

TELFERSCOT RESOURCES INC.
SUITE 2702, 401 BAY STREET
TORONTO, ONTARIO
M5H 2Y4

INFORMATION CIRCULAR
MANAGEMENT SOLICITATION

SOLICITATION OF PROXIES

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management (the “Management”) of Telferscot Resources Inc. (the “Corporation”) for use at the Annual General and Special Meeting of Shareholders of the Corporation (the “Meeting”) to be held at Suite 3100, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3Y2, at the hour of 10:00 o’clock in the morning (Toronto time), on Monday, the 14th day of November, 2011, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (“**Common Shares**”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Corporation (the “**Management Designees**”). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Transfer Agent of the Corporation, **Capital Transfer Agency, Inc., 105 Adelaide Street West, Suite 1101, Toronto, Ontario M5H 1P9**. A proxy can be executed by the shareholder or his attorney duly authorized in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Meeting Materials (as defined in the “Advice to Beneficial Shareholders” section below) from Broadridge Investor Communication Solutions, Canada (“**Broadridge**”) must return the proxy forms, once voted, to Broadridge for the proxy to be dealt with.

DEPOSIT OF PROXY

By resolution of the Directors duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED NOT LATER THAN 4:00 P.M. TORONTO TIME ON 10th DAY OF NOVEMBER 2011, OR ANY ADJOURNMENT THEREOF, WITH THE CORPORATION OR ITS AGENT, CAPITAL TRANSFER AGENCY, INC.**, provided that a proxy may be delivered to the Chairman of the Meeting on the day

of the Meeting or any adjournment thereof prior to the time for voting. A return envelope has been included with this material.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares owned by a person are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant (a “**non-registered holder**”). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to non-registered holders of Common Shares. Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

All references to shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy for use at the Meeting will vote the shares in respect of which they are appointed in accordance with the directions of the shareholders appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES SHALL BE VOTED “FOR”:**

- (a) appointment of Jim M. Smith, Chartered Accountants Inc., as the auditor of the Corporation for the ensuing year and authorizing the directors to fix his remuneration;
- (b) election of the directors as nominated by Management;
- (c) ratification of an amendment to the Corporation's by-law; and
- (c) to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT DESIGNEES SHOULD PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.**

EFFECTIVE DATE

The effective date of the Circular is September 30, 2011.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each shareholder of record will be entitled to one (1) vote for each Common Share held at the Meeting.

Holders of record of the Common Shares of the Corporation on September 30, 2011 (the "**Record Date**") will be entitled either to attend and vote at the Meeting in person shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described herein, to attend and vote thereat by proxy the shares held by them. However, if a holder of Common Shares of the Corporation has transferred any shares after the Record Date and the transferee of such shares establishes ownership thereof and makes a written demand, not later than ten (10) days before the Meeting, to be included in the list of shareholders entitle to vote at the Meeting, the transferee will be entitled to vote such shares.

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares, of which 33,199,200 Common Shares are issued and outstanding as fully paid and non-assessable as of the Record Date.

To the knowledge of the directors and executive officers of the Corporation, there are no parties who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of any class of securities of the Corporation other than as follows:

<u>Name of Share holder</u>	<u>Number and Type of Securities</u>	<u>Percentage of Class</u>	<u>Percentage of Voting Securities</u>
James Garcelon	4,400,000 Common Shares	13.25%	13.25%

Note:

- (1) Held as to 4,000,000 Common Shares directly with the balance held by Mr. Garcelon's spouse.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of officers except as disclosed herein.

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for Venture Issuers, as such term is defined in National Instrument 51-102.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the Corporation's executive compensation objectives and processes and discusses compensation decisions relating to its named executive officers ("**Named Executive Officers**") listed in the Summary Compensation Table that follows. During its fiscal year ended December 31, 2010, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

- James Garcelon;
- Jeff Lowe, Chief Financial Officer.

The Corporation does not employ or retain any other individuals who would qualify as a "Named Executive Officer" because no executive officer or employee of the Corporation receives total compensation (including without limitation salary and bonus) in excess of \$150,000.

The Board of Directors is responsible for the compensation program for the Corporation's Named Executive Officers.

Compensation Objectives and Principles

The Corporation is a mineral exploration company with property interests located in the Democratic Republic of Congo and Canada. The Corporation has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Compensation Committee has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

Since the preservation of cash is an important goal of the Corporation, an important element of the compensation awarded to the Named Executive Officers is the granting of stock options, which do not require cash disbursement by the Corporation. The granting of stock options also helps to align the interests of the Named Executive Officers with the interests of the Corporation. The other two elements of the compensation the Corporation awards to its Named Executive Officers are: (i) base cash consulting fees; and (ii) cash bonus payments for achievement of stated milestones or benchmarks. The Corporation does not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all of our employees.

Compensation Processes and Goals

The deliberations with respect to compensation are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation's Named Executive Officers. At the request of the Board of Directors, the Named Executive Officers may, from time

to time, provide advice to the Board of Directors with respect to the compensation program for the Corporation's Named Executive Officers.

The Corporation relies on its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Corporation, and to others, including without limitation to the Corporation's directors, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position. The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Corporation's Named Executive Officers : (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Corporation's shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

The Implementation of the Corporation's Compensation Policies

Consulting Fees

During the year ended December 31, 2010, the Corporation did not pay any compensation to the Chief Executive Officer:

During the year ended December 31, 2010, the Corporation paid the Chief Financial Officer a consulting fee of \$2,500 per month starting September 1, 2010. This amount was agreed upon between the Chief Financial Officer and the Corporation taking into account the following considerations:

- the Chief Financial Officer's prior public company and financial reporting experience gained through his senior financial management roles at a number of public mineral exploration and mining companies; and
- the Chief Financial Officer's experience as a Certified General Accountant.

Effective September 1, 2011, Jeff Lowe resigned as Chief Financial Officer of the Corporation and Mr. Geoff Kritzinger was appointed as the Corporation's new Chief Financial Officer. Mr. Kritzinger receives \$3,500 through the Corporation's contract with Grove Capital Group.

On July 27, 2011, Mr. Bill Trewick was appointed as President and COO of the Corporation. Mr. Trewick does not receive any compensation from the Corporation for acting as President and COO. Currently, Mr. Trewick is compensated by Kolwezi Copper Corp. in which the Corporation currently holds 17% with the ability to increase its position to 60%.

Stock Options

The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. The number of options the Corporation grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Corporation in the execution of such person's responsibilities. However, the number of options granted does not depend upon nor does it reflect the fulfillment of any specific performance goals or similar conditions. Previous grants of options to Named Executive Officers are taken into consideration by the Board of Directors in developing its recommendations with respect to the granting of new options. No options were granted in the year ended December 31, 2010. On July 27, 2011, 100,000 options were granted to the Named Executive Officers.

The granting of options to the other directors of the Corporation under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these directors to provide proper independent oversight to the Corporation with a view to maximizing shareholder value. The number of options the Corporation grants to each of these directors reasonably reflects each director's contributions to the Corporation in his capacity as a director and as a member of one or more committees of the Board (if applicable), including without limitation the Compensation

Committee and the Audit Committee. Previous grants of options awarded to the independent directors of the Corporation are taken into consideration when the Corporation considers the granting of new options to the independent directors. No options were granted to the Corporation's directors in the year ended December 31, 2010. On July 27, 2011 700,000 options were granted to directors who are not Named Executive Officers.

The compensation of directors, which includes the granting of options under the Corporation's Stock Option Plan, is determined by the full Board. The payment of the directors' fees to the independent directors (at a set amount per meeting attended) recognizes their contributions to the Corporation in their capacities as independent directors and members of one or more committees of the Board (if applicable), including without limitation the Compensation Committee and the Audit Committee.

Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, the Corporation's Chief Executive Officer, James Garcelon and the Chief Financial Officer, Jeff Lowe for the period from incorporation to December 31, 2010. The Corporation does not have any other "Named Executive Officers" given that no other executive officer received total salary and bonus in excess of \$150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share- Based Awards (\$)	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compen- sation (\$)	Total Compen- sation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
James Garcelon President and CEO ⁽¹⁾	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jeff Lowe, CFO ⁽²⁾	2010	10,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Garcelon resigned as President on July 27, 2011 and was replaced by Bill Trewick

(2) Mr. Lowe resigned as Chief Financial Officer on September 1, 2011 and was replaced by Geoff Krtizinger.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of December 31, 2010

No options were outstanding on December 31, 2010.

Value Vested or Earned by Named Executive Officers During the Year Ended December 31, 2010 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

No options were outstanding on December 31, 2010.

Termination and Change of Control Benefits

The Corporation has no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of any such officer's employment with the Corporation, from a change of control of the Corporation or a change in the responsibilities of a Named Executive Officer following a change in control.

Compensation of Directors

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation's directors, other than its Named Executive Officers, the compensation of whom is detailed above under "Summary Compensation Table", for the fiscal year ended December 31, 2010.

Director Compensation Table								
Name	Fees Earned (\$)	Share- Based Awards (\$) ⁽¹⁾	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compen- sation (\$)	Total (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
Stephen Coates	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerry Gravina	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of December 31, 2010

There were no options outstanding on December 31, 2010

Value Vested or Earned During the Year Ended December 31, 2010 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

There were no options outstanding on December 31, 2010

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of December 31, 2010 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u>
Equity compensation plans approved by security holders	0	N/A	2,189,000
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	0	N/A	2,189,000

STOCK OPTION PLAN

Shareholders of the Corporation adopted a stock option plan (the “**Stock Option Plan**”) on October 1, 2010. The following is a summary of its principal terms.

The purpose of the Stock Option Plan is to encourage common stock ownership in the Corporation for directors, executive officers, employees and consultants who are primarily responsible for the management and profitable growth of its business, to provide additional incentive for superior performance by such persons and to enable the Corporation to attract and retain valued directors, officers and employees by granting stock options to such persons.

The Stock Option Plan provides that eligible persons thereunder include any director, employee (full-time or part-time), executive officer or consultant of the Corporation or any subsidiary thereof. A consultant means an individual (including an individual whose services are contracted through a personal holding company) with whom the Corporation or a subsidiary has a contract for substantial services.

The Stock Option Plan is administered by the Board of Directors of the Corporation. The Board of Directors has the authority to determine, among other things, subject to the terms and conditions of the Stock Option Plan, the terms, limitations, restrictions and conditions respecting the grant of stock options under the Stock Option Plan.

The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares from time to time. Investor Relations persons may not be granted options exceeding 2% of outstanding capital and such options must vest over one (1) year with no more than 25% vesting in each quarter.

Pursuant to the Stock Option Plan, the options will not be transferable other than by will or the laws of descent and distribution, the option price to be such price as is to be fixed by the Plan’s administrator but shall not be less than the fair market value of the shares at the time the option is granted and payment thereof shall be made in full on the exercise of the options. The terms of the options may not exceed five (5) years and shall be subject to earlier redemption upon the termination of employment. If an optionee ceases to be an eligible person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable in a period not exceeding six (6) months following the termination of the optionee’s position with the Corporation but only up to and including the original option expiry date. If an optionee dies, the legal representative of the optionee may exercise the optionee’s options for a period not exceeding one (1) year after the date of the optionee’s death but only up to and including the original option expiry date. The Stock Option Plan also contains anti-dilution provisions usual to plans of this type.

The Corporation will not provide any optionee with financial assistance in order to enable such optionee to exercise stock options granted under the Stock Option Plan. The Corporation has no other compensation plans or arrangements in place and none are currently contemplated.

As of the date of this Circular, there are 1,200,000 stock options outstanding under the Plan and 2,119,920 options available for grant as follows:

Position	Common Shares Under Option	Exercise Price Range	Expiry Date
Directors	200,000	\$0.15	July 27, 2016
Directors who are also Executive Officers	500,000	\$0.15	July 27, 2016
Executive Officers	400,000	\$0.15	July 27, 2016
Consultants	100,000	\$0.15	August 31, 2012
TOTAL	1,200,000		

INDEBTEDNESS OF OFFICERS AND DIRECTORS

No officer or director of the Corporation is indebted to the Corporation for any sum.

MANAGEMENT CONTRACTS

No Management functions of the Corporation are performed to any substantial degree by a person other than the directors or executive officers of the Corporation. The Corporation pays a monthly management fee to Grove Capital Group, a corporation controlled by two directors of the Corporation. This amount includes \$3,500 for the services of Geoff Kritzinger as Chief Financial Officer as well as rent, corporate secretarial services and general administrative services.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No insider of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries, other than disclosed under the headings "Executive Compensation" and "Stock Option Plan" and as disclosed below.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The Corporation is required to have an audit committee comprised of not less than three directors. The following sets out the disclosure required by Multilateral Instrument 52-110 of the Canadian Securities Administrators ("MI 52-110") with respect to the audit committee of a Venture Issuer.

The Audit Committee's Charter

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Appendix "A"**.

Composition of the Audit Committee

The Corporation's Audit Committee is currently comprised of three (3) directors, James Garcelon, Stephen Coates and Gerry Gravina. As defined in MI 52-110, Mr. Coates and Mr. Gravina are independent. Also as defined in MI 52-110, all three members of the Audit Committee are financially literate.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

The following is a summary of the relevant education and experience of each of the members of the Corporation's Audit Committee:

Stephen Coates: Mr. Coates is a founder and principal of Grove Capital Group, specializing in the incubation and development of new resource companies across the world. Mr. Coates previously founded and served as CEO of TSX-listed Homeland Energy Group and having spent more than 12 years in the resource and financial industries, brings together strengths in business development, communications and finance to create strategic relationships for success. Stephen Coates began his career in investment management and advisory services at RBC Dominion Securities in Canada. Following which he joined Independent Equity Research Corp. as Vice President, Business Development. In 2003, Mr. Coates formed Grove Communications Inc. to provide communications and business development services to small-cap public companies primarily in the mining and resource industry. In 2006, he co-founded Homeland Uranium Inc., which subsequently gave rise to Homeland Energy Group Limited, which he served as President and Chief Executive Officer of from December 2004 to October 2009. Mr. Coates is a graduate of Kings College at the University of Western Ontario in London, Canada.

James Garcelon: Mr. Garcelon has over 15 years of experience in the financial services industry. He began his career at RBC Dominion Securities where he acted in a number of capacities and areas including investment banking, derivatives and quantitative research. In 1997, he joined Pacific Century Group a Hong Kong based private equity fund. Pacific Century was then a strategic investor in Gordon Capital Corporation, which was acquired by HSBC Securities in late 1998. Mr. Garcelon played an instrumental role in the restructuring and merging of the two organizations. He was appointed Managing Director, Institutional Research at HSBC Securities in 2000. In 2003, Mr. Garcelon joined National Bank Financial and was promoted to Managing Director, Head of Institutional Sales in 2005. Currently Mr. Garcelon is a Principal with, and cofounder of, Grove Capital Group a merchant banking group. He recently acted as an advisor to Homeland Energy Group on business development and acquisition opportunities. He is a Chartered Financial Analyst and holds a Masters of Science in International Political Economy from the London School of Economics in addition to a HBA from the Richard Ivey School of Business

Gerry Gravina: Mr. Gravina began his investment career as an Equities Analyst at Commercial Union Assurance of Canada, an insurance company since acquired by Aviva. From 1980 to 1996, Mr. Gravina held a number of increasingly senior positions in institutional equity agency and liability trading. He was a Vice President and Director at Merrill Lynch Canada, Partner at Loewen Ondaatje McCutcheon, and Vice President and Manager at RBC Dominion Securities in that time period. From 1996 to 2002, Mr. Gravina was Executive Vice President and Managing Partner for Institutional Equities at Gordon Capital Corporation. In late 1998, Gordon Capital was acquired by HSBC Securities Canada, a subsidiary of one of the largest banking and financial services organizations in the world. At HSBC, Mr. Gravina's responsibilities grew to include equity research and proprietary trading. Mr. Gravina joined National Bank Financial in 2002 as Executive Vice President and Head of Institutional Equities. In 2009, Mr. Gravina founded Visum Capital, a multi-strategy alternative investment management firm, bringing to fruition his unique vision for trading and managing risk in the Canadian marketplace. At Visum, Mr. Gravina is responsible for the firm's risk policy and management as well as trading Canadian equity strategies. Mr. Gravina holds an Honours Bachelor's degree from the University of Toronto.

Reliance on Certain Exemptions

Since the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Committee will review the engagement of non-audit services as required.

External Auditors Service Fees (By Category)

The Corporation was incorporated on May 31, 2010 and its first fiscal year ended December 31, 2010. Audit fees charged for the period ended December 31, 2010 were \$11,900.

Exemption

The Corporation is relying upon the exemption in section 6.1 of MI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of MI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

CORPORATE GOVERNANCE

Effective June 30, 2006, the securities regulatory authorities in Canada adopted National Instrument 58-101-Disclosure of Corporate Governance Practices (“**NI-58-101**”) and National Policy 58-201 Corporate Governance Guidelines (“**NP-58-201**”). NP-58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Pursuant to NI-58-101, the Corporation is now required to provide disclosure in this Information Circular of its corporate governance practices in accordance with Form 58-101F2 which follows:

1. **Board of Directors** — Currently Stephen Coates and Gerry Gravina are the independent directors of the Corporation. James Garcelon is Chief Executive Officer and Bill Trewick is President.
2. **Directorships** — No director of the Corporation is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction except for: James Garcelon, director of Southern Andes Energy Inc. and Stephen Coates, Director of Exploratus Ltd., Caracara Silver Inc., Red Ore Gold Inc. and Homeland Uranium Inc.
3. **Orientation and Continuing Education** — The Board of Directors is in the process of developing a Corporate Governance Policy which will include the establishment of a Corporate Governance Committee, one of the mandates of which will be to create an orientation program for new board members. The Board of Directors has not currently established criteria for continuing education for directors.
4. **Ethical Business Conduct** — The directors understand their fiduciary obligations as directors of a public company and are in the process of developing a code of business conduct and ethics.
5. **Nomination of Directors** — The Board of Directors will continue to be responsible for identifying new candidates for the board including members to fill any vacancies on the board. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the

purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Corporation.

6. **Compensation** — The entire Board of Directors will continue to review the compensation of directors and officers including the granting of stock options. Compensation will be determined with reference, in part, to compensation of officers and directors in similar industries performing similar functions.
7. **Other Board Committees** — Currently it is the intention of the board to establish a Corporate Governance Committee along with its existing Audit Committee but has no intention at this time to establish other standing committees of the board.
8. **Assessments** — The Corporate Governance Committee will establish procedures for satisfying itself that the board, its committees, and its individual directors are performing effectively.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Presentation of Financial Statements

The Audited Financial Statements for the fiscal period from incorporation to December 31, 2010 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditor's report and the Corporation's Financial Statements, will not constitute approval or disapproval of any matters referred to therein. The Audited Financial Statements and the Management's Discussion and Analysis for the period from incorporation to December 31, 2010 have been mailed to shareholders of record and non-objecting beneficial shareholders. A copy of these financial statements can be obtained at www.sedar.com. In the alternative, upon receiving a written request to the address on the first page of this Circular, the Corporation will mail a copy of the financial statements to you.

2. Appointment of Auditors

The persons named in the enclosed form of proxy intend to vote for the appointment of Jim M. Smith, Chartered Accountants Inc., of Winnipeg, Manitoba, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors of the Corporation to fix the auditors' remuneration.

On the representations of the said auditor, he has not had any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection since incorporation with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

The shareholders are urged by Management to appoint Jim M. Smith, Chartered Accountants Inc., as the Corporation's auditors and to authorize the board of directors to fix his remuneration.

3. Election of the Board of Directors

The Board of Directors of the Corporation presently consists of four (4) directors. The persons named in the enclosed form of proxy intend to vote for the election as directors of the Corporation, the four (4) nominees of Management whose names are set forth below. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation. The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors, all of the positions and offices with the Corporation now held by them, their present principal occupations or employments and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of September 30, 2011. The information as to shares beneficially owned has been furnished to the Board of Directors by the respective nominees.

<u>Name Municipality of Residence</u>	<u>Position with Corporation</u>	<u>Principal Occupation or Employment for the Last Five Years</u>	<u>Director From</u>	<u>Number of Shares Beneficially Owned or Controlled</u>
James Garcelon ⁽¹⁾ Toronto, Ontario	C.E.O. and Director	Principal of Grove Capital Group since 2009. Strategic Advisor to Homeland Energy Group Inc. from 2008 to 2009. Prior to that, Managing Director, Head of Institutional Equity Sales National Bank Financial	June 2, 2010	4,400,000 Common Shares ⁽²⁾
Stephen Coates ⁽¹⁾ Toronto, Ontario	Director	Principal of Grove Capital Group. Prior to that, President of Homeland Energy Group Ltd. from December 2004 to October 2009	June 2, 2010	2,876,500 Common Shares ⁽²⁾
Gerry Gravina ⁽¹⁾ Toronto, Ontario	Director	Since December of 2009, Co-President of Visium Capital Inc., prior to that Mr. Gravina was a private investor and entrepreneur.	August 6, 2010	1,000,000 Common Shares
Bill Trewick Johannesburg, S.A.	President and Director	Since 2011 Pres. and COO Telferscot. Prior to that Head of Greenfields Exploration, Africa, AngloGold Ashanti Ltd. 2008 to 2010, Head of Geology, Africa Underground Mines, AngloGold Ashanti Ltd. 2005 to 2007	July 27, 2011	Nil

Note:

- (1) Member of the Audit Committee.
- (2) Held as to 4,000,000 Common Shares directly and 400,000 by Mr. Garcelon's spouse
- (2) Held as to 2,076,500 Common Shares directly, and 400,000 Common Shares through two trusts which are controlled by Mr. Coates and 400,000 are held by Mr. Coates spouse.

The shareholders are urged to elect Management's nominees as directors of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

None of the directors or officers of the Corporation is, or within the past ten years prior to the date hereof has been, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

- (1) was subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days other than Mr. Geoff Kritzinger whose former

employer Enquest Energy Services Corp. is the subject of a cease trade order effective May 2010 for failure to file its 2009 audited Financial Statements and Management Discussion and Analysis; or

- (2) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person,

Penalties or Sanctions

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

None of the directors or officers of the Corporation has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflict of Interest

To the best of the Corporation's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

4. Ratification of Amendment to By-law

On October 7, 2011 the board of directors of the Corporation approved an amendment to section 6.10 of the Corporation's By-Law No. 1 effective October 7, 2011 by deleting the then current contents of that section, which read:

“A quorum for the transaction of business at any meeting of Shareholders shall be those persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy for an absent Shareholder so entitled and together holding or representing by proxy a majority of the issued and outstanding shares of the Corporation entitled to vote at the meeting.”

and inserting the following sentence in its place:

“A quorum for the transaction of business at any meeting of Shareholders shall be two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled.”

The board has determined that the amendment to the By-law is in the best interests of the Corporation and

recommends that the shareholders vote in favour of the ratification of the amendment. Unless the shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be voted against ratification of the amendment to the By-Law, proxies in favour of management nominees will be voted FOR the ratification of the amendment to the By-Law.

The board recommends a vote “for” the following resolution to ratifying the amendment to the By-law:

BE IT RESOLVED THAT:

(a) the amendment to section 6.10 of the Corporation’s By-Law No. 1 as more particularly described in the Management Information Circular dated October 7, 2011 be and is hereby ratified, confirmed and approved; and

(b) any director or officer of the Corporation is hereby authorized to do whatever is necessary to effect these resolutions.

In the absence of a contrary instruction, the persons designated by management in the enclosed proxy intend to vote FOR the ratification of the amendment to the By-laws.

APPROVAL OF DIRECTORS

The Circular and the mailing of same to shareholders have been approved by the Board of Directors of the Corporation.

DATED the 7th day of October, 2011.

**BY ORDER OF THE
BOARD OF DIRECTORS**

“James Garcelon”

JAMES GARCELON
C.E.O.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

PURPOSE

The overall purpose of the Audit Committee (the "Committee") of the Board of Directors of Telferscot Resources Inc. (the "Corporation") will be to carry out the functions associated with an audit committee of an issuer of the size and nature of the Corporation (as defined below). The purpose of the Committee is to ensure that the Corporation's management has designed and implemented an effective system to review and report on the integrity of the consolidated financial statements, operational and financial risk management and internal controls of the Corporation. The Committee will also review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts with respect to such matters. As part of this mandate, the Committee shall take all necessary steps to ensure compliance by the Corporation with all laws and regulatory policies, rules, regulations and instruments pertaining to audit and financial reporting that are applicable to the Corporation from time to time (the "Applicable Laws").

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of not less than two members of the Board of Directors of the Corporation (the "Board"), of whom:

- (a) must meet any independence tests; and
- (b) must satisfy any financial literacy or other competency standards;

set out under Applicable Laws, except as may be allowed under any applicable exemptions provided for under Applicable Laws or any exemption orders obtained from applicable regulatory authorities.

2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair (the "Chairman") from amongst their number.

4. The Secretary of the Corporation shall be the secretary of the Committee, unless otherwise determined by the Committee.

5. The quorum for meetings shall be a majority of the members (the "Members") of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Corporation and of the other consolidated subsidiaries of the Corporation, and to the Corporation's external auditors and to such information respecting the Corporation, as the Committee considers to be necessary or advisable in order to perform its duties and responsibilities.

7. Meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet at least six times annually at such times and at such locations as may be requested by the Chairman. The Corporation's external auditors or any member of the Committee may request a meeting of the Committee;
- (b) the Corporation's external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
- (c) the Chief Executive Officer and the Chief Financial Officer of the Corporation shall be invited to attend all meetings of the Committee, except executive sessions and private sessions with the external auditors. Other management representatives of the Corporation shall be invited to attend as necessary.

8. The internal auditors of the Corporation (if any) and the external auditors of the Corporation shall have a direct line of communication to the Committee through the Chairman. The Corporation shall require the external auditors of the Corporation to report directly to the Committee. The internal auditor (if any) shall report directly and solely to the Chairman of the Audit Committee.

DUTIES AND RESPONSIBILITIES

9. The overall duties and responsibilities of the Committee shall include:

- (a) assisting the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and approving the Corporation's annual and quarterly consolidated financial statements;
- (b) establishing and maintaining a direct line of communication with the Corporation's internal (if any) and external auditors and assessing their performance;
- (c) ensuring that the management of the Corporation has designed, implemented and is maintaining an effective system of internal controls for the Corporation; and
- (d) reporting regularly to the Board on the fulfilment of the duties and responsibilities of the Committee.

10. The duties and responsibilities of the Committee as they relate to the external auditors shall include:

- (a) recommending to the Board a firm of external auditors to be engaged by the Corporation;
- (b) reviewing and approving the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (c) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management of the Corporation and the external auditor regarding financial reporting;
- (d) reviewing the audit plan of the external auditors prior to the commencement of the audit;
- (e) reviewing with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation; and
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems.
- (f) pre-approving all, non-audit services to be provided to the Corporation by the Corporation's external auditor in accordance with Applicable Laws.

11. The Committee shall hold meetings with the external auditors at least once a year without the presence of management of the Corporation prior the approval of the audited annual financial statements of the Corporation and at such other times as determined necessary or appropriate by the Committee.

12. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors (if any) shall include:
- (a) periodically reviewing the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
 - (b) reviewing and approving the internal audit plan; and
 - (c) reviewing significant internal audit findings and recommendations, and management's response thereto.
13. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
- (a) ensure adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures;
 - (b) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (c) review compliance with any business conduct policy that the Corporation may put in place and periodically review this policy and recommend to the Board changes which the Committee may deem appropriate;
 - (d) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (e) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
14. The Committee is also charged with the responsibility to:
- (a) review and approve the Corporation's financial statements (annual and interim) and MD&A (annual and interim) as well as the financial sections of prospectuses and other public reports requiring approval by the Board before such documents are publicly disclosed by the Corporation;
 - (b) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
 - (c) review the minutes of any audit committee meeting of associated companies, partnerships or trusts;
 - (d) review with management, the external auditors and if necessary with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material affect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (e) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
 - (f) establish procedures for the confidential, anonymous submission by employees of the Corporation or any other consolidated subsidiary of the Corporation of concerns regarding questionable accounting or auditing matters,
 - (g) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation; and
 - (h) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.
15. The Committee has the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (b) to set and pay the compensation for any advisors employed by the Committee.