the compensation package consists of grants of options to purchase common shares as permitted under the Stock Option Plan of Thelon and applicable stock exchange rules. Numerous factors are taken into consideration by the Board in determining grants of Options, including: a review of the previous grants (including value both at the current share prices and potential future prices), the remaining time to expiry, overall corporate performance, share price performance, the business environment and the role and performance of the individual in question.

During the year ended September 30, 2013, no stock options were granted to directors, officers, consultants and employees of Thelon.

Summary Compensation Table

The following table presents the summary of compensation paid during the financial years ended September 30, 2013 and September 30, 2012, and September 30, 2011 to Thelon’s NEOs:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Jason Walsh ⁽²⁾ CEO	2013	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	139,320 ⁽⁴⁾	151,200
	2012	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	140,560 ⁽⁴⁾	152,560
	2011	12,000 ⁽³⁾	Nil	146,000	Nil	Nil	Nil	119,804 ⁽⁴⁾	277,804
Geoffrey A. Watson ⁽⁵⁾	2013	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	36,000	48,000
	2012	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	37,000	49,000

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
CFO	2011	11,000 ⁽³⁾	Nil	32,000	Nil	Nil	Nil	27,000 ⁽⁶⁾	70,000
George W. Heard ⁽⁷⁾ CEO	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	77,500	Nil	Nil	Nil	Nil	77,500
Michelle Pillon ⁽⁸⁾ CFO	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) The option-based awards dollar value was calculated using a Black-Scholes model, which included assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of Thelon's common shares and the expected life of the options.
- (2) Mr. Walsh was the CEO of Thelon from June 6, 2012 to April 3, 2014.
- (3) Director's fees of \$1,000 per month.
- (4) During the year ended September 30, 2011, BUA Capital Management Ltd. ("**BUA Capital**"), a private company owned by Mr. Walsh, received consulting fees of \$4,500 per month. Effective January 2012, the fee was increased to \$7,500 per month. Also office and administration service fees were paid to BUA Group Holdings Ltd. ("**BUA Group**"), a private company owned by Mr. Walsh, \$49,200, \$59,560, and \$62,304 in the years 2013, 2012, and 2011, respectively.
- (5) Mr. Watson was appointed CFO of Thelon on June 6, 2012.
- (6) Consulting fees of \$3,000 per month are paid to GRW Inc. (formerly Complete Communications Inc.), a company of which Mr. Watson is a principal, to provide services relating to accounting and financial matters, which Mr. Watson acted as the Controller of Thelon.
- (7) Mr. Heard ceased to be a director and CEO of Thelon on February 14, 2012.
- (8) Ms. Pillon ceased to be CFO of Thelon on June 6, 2012.

Incentive Plan Awards

The following table sets forth information in respect of all outstanding share-based awards and option-based awards outstanding to each of the NEOs at September 30, 2013.

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date (mm/dd/yy)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jason Walsh ⁽²⁾ CEO	Nil	Nil	Nil	Nil	N/A	N/A
	Nil	Nil	Nil	Nil	N/A	N/A
Geoffrey A. Watson ⁽³⁾ CFO	Nil	Nil	Nil	Nil	N/A	N/A

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date (mm/dd/yy)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
George W. Heard ⁽⁴⁾ former CEO	Nil	Nil	Nil	Nil	N/A	N/A
Michelle Pillon ⁽⁵⁾ former CFO	Nil	Nil	Nil	Nil	N/A	N/A

- (1) The “Value of unexercised in-the-money options” is calculated on the basis of the difference between the closing price of Thelon’s common shares on the TSX Venture Exchange (the “**Exchange**”) on September 30, 2013 and the Exercise Price of the options. The closing price of Thelon’s common shares on the Exchange on September 30, 2013, the last day on which Thelon’s shares traded in September 2013, was \$0.01.
- (2) Mr. Walsh was the CEO of Thelon from June 6, 2012 to April 3, 2014.
- (3) Mr. Watson became the CFO of Thelon on June 6, 2012.
- (4) Mr. Heard ceased to be a director and CEO of Thelon on February 14, 2012.
- (5) Ms. Pillon ceased to be the CFO of Thelon on June 6, 2012.

Incentive Plan Awards – value vested or earned during the year

The following table sets forth for each NEO, the value of option-based awards and share-based awards which vested during the year ended September 30, 2013 and the value of non-equity incentive plan compensation earned during the year ended September 30, 2013.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jason Walsh ⁽²⁾ , CEO	N/A	N/A	N/A
Geoffrey A. Watson ⁽³⁾ , CFO	N/A	N/A	N/A
George W. Heard ⁽⁴⁾ , former CEO	N/A	N/A	N/A
Michelle Pillon ⁽⁵⁾ , former CFO	N/A	N/A	N/A

- (1) Calculated based on the difference between the market price of the common shares on the vesting date and the exercise price of the options on the vesting date. A nil amount indicates that no options held by the NEO vested during the year ended September 30, 2012 at an “in the money” amount when the exercise price was compared to the closing price of Thelon’s common shares on the Exchange on the date of vesting.
- (2) Mr. Walsh was the CEO of Thelon from June 6, 2012 to April 3, 2014.
- (3) Mr. Watson became the CFO of Thelon on June 6, 2012.
- (4) Mr. Heard ceased to be a director and CEO of Thelon on February 14, 2012.
- (5) Ms. Pillon ceased to be the CFO of Thelon on June 6, 2012.

Termination and Change of Control Benefits

Thelon does not have any compensatory plan(s), contract(s) or arrangement(s) with respect to the resignation, retirement or any other termination of the NEO's employment, a change of control of Thelon or its subsidiary or a change in the NEO's responsibilities following a change in control.

Director Compensation

The following table sets out the compensation paid to each of Thelon's directors, other than directors who are NEOs, for the year ended September 30, 2013.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John A. Roozendaal	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mark T. Tommasi	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Directors of Thelon are reimbursed for any out-of-pocket expenses incurred, in the course of their duties as directors. Other than incentive stock options granted from time to time, no compensation has been paid, awarded or granted by Thelon to the directors for their services as directors, nor are there any arrangements for any such compensation to be paid. Directors and officers have been and may be granted stock options from time to time.

From time to time, directors may be retained as consultants or experts to provide specific services to Thelon and will be compensated on a normal commercial basis for such services.

Management functions are substantially performed by Thelon's directors or senior officers (or private companies controlled by them, either directly or indirectly) and not by any other person with whom Thelon has contracted.

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each of Thelon's directors, other than directors who are also NEOs, all option-based and share-based awards outstanding at the end of the financial year ended September 30, 2013.

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date (m/d/y)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
John A. Roozendaal	Nil	Nil	Nil	Nil	N/A	N/A

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date (m/d/y)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Mark T. Tommasi	Nil	Nil	Nil	Nil	N/A	N/A

- (1) The “Value of unexercised in-the-money options” is calculated on the basis of the difference between the closing price of Thelon’s common shares on the Exchange on September 30, 2013 and the Exercise Price of the options. The closing price of Thelon’s common shares on the Exchange on September 30, 2013, the last day on which Thelon’s shares traded in September 2013, was \$0.01.

Incentive Plan Awards – value vested or earned during the year

The following table sets forth for each of the directors, other than directors who are also NEOs, the value of option-based awards and share-based awards which vested during the year ended September 30, 2013 and the value of non-equity incentive plan compensation earned during the year ended September 30, 2013.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John A. Roozendaal	Nil	N/A	N/A
Mark T. Tommasi	Nil	N/A	N/A

- (1) Calculated based on the difference between the market price of the common shares on the vesting date and the exercise price of the options on the vesting date. A nil amount indicates that no options held by the directors vested during the year ended September 30, 2013 at an “in the money” amount when the exercise price was compared to the closing price of Thelon’s common shares on the Exchange on the date of vesting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of Thelon’s financial year ended September 30, 2013, all information required with respect to compensation plans under which equity securities of Thelon are authorized for issuance:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	Nil ⁽¹⁾	Nil	9,334,043 ⁽²⁾

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	Nil	Nil	9,334,043

- (1) Options outstanding as at September 30, 2013, which have been granted pursuant to Thelon's Stock Option Plan.
- (2) Thelon has a rolling stock option plan. The aggregate number of common shares reserved for issuance is a maximum of 10% of the issued and outstanding capital of Thelon at the date of any stock option grant. As at September 30, 2013, a total of 9,334,043 options remained available for issuance.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except as disclosed below, no person who is, or at any time during the most recently completed financial year was, a director or executive officer of Thelon, a proposed nominee for election as a director of Thelon, or an associate of any of the foregoing individuals, has been indebted to Thelon at any time since the commencement of Thelon's last completed financial year.

AGGREGATE INDEBTEDNESS (\$)		
Purpose (a)	To the Company or its Subsidiaries (b)	To Another Entity (c)
Share purchases	Nil	N/A
Other	Nil	N/A