

THELON CAPITAL LTD.
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**THELON CAPITAL LTD. ANNOUNCES
ENTRY INTO ARRANGEMENT AGREEMENT,
TSX-V DELISTING, AND COMPLETION OF SHARE CONSOLIDATION**

Vancouver, B.C. – (December 30, 2014) Thelon Capital Ltd. (“Thelon Capital”) is pleased to announce that on December 18, 2014 it entered into an arrangement agreement and plan of arrangement (the “Arrangement Agreement”) with Thelon Diamonds Ltd. (“Thelon Diamonds”) and Thelon Diamond Company Limited (“TDC”). Thelon Diamonds was incorporated in British Columbia on November 6, 2014 as a wholly-owned subsidiary of Thelon Capital for the sole purpose of effecting the Arrangement Agreement.

Pursuant to the Arrangement Agreement:

- 1) TDC shall acquire all issued and outstanding common shares of Thelon Diamonds, from Thelon Capital for consideration of \$1,000 which comprises of a deposit of \$100 due upon execution of the Arrangement Agreement and \$900 which is due upon the closing of the arrangement contemplated by the Arrangement Agreement;
- 2) TDC and Thelon Diamonds shall exchange securities on a 1:1 basis such that each common share of TDC will be exchange for one fully paid and non-assessable common share of Thelon Diamonds and the name of each holder will be removed from the central securities register of TDC and added to the central securities register of Thelon Diamonds;
- 3) Thelon Capital and Thelon Diamonds shall exchange securities as follows: Thelon Diamonds will issue 1,869,840 Common Shares to Thelon Capital (the “Thelon Diamonds Distribution Shares”) and Thelon Capital will transfer all of its interest in the joint venture project in diamond mining with Peregrine Diamonds and the mineral leases that are the subject of such joint venture;
- 4) The Thelon Diamonds Distribution Shares will be distributed to the shareholders of Thelon Capital as of the record date of October 21, 2014;
- 5) Thelon Capital will reduce its paid-up capital by an amount equal to the value of the Thelon Diamonds Distribution Shares; and
- 6) the central securities register of each of Thelon Capital, TDC and Thelon Diamonds shall be updated accordingly.

Thelon also announces that further to the TSXV Bulletin dated December 19, 2014, at Thelon’s request, its common shares will be delisted from the TSX Venture Exchange, effective as of the close of business on Monday, December 22, 2014.

In addition, Thelon announces that the share consolidation previously announced on December 22, 2014 (the “**Consolidation**”) was completed on December 23, 2014. Pursuant to the Consolidation, Thelon consolidated its common share capital on the basis of six pre-

consolidation common shares held for one new post-consolidation common share (6:1), so that the 112,190,431 issued and outstanding common shares of Thelon consolidated into approximately 18,698,405 common shares, allowing for rounding related to fractional shares. No fractional post-Consolidation common shares were issued pursuant to the Consolidation. All fractional shares resulting from the Consolidation were rounded down to the nearest whole number and no cash consideration was paid in respect of fractional shares. The exercise price and the number of common shares issuable under any of Thelon's outstanding warrants or stock options were proportionately adjusted pursuant to the Consolidation.

Further information about Thelon is available under its profile on the SEDAR website www.sedar.com.

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Forward-Looking Information:

This press release may include forward-looking information within the meaning of Canadian securities legislation. The forward-looking information is based on certain key expectations and assumptions made by the management of Thelon Capital. Although Thelon Capital believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Thelon Capital cannot provide any assurance that it will prove to be correct. These forward-looking statements are made as of the date of this news release and Thelon Capital disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.