

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

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

Item 2: Date of Material Change

January 14, 2015 and January 22, 2015

Item 3: News Release

A news release was issued and disseminated on February 4, 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

The Issuer is pleased to announce the acquisition of two MMPR license applicants: THC Meds and T.H.C Medical Systems (the “THC Companies”).

Through the completion of a share exchange agreement, the Issuer acquired 100% of the issued and outstanding shares of each of the THC Companies and will change its business to becoming and operating as an MMPR Licensed Producer and the research & development of products and services related to medical marijuana.

THC has appointed John Miller as its President and CEO. Mr. Miller is the Senior Person in Charge and will head THC’s efforts to obtain the MMPR licenses.

On January 22, 2015, Health Canada conducted its pre-licensing inspection of the Company’s existing facility in Kelowna. We look forward to Health Canada’s feedback as we strive for continuous quality improvement.

THC acquired 100% of the issued and outstanding shares of the THC Companies in exchange for consideration of 56,976,246 of its common shares. There are an additional 26,823,751 earn out shares that may be issued to the former shareholders of the THC Companies on the accomplishment of certain milestones: 16,600,000 to be released in the event that an MMPR license is granted by Health Canada to one of the two subsidiaries and 10,233,751 to be released pending the removal of certain potential liabilities of the THC Companies.

In addition to appointing Mr. Miller as the company’s new President and CEO, THC has also appointed Mr. Miller to its Board of Directors. Hee Jung Chun, the President of both THC Companies has been named to The Board of Directors, as well as George Smitherman of Toronto, Ontario. Jason Walsh and Geoff Watson have remained on the Board.

Scott Walters, Mark Tommasi and John Roozendaal have resigned from the Board. Scott Walters has also resigned as President and CEO.

On January 14, 2015, as a condition precedent to the closing of the Share Exchange Agreement, the Company completed a Plan of Arrangement with Thelon Diamonds Ltd. in which the Company vended out its interests in the joint venture in diamond mining with Peregrine Diamonds Ltd. and the related mineral leases in exchange for 2,260,000 common shares of Thelon Diamonds Ltd. The Company immediately distributed the Thelon Diamonds shares to its shareholders as of the record date of October 21, 2014. THC has received conditional approval for the listing and trading of its common shares on the CSE.

Item 5: Full Description of Material Change

See news release attached as Schedule "A".

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

Not applicable

Item 7: Omitted Information

None

Item 8: Executive Officer

John Miller, Director, President & CEO

Item 9: Date of Report

February 4, 2015

Schedule “A”

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

**THELON CAPITAL LTD. ANNOUNCES
THE ACQUISITION OF TWO MARIHUANA FOR
MEDICAL PURPOSES LICENSE APPLICANTS**

Vancouver, B.C., February 4, 2015 - Thelon Capital Ltd. (“THC” or the “Company”) is pleased to announce the acquisition of two MMPR license applicants: THC Meds and T.H.C Medical Systems (the “THC Companies”).

Through the completion of a share exchange agreement, Thelon acquired 100% of the issued and outstanding shares of each of the THC Companies and will change its business to becoming and operating as an MMPR Licensed Producer and the research & development of products and services related to medical marihuana. Both THC Companies have applications with Health Canada for Producer’s Licenses under Canada’s Marihuana for Medical Purposes Regulations (“MMPR.”) THC intends to cultivate medical marihuana and conduct scientific research and development in order to offer products and services through two revenue streams: (a) medical marihuana sales to other MMPR Licensed Producers and (b) products and services related to medical marihuana.

THC has appointed John Miller as its President and CEO. Mr. Miller is the Senior Person in Charge and will head THC’s efforts to obtain the MMPR licenses.

T.H.C. Medical Systems Ltd. (“T.H.C. Medical”) has an existing 6,000 sq. foot facility in Kelowna B.C. The Facility has been outfitted with a state of the art, integrated security system for meticulous record keeping. An on-site analytical laboratory is equipped with the required instruments, such as a High Performance Liquid Chromatography detector (“HPLC”), to determine active cannabinoids present in Reference Standards. THC Medical Systems grew marihuana for research and development purposes under a Section 56 Exemption of Canada’s *Controlled Drugs and Substances Act*, which was in effect from August 2013 to August 2014.

THC’s previous activities of cultivating and conducting research on marihuana allowed THC to conduct analytical testing on-site for research purposes. Medical *cannabis* is still an emerging industry and THC believes that it is important that substantiated scientific data and evidence be published that will help educate the public and the medical community. THC aims to use its scientific research to break down barriers and encourage the responsible development of the medical *cannabis* industry.

By providing scientific and biotechnological support services to a target demographic that includes current and potential licensed producers under MMPR, THC intends to strengthen current industry standards, while establishing a robust and safe source of medical marihuana.

On January 22, 2015, Health Canada conducted its pre-licensing inspection of the Company’s existing facility in Kelowna. We look forward to Health Canada’s feedback as we strive for continuous quality improvement.

There can be no assurance that the Company will obtain an MMPR license. In the event the Company does not obtain an MMPR license, it will focus on the other aspect of its business, namely the supply of goods and services related to the medical marihuana business.

THC acquired 100% of the issued and outstanding shares of the THC Companies in exchange for consideration of 56,976,246 of its common shares. There are an additional 26,823,751 earn out shares that may be issued to the former shareholders of the THC Companies on the accomplishment of certain milestones: 16,600,000 to be released in the event that an MMPR license is granted by Health Canada to one of the two subsidiaries and 10,233,751 to be released pending the removal of certain potential liabilities of the THC Companies.

In addition to appointing Mr. Miller as the company's new President and CEO, THC has also appointed Mr. Miller to its Board of Directors. Hee Jung Chun, the President of both THC Companies has been named to The Board of Directors, as well as George Smitherman of Toronto, Ontario. Jason Walsh and Geoff Watson have remained on the Board.

Scott Walters, Mark Tommasi and John Roozendaal have resigned from the Board. Scott Walters has also resigned as President and CEO.

On January 14, 2015, as a condition precedent to the closing of the Share Exchange Agreement, the Company completed a Plan of Arrangement with Thelon Diamonds Ltd. in which the Company vended out its interests in the joint venture in diamond mining with Peregrine Diamonds Ltd. and the related mineral leases in exchange for 2,260,000 common shares of Thelon Diamonds Ltd. The Company immediately distributed the Thelon Diamonds shares to its shareholders as of the record date of October 21, 2014. THC has received conditional approval for the listing and trading of its common shares on the CSE.

ON BEHALF OF THE BOARD OF DIRECTORS

John Miller, President & CEO
Thelon Capital Ltd.
E: info@thcbiomed.com
T: 1.844.TH.C.MEDS

This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration.

Forward-Looking Statements

This news release contains forward-looking statements that involve risks and uncertainties. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company. Forward-looking statements in this release include (a) the Company will change its business to becoming and operating as an MMPR Licensed Producer and the Research & Development of products and services related to medical marihuana, (b) the Company will use its scientific research to break down barriers and encourage the responsible development of the medical *cannabis* industry and (c) the Company will strengthen current industry standards, while establishing a robust and safe source of medical marihuana. The forward-looking statements or information contained in this news release are made as of the date hereof and the Company does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.