

THELON DIAMONDS LTD.

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**THELON DIAMONDS ENTERS INTO CHEDIC GRAPHITE PROPERTY
OPTION AGREEMENT**

Vancouver, BC – February 20 , 2017 – Thelon Diamonds Ltd. (the “**Company**”) is pleased to announce that the Company has entered into an option agreement (the “**Option Agreement**”) with GeoXplor Corp. (“**GeoXplor**”) to acquire a 100% interest in the Chedic graphite property, comprised of 19 unpatented mining claims located in Carson City, Nevada (collectively, the “**Property**”).

In order to exercise the option and acquire an undivided 100% interest in the Property, the Company will make the following cash and share payments to GeoXplor:

- a) 1,000,000 common shares of the Company (the “**Thelon Shares**”) upon the Company achieving a successful listing on a Canadian stock exchange;
- b) US\$50,000 on the effective date of the Option Agreement (the “**Effective Date**”);
- c) 1,000,000 Thelon Shares on each of the first four anniversaries of the Effective Date;
- d) US\$75,000 on or before each of the first and second anniversaries of the Effective Date;
- e) US\$100,000 on or before the third anniversary of the Effective Date; and
- f) US\$100,000 on the fourth anniversary of the Effective Date.

Pursuant to the Option Agreement, the Company will be required to make the following exploration expenditures:

- a) US\$100,000 by the first anniversary of the Effective Date;
- b) US\$200,000 by the second anniversary of the Effective Date;
- c) US\$300,000 by the third anniversary of the Effective Date;
- d) US\$500,000 by the fourth anniversary of the Effective Date; and
- e) minimum advanced annual royalties payments of US\$100,000 on the fifth anniversary of the Effective Date, and annually thereafter.

Upon completion of an inferred resource calculation that confirms a minimum presence of 100,000 tons equivalent grading at no lower than 5% carbon content on the Property, the Company shall pay GeoXplor a total of US\$1,000,000 in cash or Thelon Shares or a combination thereof at the Company’s election.

Upon Completion of an Economic Study on the Property, on or before the sixth anniversary of the Effective Date, the Company shall pay to GeoXplor US\$2,000,000 in cash or Thelon Shares, or a combination thereof at GeoXplor’s election.

GeoXplor will maintain 3% gross value Royalty return of which 2% can be purchased by Thelon at any time for US\$5,000,000.

The Company is excited to work with GeoXplor’s team, which has extensive geophysical exploration experience and technical expertise with precious metals, specialty metals, industry minerals and other materials.

About the Chedic Graphite Property

The Property is located in Carson City, a consolidated municipality of 157 square miles resulting from the 1969 consolidation of Ormsby County and the Nevada capital city of Carson City. The Chedic Property is located in the Voltaire mining district encompassing several small tungsten, silver and gold deposits found in the 1870s and 1880s and related to intrusion of the Cretaceous granites.

The Property consists of 19 unpatented mining claims totaling approximately 393 acres. The claims generally cover a mountain valley and crest on the Carson Range immediately west of Eagle Valley where the city is situated.

This news release has been reviewed and approved by **William Feyerabend CPG.**, who is the Company's qualified person as defined by National Instrument 43-101.

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.