

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**  
**& NOTICE OF CHANGE IN CORPORATE STRUCTURE**

**Item 1: Name and Address of Company**

Thelon Diamonds Ltd. (“the **Issuer**”)  
Suite 1500, 888 Dunsmuir Street  
Vancouver, BC V6C 3K4

**Item 2: Date of Material Change**

January 14, 2015

**Item 3: News Release**

A news release was issued and disseminated on January 23, 2015 and filed on SEDAR (www.sedar.com). A copy of the news release is attached as Schedule “A” hereto.

**Item 4: Summary of Material Change**

On January 14, 2015, the Issuer completed a statutory arrangement under a plan of arrangement (the “**Arrangement**”) with Thelon Capital Ltd. (“**Pubco**”) and Thelon Diamond Company Limited (“**TDC**”). As a result of completing the Arrangement, the Issuer became a reporting issuer in Alberta and British Columbia.

**Item 5: Full Description of Material Change**

*5.1 Summary of the Arrangement and Corporate Information*

On December 18, 2014, the Issuer entered into an arrangement agreement including the Arrangement (“**Arrangement Agreement**”) with Pubco and TDC.

On December 29, 2014, completion of the Arrangement was approved by the shareholders of TDC and on December 31, 2014, the Supreme Court of British Columbia, in accordance with Part 9 of the *Business Corporations Act* (British Columbia).

Pursuant to the Arrangement Agreement, the following principal steps occurred and were deemed to occur in the following order to complete the Arrangement:

- TDC acquired all issued and outstanding common shares of the Issuer from Pubco (the “**Purchase Shares**”) for consideration of \$1,000;
- the Issuer acquired all the issued and outstanding shares of TDC from all the shareholders of TDC through a 1-for-1 share exchange;
- The Issuer and Pubco exchanged securities as follows: The Issuer issued 2,260,000 Common Shares to Pubco (the “**Issuer Distribution Shares**”) and Pubco 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 Issuer Distribution Shares were distributed to the shareholders of Pubco as of the record date of October 21, 2014;
- Pubco will reduce its paid-up capital by an amount equal to the value of the Issuer Distribution Shares; and
- the Purchase Shares were then cancelled.

On January 14, 2015, upon completion of the Arrangement, the Issuer became a reporting issuer in the jurisdictions of Alberta and British Columbia. The CUSIP number for the Issuer's common shares is **88339G101**.

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

5.2 Disclosure for Restructuring Transactions

Pursuant to section 4.9 of National Instrument 51-102, we provide the following additional information:

***Name of each party, if any, that ceased to be a reporting issuer subsequent to the Transaction and of each continuing entity:***

No party ceased to be a reporting issuer. The name of each continuing entity is:

- Thelon Diamonds Ltd. (the Issuer and a reporting issuer);
- Thelon Capital Ltd. (a reporting issuer); and
- Thelon Diamond Company Limited (a private company and a wholly-owned subsidiary of the Issuer on completion of the Arrangement). Note: TDC did not become a reporting issuer under the Arrangement, as the Issuer's share exchange with Pubco occurred after the share exchange with TDC.

***Date of the Reporting Issuer's first financial year end subsequent to the Transaction:***

August 31, 2015.

***The periods, including comparative periods, if any, of the interim and annual financial statements required to be filed for the reporting issuer's first financial year subsequent to the Transaction:***

Financial Statement Period	Filing Due Date	Comparatives
Interim financial statements for the first quarter ended November 30, 2014	January 29, 2015	n/a
Interim financial statements for the second quarter ended February 28, 2015	April 29, 2015	n/a

Interim financial statements for the third quarter ended, May 31, 2015	July 30, 2015	n/a
Annual financial statements for the year ended August 31, 2015	December 29, 2015	n/a

***Documents Filed under National Instrument 51-102 describing the Transaction and Filing Location of Same:***

<b>Documents</b>	<b>Location of Filing</b>
Financial statements of TDC for the years ended August 31, 2014, 2013, 2012	SEDAR profile of the Issuer
Arrangement Agreement dated December 18, 2014	SEDAR profile of the Issuer
Final Order of the Supreme Court of British Columbia granted December 31, 2014	SEDAR profile of the Issuer
News release dated January 23, 2015 (attached as Schedule A)	SEDAR profile of the Issuer
This Material Change Report and Notice of Change in Corporate Structure	SEDAR profile of the Issuer

**Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

**Item 7: Omitted Information**

None

**Item 8: Executive Officer**

Geoff Watson, Chief Financial Officer  
Telephone: 604.608.6314

**Item 9: Date of Report**

January 23, 2015

**Schedule "A"**  
**NEWS RELEASE**

**THELON DIAMONDS LTD.**  
Suite 1500 – 888 Dunsmuir Street  
Vancouver, BC V6C 3K4

**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:**

Geoff Watson  
Director & Officer  
Thelon Diamonds Ltd.  
Telephone 604.608.6314  
Email: [grw@grwinc.ca](mailto:grw@grwinc.ca)

#### **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.