

THELON DIAMONDS LTD.
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THELON DIAMONDS LTD. ANNOUNCES COURT APPROVAL AND CLOSURE OF A PLAN OF ARRANGEMENT WITH THELON CAPITAL LTD. AND THELON DIAMOND COMPANY LIMITED

Vancouver, B.C. – (January 23, 2015) Thelon Diamonds Ltd. (“**Thelon Diamonds**”) is pleased to announce that on December 31, 2014, the statutory plan of arrangement entered into on December 18, 2014 (the “**Arrangement**”) among Thelon Capital Ltd. (“**Thelon Capital**”), Thelon Diamonds and Thelon Diamond Company Limited (“**TDC**”) received approval from the Supreme Court of British Columbia in accordance with Part 9 of the *Business Corporation Act* (British Columbia), and the Arrangement was subsequently completed on January 14, 2015. As a result of completing the Arrangement, Thelon Diamonds became a reporting issuer in Alberta and British Columbia, and TDC became a wholly-owned subsidiary of Thelon Diamonds.

On December 18, 2014, Thelon Capital, Thelon Diamonds and TDC entered into an Arrangement Agreement and Plan of Arrangement (the “**Arrangement Agreement**”).

Completion of the Arrangement as set forth in the Arrangement Agreement was approved by special meeting of the shareholders of TDC on December 29, 2014, and a final order granted by the Supreme Court of British Columbia on December 31, 2014 in accordance with Part 9 of the *Business Corporations Act* (British Columbia).

Pursuant to the Arrangement, the following principal steps were completed on January 14, 2015:

- TDC purchased all the issued and outstanding Common Shares of Thelon Diamonds from Thelon Capital;
- Thelon Diamonds acquired 8,121,667 Common Shares of TDC, being all the issued and outstanding share capital of TDC, from all the shareholders of TDC through a 1-for-1 share exchange;
- Thelon Diamonds and Thelon Capital exchanged securities as follows: Thelon Diamonds issued 2,260,000 Common Shares to Thelon Capital (the “**Thelon Diamonds Distribution Shares**”) and Thelon Capital transferred all its interest in the joint venture in diamond mining with Peregrine Diamonds and the mineral leases with are the subject of such joint venture;
- The Thelon Diamonds Distribution Shares were distributed to the shareholders of Thelon Capital as of the record date of October 21, 2014; and
- Thelon Capital will reduce its paid-up capital by an amount equal to the value of the Thelon Diamonds Distribution Shares.

For further clarification, Thelon Diamonds issued 2,260,000 Common Shares to Thelon Capital, and not 1,869,840 Common Shares, as was previously announced on December 30, 2014 by Thelon Capital.

Upon the Arrangement becoming effective on January 14, 2015, Thelon Diamonds became a reporting issuer in the jurisdictions of Alberta and British Columbia, and has issued a total of 10,381,667 Common Shares. The CUSIP for the Common Shares of Thelon Diamonds is **88339G101**.

Thelon Diamonds was incorporated on November 6, 2014 and its fiscal year end is August 31. As a result of completing the Arrangement, Thelon Diamonds has one wholly-owned subsidiary, TDC, which was incorporated on February 8, 2012.

Thelon Diamonds Ltd.

Thelon Diamonds is a mineral exploration company with an interest in certain mineral leases in the Lac de Gras region of the Northwest Territories.

For further information on Thelon Diamonds, please contact:

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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 Diamonds. Although the company 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 the company cannot provide any assurance that it will prove to be correct. These forward-looking statements are made as of the date of this press release and the companies 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.