Technical Report
and
Proposed Exploration Program

for the

Stephens Lake Project
Manitoba

prepared for

Telferscot Resources Inc.
Toronto ON

and

Exploratus Ltd.
Winnipeg MB

by
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Consulting Geologist

Longitude:	**95°02' W**
Latitude:	**56°26' N**
NTS:	**54D/06, 07**
Province:	**Manitoba**
Date:	**10 January 2011**

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1. Executive Summary

The Stephens Lake property is an early stage mineral exploration project. The property consists of a mineral exploration license in Manitoba covering 12,341 ha and is currently valid until February 5, 2013. The property is located near the town of Gillam in northern Manitoba, 750 km north of Winnipeg. The area is accessible by road, by rail and by regularly scheduled airlines.

Mineral exploration in the region started after the discovery of nickel mineralization at Thompson about 280 km southwest of the project area and has consisted mostly of large-scale airborne magnetic and electromagnetic surveys carried out by large mining companies including Selco, Kennco, Amax, Sherritt Gordon, Inco and more recently Falconbridge. Minor prospecting and soil sampling was also carried out.

The property is in the northern boreal forest and is underlain by discontinuous permafrost. The area is extensively covered by glacial deposits and the few outcrops identified on the property are now submerged as a result of the dam immediately upstream of Kettle Rapids on the Nelson River.

The property is located about 10 km north of the boundary between the Churchill and Superior provinces in the Canadian Shield.

Geological mapping by government agencies prior to flooding shows the presence of the Burntwood and Sickle Group of rocks that are present to the west along the Thompson nickel Belt. The basal Ospwagan, host to the magmatic nickel mineralization in the Thompson area has not been mapped in the area. The Ospwagan formation is very recessive and has been found in swamps, depressions and lakes.

Mineralization at the Thompson nickel deposits consists of lenses and disseminated sulphides consisting of pyrrhotite and pentlandite in gabbroic and ultramafic rocks of Paleoproterozoic age that have intruded metasedimentary gneiss of the Ospwagan Group and the underlying upper part of the Superior Craton

A geological evaluation of an airborne magnetic and EM survey on the Stephens Lake project has interpreted the bedrock to be composed the basement migmatite, overlain by the Burntwood and Sickle Groups and intruded by late granitic rocks. Several EM conductors in the Burntwood Group are spatially associated with units interpreted to be strongly or moderately magnetic amphibolite and a graphitic unit.

One line of a soil sampling survey processed by enzyme leach reported values for platinum and nickel at the 97.5 percentile over a unit interpreted as amphibolite.

Several of the EM conductors in the Burntwood Group are associated with amphibolite units and may represent bands of volcanic rocks that could be mineralized.

It is recommended that a ground geophysical program consisting of a magnetic and horizontal loop electromagnetic survey be carried out over the south-central part of the area to determine the nature, character and extent of the conductors.

An initial program is recommended over an area of 2 km × 2 km at a line spacing of 100m for a total survey of 42 line km. Because of the difficult access to the property, the presence of a lake and swampy terrain in the area the survey needs to be carried out during the winter. Access to the property from Gillam by snowmobile along Stephens Lake will reduce the costs considerably.

The proposed cost of the survey is $130,000 including a contingency of 15%.

2. Introduction

Mr. James Garcelon, Chief Executive Officer and Director of Telferscot Resources Inc., a private company based in Toronto, Ontario, contracted Daniel Beauchamp, P.Geol. to write this Technical Report for Telferscot Resources Inc.

Telferscot recently acquired mineral exploration license 354B, located along Stephens Lake in northern Manitoba from Exploratus Ltd., of Winnipeg, Manitoba, in exchange for 2,500,000 common shares of Telferscot with a deemed value of $30,000.

This Technical Report is prepared in compliance with National Instrument 43-101 (NI 43-101), regulations published by the Canadian Securities Administrators, in anticipation of a going public transaction by Telferscot.

The information in this report was compiled from a detailed review of historical assessment and geological reports and maps by companies and government agencies. This report includes a proposed exploration program and budget to evaluate the mineral potential of the property.

As Qualified Person, D.A. Beauchamp has worked in mineral exploration for more than 30 years. The author has worked as a geologist throughout Canada and has supervised and managed projects in the field in many geological environments from the Archean to the Cenozoic carrying out geological mapping, geochemical and geophysical surveys, diamond drilling and core logging. The author has an honours B.Sc. in geology and an MBA in finance, and has been registered as a P.Geol. with APEGGA in Alberta for 30 years.

D.A. Beauchamp travelled to Gillam from August 16th to 18th 2010 and carried out a property site visit on August 17th, 2010.

3. Reliance on Other Experts

This Technical Report contains information from government documents, company reports, public documents and other technical reports. Most of these reports are historic in nature and may not have been written by Qualified Persons as currently defined by NI 43-101. The pertinent information has been reviewed by the author and although there do not appear to be significant discrepancies in the information, the author has not verified the assays or other technical data from these reports by carrying out independent sampling.

Although the author has visited the Stephens Lake property, not all sites referred to in this report have been examined in the field.

4. Property Description and Location

Mineral Exploration in Manitoba

Mineral rights in the province of Manitoba are held by the crown. Subject to certain requirements the province can grant the ownership to the mineral rights to individuals and corporations.

Claims

At the early stage of mineral exploration rights in Manitoba are usually acquired in the unsurveyed part of the province by staking claims. The unsurveyed part of the province includes all areas underlain by the Canadian Shield. The claims are marked on the ground by placing four posts in a rectangular arrangement with the length no more than four times the width over an area of 16-256 hectares. The claim is then registered at the local mining office. The claim is valid for a period of one year.

To renew a claim the holder of a claim must perform geological, geochemical, geophysical or physical work to evaluate the mineral potential of the claim for a minimum value of $12.50/hectare per year for the first 10 years and $25/hectare per year after that. Reports documenting the work must be submitted to the Mines Branch of the Ministry of Innovation, Energy and Mines.

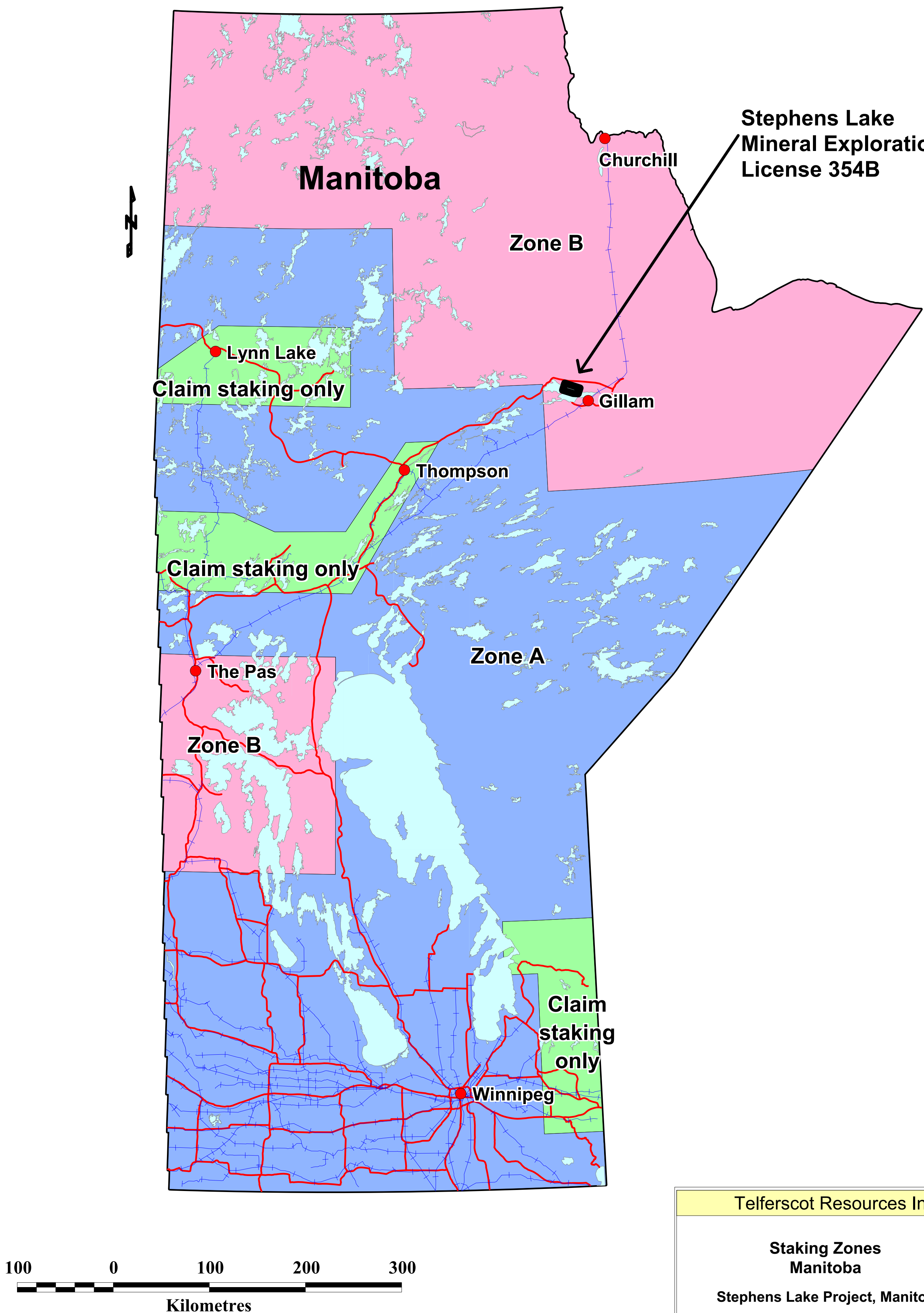
Mining Leases

Upon expenditure of $625/hectare the holder of a claim can apply to obtain a mineral lease.

Mineral Exploration Licenses

In Manitoba mineral rights can also be acquired with Mineral Exploration Licenses in certain parts of the province. The province is subdivided in Zones A and B, and three areas of the province are reserved for claim staking only (see Figure 1).

In northern Manitoba, Exploration Licenses covering areas of 5,000-100,000 hectares can be acquired in Zone B. This area is net of any mining leases and mineral claims that may be already staked in the limits of the exploration license.



Telferscot Resources Inc.

Staking Zones
Manitoba

Stephens Lake Project, Manitoba

Date: 2010.08.01	By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30	Figure No: 1

The mineral exploration license must be approximately rectangular and must not have a ratio of length to width greater than 6. An application fee of $300 must be included with an exploration program and a deposit of $0.50 per hectare covered by the license.

Applications may be made at any time of the year. The deposit will be refunded if all requirements of the permit are fulfilled at the time the mineral exploration license is relinquished. The size of a mineral exploration license can be reduced at any time. All requirements are valid within the year in which changes are made.

Mineral exploration licenses in Zone B are valid for five years and the owner has the option of renewing the license for another five years on condition that the annual work requirement have been completed and that statements of expenditures and work reports have been submitted annually. An application to renew a mineral exploration licence must be made in writing.

A report of activities and expenditures for the previous year's activities must be submitted within 90 days of the anniversary date of the license. The expenditures for required work on an exploration license in Zone B are as follows:

$0.50 per hectare in the first year of the licence;
$1.00 per hectare in the second year of the licence;
$1.50 per hectare in the third year of the licence;
$3.00 per hectare in the fourth year of the licence;
$4.00 per hectare in the fifth year of the licence;
$4.00 per hectare in each of the sixth and seventh years of the licence;
$5.00 per hectare in each of the eighth and ninth years of the licence; and
$6.00 per hectare in the tenth year of the licence if the licence is renewed.

Claims can be staked prior to relinquishing the exploration licenses and if the license has excess assessment credits, up to five years of assessment can be transferred to claims staked while converting a licence to claims as long as the claims were staked within the permit area and the work was performed on the claim area.

Stephens Lake Mineral Exploration License

The Stephens Lake mineral exploration license is located in Zone B and covers an area of about 12,341 ha. Mineral exploration license number 354B was acquired by Exploratus Ltd. on February 5, 2008 and is currently valid until February 5, 2013. Ownership of the license was transferred to Telferscot Resources Inc. on July 13th 2010.

There are currently no environmental issues pertaining to the property. Work permits are required to carry out exploration and are available to the company.

5. Access, Climate, Resources, Infrastructure and Physiography

Access

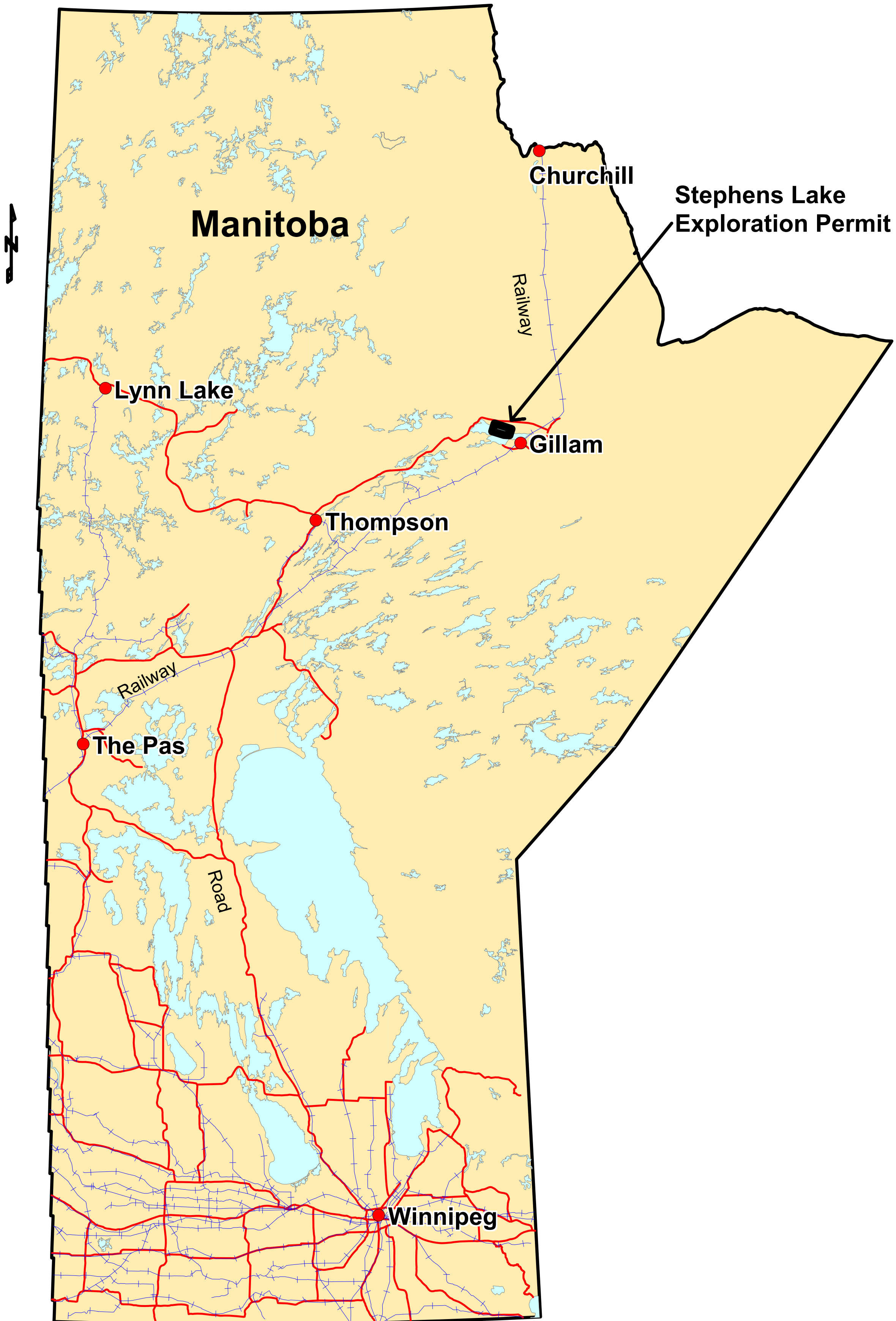
The Stephens Lake project is located in northern Manitoba, about 750 km north of Winnipeg, 175 km east-northeast of Thompson and centred about 20 km northwest of Gillam. The project is located at longitude 95°02’ W and latitude 56°26' N in NTS 54D/06, 07 (Figure 2).

Thompson is accessible from Winnipeg by 748 km of paved road along Provincial Highway 6. From Thompson to Gillam access is by 270 km of gravel road along Provincial Highway 280.

The Hudson Bay Railway Line extends northeast from The Pas to Gillam and north to Churchill along Hudson Bay. The railway also branches off to Thompson. In the south, the railway line is not directly accessible from Winnipeg and must reroute through Yorkton or Hudson Bay, Saskatchewan, before coming back into Manitoba. Gillam is a station for Via Rail passenger service en route from Thompson to Churchill.

From Winnipeg Calm Air operates two daily flights in and out of Gillam, Monday to Friday and one flight on Sunday using SAAB 340 and ATR 42 turboprop aircraft. Although it doesn’t offer scheduled flights to Gillam, Perimeter Airways operates scheduled flights from Winnipeg to Thompson and many other small communities in Northern Manitoba and offers aircraft for charter.

Located about 270 km north of Gillam, a deep seaport is available at Churchill, which offers a saving of about four days and $15-20 per tonne in the transport of wheat and other goods to Europe in comparison with shipping through the Great Lakes. The port is open several months every year.



100 0 100 200 300

Kilometres

Telferscot Resources Inc.

Location Map

Stephens Lake Project, Manitoba

Date: 2010.08.01	By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30	Figure No: 2

Easiest access to the property from Gillam is by driving about 17 km west to the south shore of Stephens Lake. From there boats can be used to access much of the property located 8 km to the north. Care must be taken when using boats because there are many boulders and the level of the lake can vary depending on rainfall and demand for hydroelectric power from the dam at Kettle Rapids.

From Gillam access to the property is also possible by driving east along Highway 280 for 28 km to the Long Spruce Generating Station, then west for another 50 km. From there the property is located 3 km south of the road.

Climate

The climate is classified as northern continental with rather cold winters. Thompson experiences a climate that is characterized by warm temperatures in the summer and very cold temperatures in the winter. The lowest precipitation occurs in winter. The daily mean temperature is -3.2°C and the total annual precipitation is about 518 millimetres.

For Gillam, the temperature is somewhat colder, averaging -4.2°C for a daily mean but with daily mean temperatures of about 15° during the summer, occasionally reaching 25°, and an average mean of -22 to -25° for the winter (Table 1). The weather is also termed continental but is often affected by Hudson Bay, located 175 km to the northeast.

Table 1. Climate data for Gillam, Manitoba

Climate data for Gillam													
Month	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Year**
Record high °C	2.9	4.6	19.0	28.7	32.4	36.8	35.2	35.1	31.0	22.4	9.5	2.6	36.8
Average high °C	-21.0	-16.3	-8.2	1.7	10.5	17.8	21.4	19.6	11.4	3.1	-8.1	-17.8	1.2
Daily mean °C	−25.8	−22	−15.1	-4.7	4.4	11.4	15.3	13.9	7.0	-0.4	-12.1	−22.5	-4.2
Average low °C	-30.5	-27.7	-21.9	-11.1	-1.8	5.0	9.2	8.2	2.6	-4.0	-16.1	-27.1	-9.6
Record low °C	-46.1	-45.0	-42.6	-32.2	-22.8	-10.2	-1.7	-1.7	-9.1	-26.9	-39.4	-45.1	-46.1
Precipitation mm	17.5	21.2	20.3	23.2	44.2	53.9	81.8	77.2	55.0	40.9	37.5	26.7	499.4
Source: Environment Canada [1]													

Resources and Infrastructure

With a current population of about 1200, Gilllam was established in the late 1960s to facilitate the development of hydroelectricity on the lower Nelson River by Manitoba Hydro, a provincial crown corporation. Gillam is the centre for the Nelson River Bipole converter station on the Nelson River that transmits electricity south along two high voltage direct current power lines as part of Manitoba Hydro's Nelson River Hydroelectric Project. The converter transfers electric power generated by the Kettle, Long Spruce and Limestone hydroelectric power stations on the Nelson River south to Winnipeg. The three hydroelectric stations represent about 70% of Manitoba Hydro's generating capacity.

Gillam is also the home of the Fox Lake Cree Nation, a First Nations band whose members have lived in this area for many years either in the Town of Gillam or in the community of Bird, also located within the Gillam Local Government District, but about 30 km downstream to the northeast of the town site of Gillam.

Basic supplies can be obtained in Gillam, and although located about 270 km by road southwest of Gillam, Thompson is a better location for the purchase of equipment and supplies. Thompson currently has a population of 15,000, but since it is the regional centre for most of northern Manitoba and an important mining centre it can provide much more equipment and supplies that may be required to satisfy the needs of a larger program.

Thompson's mining industry currently includes two operating mines as well as supporting operations to the milling, smelting and refining of nickel ore, with additional nickel concentrates coming from Voisey's Bay, Labrador to be processed here.

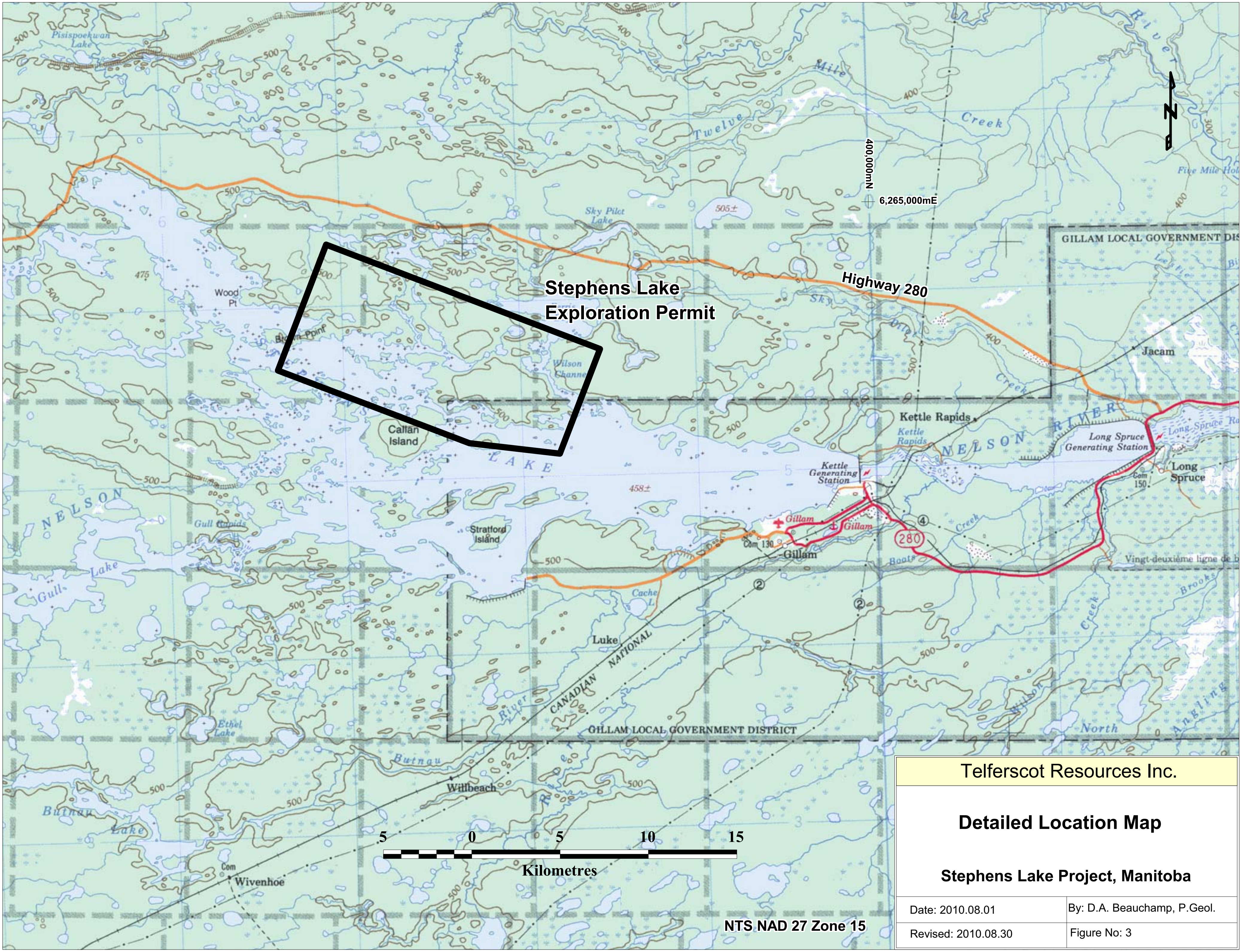
Other major employers in Thompson include Manitoba Hydro, MTS (Manitoba Telephone System) and the provincial government.

Physiography

The Gillam region is relatively flat and low-lying, and maximum elevation in the region is about 160m asl. The area is underlain by zones of discontinuous permafrost. The landscape consists of many lakes, streams, swamps and bogs with a few drumlins and eskers. Drainage in the area is to the east and northeast into Hudson Bay, located about 175 km northeast of the project area (Figure 3).

The northern boreal forest is relatively thin and consists mostly of black spruce, poplar, a few white birch and minor alders.

Stephens Lake was created as a result of the damming of the Nelson River in 1971 about 2.8 km upstream from Kettle Rapids and 5 km east of Gillam. The lake varies in elevation according to the precipitation and to the drawdown of the power dam but averages about 140m asl. The lake is shallow in some areas and on the north shore of Stephens Lake the lake bottom contains many boulders. For that reason float planes cannot be useful to bring supplies or equipment into the area.



Stephens Lake Exploration Permit
Highway 280
400,000mN
6,265,000mE
GILLAM LOCAL GOVERNMENT DISTRICT
Kettle Rapids
Kettle Generating Station
Long Spruce Generating Station
Long Spruce
Jacam
Gillam
Callan Island
Stratford Island
Wood Pt
Sky Pilot Lake
Wilson Channel
Twelve Mile Creek
NELSON RIVER
LAKE
Gull Rapids
Gull Lake
Ethel Lake
Butnau Lake
Cache L
Luke
Willbeach
Wivenhoe
CANADIAN NATIONAL
Vingt-deuxième ligne de base
North Angling
5 0 5 10 15
Kilometres
NTS NAD 27 Zone 15
Telferscot Resources Inc.
Detailed Location Map
Stephens Lake Project, Manitoba
Date: 2010.08.01
By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30
Figure No: 3

6. History

Other than minor prospecting in the area in the 1920s and 1930s, reported mineral exploration in the immediate area of Stephens Lake started after the discovery of nickel deposits at Thompson in 1956 because of the realization that the Thompson Nickel belt was near the boundary between the Churchill and Superior provinces. In the Stephens Lake area the more recent reported exploration work was concentrated in two time periods: 1959-1968 and 2001-2004 (See Table 2 and Figure 4).

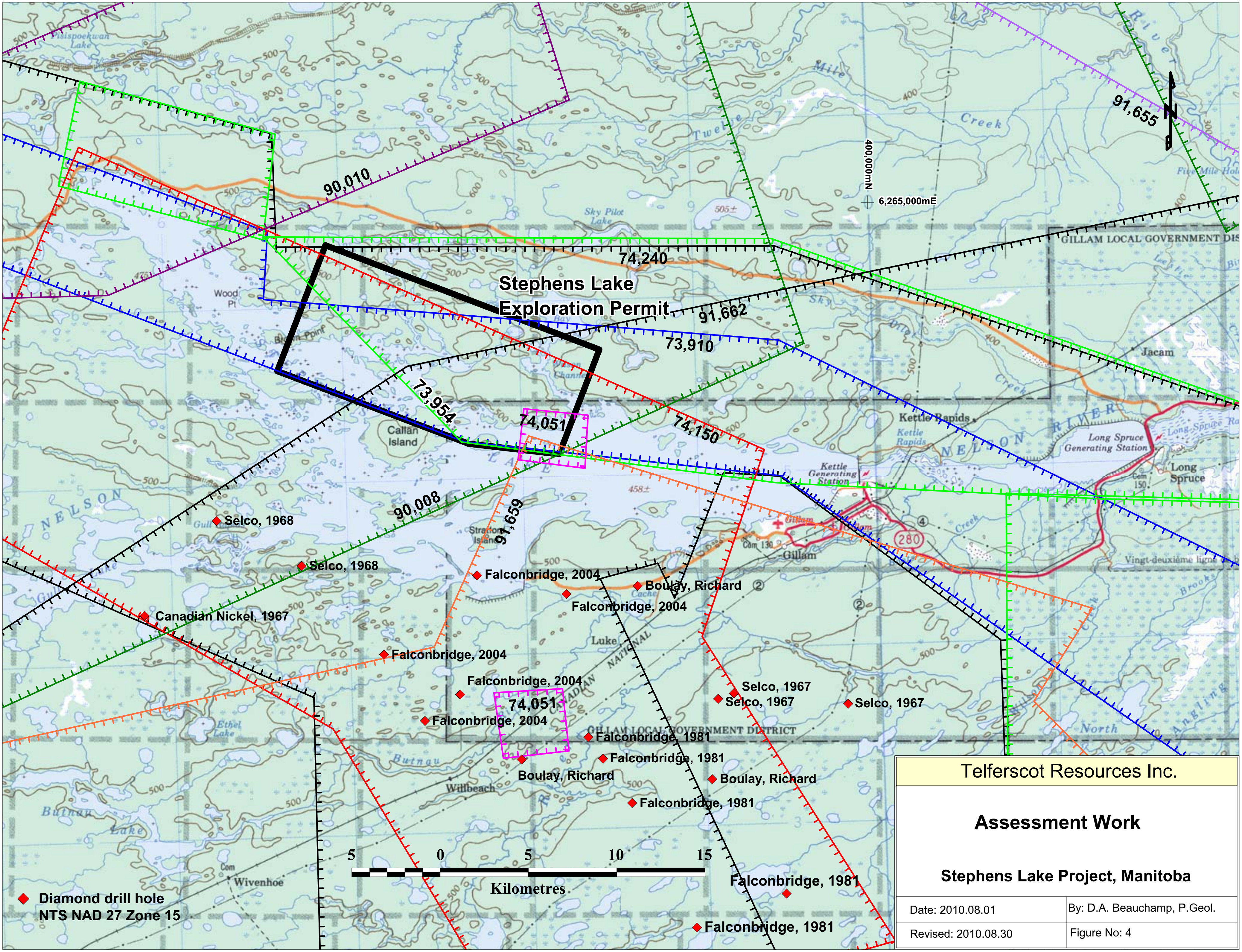
Table 2

Assessment work Stephens Lake Area

Year	Company	Geophysics	Surface	Drilling	Report Number
1959	Canadian Nickel Company Limited	✓			90,008
1960	Kennco Explorations (Canada) Ltd.	✓			90,010
1966	Amax Exploration Inc.	✓			91,655
1967	Sherritt Gordon Mines Limited	✓	✓		91,659
1968	Selco			✓	90,215
1968	Canadian Nickel Company Limited	✓			91,662
1970	Canadian Nickel Company Limited			✓	90,217
1981	Falconbridge Limited			✓	93,741
2001	Falconbridge Limited		✓		73,910
2002	Falconbridge Limited	✓			73,954
2003	Falconbridge Limited	✓		✓	74,051
2003	Falconbridge Limited	✓			74,150
2004	Falconbridge Limited	✓		✓	74,240

In 1959 Canadian Nickel Company Limited carried out an airborne magnetic and electromagnetic (EM) survey of three large blocks including all of the Stephens Lake exploration permit but the results of this survey are not available (#90008, Hosain, 1966).

In 1960 Kennco Explorations (Canada) Ltd. performed an airborne magnetic and EM survey over 795 km^2 immediately northwest of the Stephens Lake Project area. The magnetic data shows a strongly magnetic contrast with a western trend to the data northwest of the project area. The EM data is poorly shown in the report (#90010, Kennco, 1960).



Telferscot Resources Inc.

Assessment Work

Stephens Lake Project, Manitoba

Date: 2010.08.01	By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30	Figure No: 4

From its Winnipeg head office in 1966 Amax Exploration Inc. covered a large survey of 10,810 km^2 from Thompson to Gillam with an airborne magnetic and AFMAG EM survey flown at a line spacing of mostly 3 km and occasionally at 1.5 km. Results are poorly recorded and cannot be interpreted (#91655, Kennedy, 1966).

Based in Lynn Lake, in 1967 Sherritt Gordon Mines Limited reported on geological mapping, three drill holes and a magnetic and EM survey south and east of the Stephens Lake exploration license (#91659, Ruttan, 1967).

The mapping showed the presence of granite, quartz-feldspar-biotite and hornblende-plagioclase biotite gneisses with narrow bands of volcanic rocks and gabbroic dykes over two thirds of the area. The report documented the presence of massive andesite, graphitic tuff, iron formation and interflow sedimentary rocks that were intruded by ultramafic sills containing little sulphides in a belt estimated at 3-14 km in width. Micaceous greywacke and quartzite were reported to the north of this area.

In 1967 and in follow-up work in 1968 the company drilled five holes totalling 884m with a maximum depth of 221m in an area 10-15 km south and southeast of the Stephens Lake property. The conductive zone was explained by several graphitic argillite horizons in amphibolite. Sulphides reported are mostly pyrrhotite and pyrite with occasional chalcopyrite from paragneiss with weakly mineralized zones showing minor assays for copper, nickel and cobalt.

In 1967 Selco drilled three holes southeast of the Stephens Lake license and intersected quartz-chlorite schist and gneiss containing a few graphite sections up to 3m thick with 5% pyrrhotite. In 1968 the company followed up with two drill holes about 11 km southwest of the Stephens Lake exploration license and intersected granitic gneiss, argillite and amphibolite. No assays were reported.

In 1968 Canadian Nickel Company Limited flew an EM survey over a similar area south and east of the Stephens Lake Property for a total of 4870 km^2. The survey was flown at 400 and 800m line spacing. Flight lines are the only data presented in the report. Canadian Nickel followed the work with two drill holes, the first of which was abandoned but the second one intersected pyrite, pyrrhotite and minor sphalerite (#91662, Church, 1971).

From 1968 onward the Manitoba Geological Survey initiated geological mapping of the areas that would be flooded by Stephens Lake upon completion of the

Kettle Generation Station in 1971. In 1974 and 1975 mapping continued downstream along the Nelson River where the Long Spruce Generating Station would be built. Additional mapping was carried out from 1980 to 2000 in the region by the Manitoba Geological Survey.

In 1970 Canadian Nickel drilled two holes about 18 km southwest of the Stephens Lake license and intersected biotite schist amphibolite and reported trace amounts of zinc.

Sherritt Gordon completed another large airborne magnetic and electromagnetic survey of 3716 km^2 in 1970 in the area further south of Stephens Lake.

In 1981 Falconbridge performed a series of diamond drill holes starting about 17 km south of the Stephens Lake license. The rock types encountered include mostly metasedimentary rocks with intercalated ultramafic, volcanic and graphitic units. Assays for gold, silver, cobalt and nickel were at the background level (Manitoba drill hole report #93741)

Starting in 2001 Falconbridge carried out a field program of geological mapping and soil sampling in a belt 6-10 km wide and nearly 150 km long in the Stephens Lake project area over three Special and Regular Exploration Permits in an exploration program targeted at exploring for nickel-copper and platinum group elements (#73910, Ramnath, 2001).

Although several first- and second-priority soil anomalies were identified, no significant Ni-Cu-Co-PGE mineralization was identified, and neither were significant bodies of mafic or ultramafic rock, or oxide or sulphide iron formation identified. Because of the extensive overburden there was generally poor correlation between the results of the soil sampling and the underlying lithology or geophysical signature and therefore soil sampling could not be used to map the underlying lithology.

Of the 828 soil samples collected on 24 widely-spaced lines, Enzyme Leach and to a lesser extent TerralSol analyses proved more valuable while SGH (Soil Gas Hydrocarbon) and Na-pyrophosphate extraction techniques proved to be relatively ineffective in generating significant anomalies in this area. The project geologist could not explain the geophysical anomalies from the ground follow-up prospecting and soil geochemical work performed (#73954, Ramnath 2002).

The principle behind partial leach analyses is that the ions that are leached from the sample are loosely bound to the soil particles and could reflect a bedrock source deep below. The ions may have risen to the surface as a result of interaction with groundwater and would not be related to the transported material in the overburden itself.

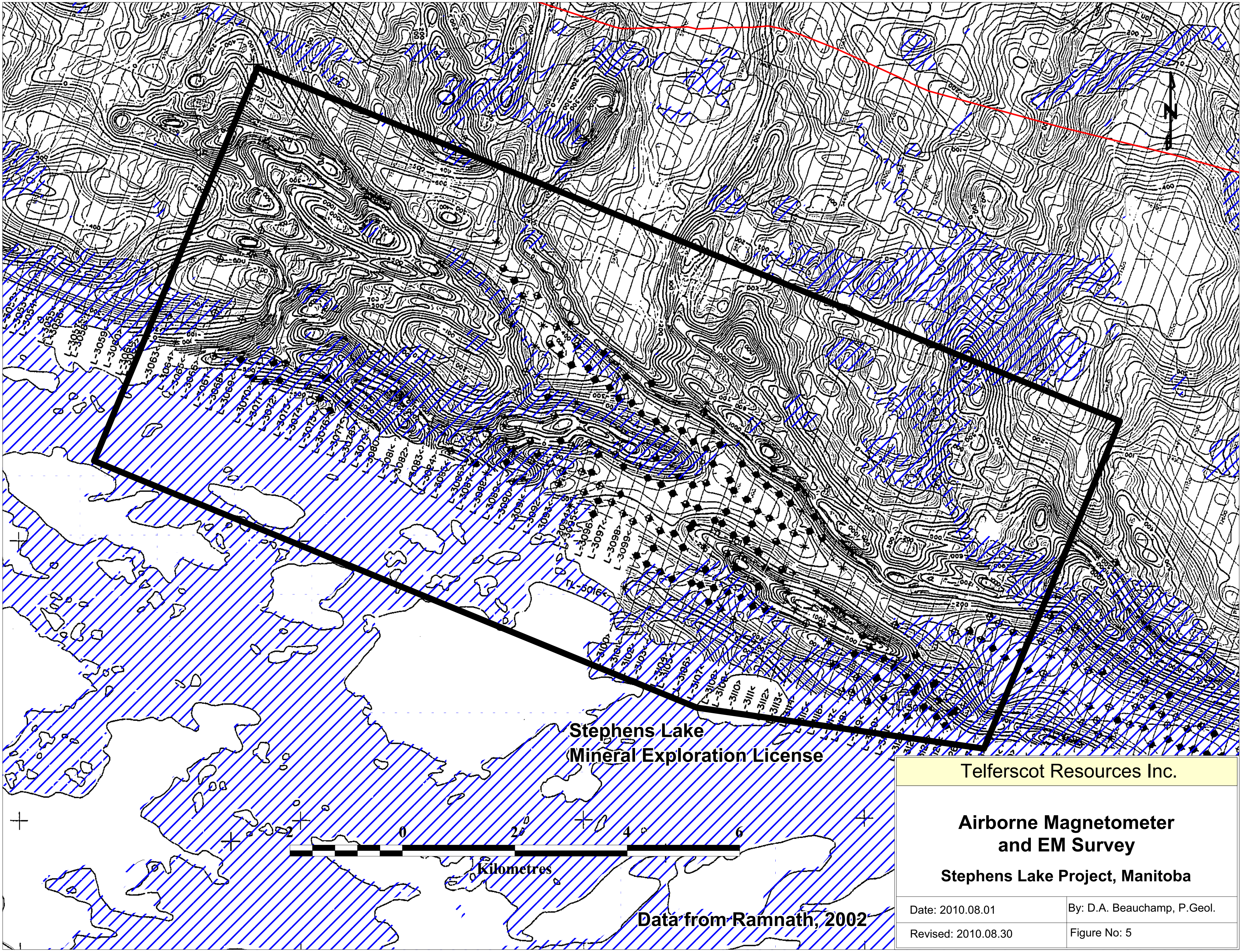
In 2002 Falconbridge contracted Fugro Airborne Surveys to perform 8184 line kilometres of magnetic and GEOTEM-DEEP electromagnetic survey. Several new bedrock conductors were identified and the magnetic survey showed a complex network of features that had not been recognized before and could represent the eastern extension of the Thompson Nickel belt (Figure 5)

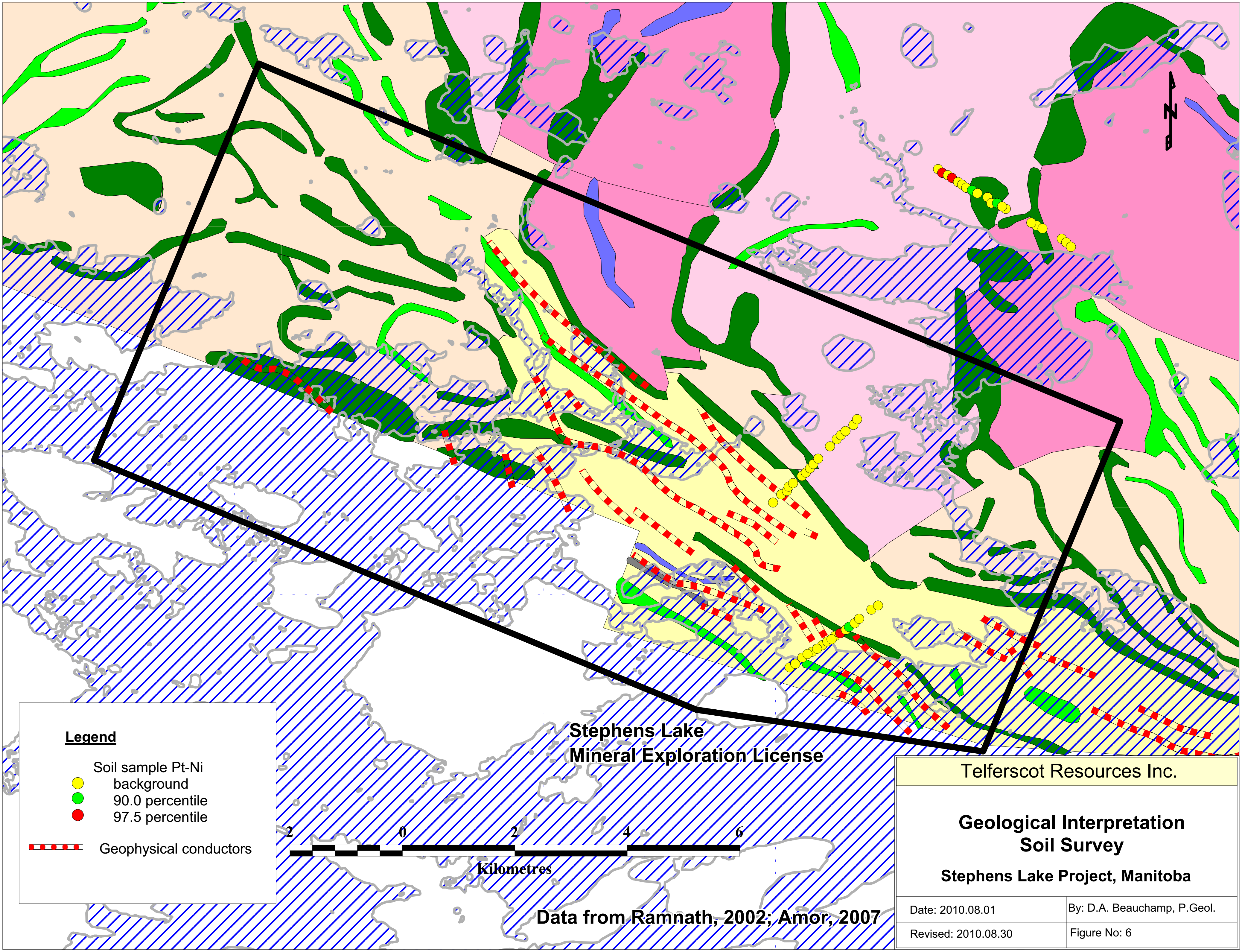
In a follow-up private report, Steven D. Amor (2007) describes the results of the TerraSol soil survey over three lines 3-4 km apart in the Stephens Lake area. The TerraSol method is proprietary to Activation Laboratories Ltd., of Ancaster, ON and is one of several methods of partial leach analysis available in the industry (Figure 6). The geophysical interpretation of the geology by Falconbridge shows several continuous bedrock conductors

The results of the survey on the Stephens Lake property show a TerraSol anomaly on one line above the 97.5 percentile for nickel and platinum, coincident with an amphibolite unit as interpreted from the geophysical survey. Soil anomalies to the north of the property were in vicinity of another amphibolite unit.

From November 2002 to April 2003 Falconbridge carried out horizontal loop EM and magnetic surveys on three grids, one of which is within the Stephen lake license, and completed three diamond drill holes to follow up on the airborne survey. The drill holes are located at least 45 km southeast of the Stephens Lake license and encountered pelitic, psammitic and graphitic units (#74051, Shore, 2003).

In November 2003 Falconbridge carried out a GeoTEM-DEEP survey over a large area including the Stephens Lake mineral exploration license. Many new bedrock conductors were identified and the magnetic data identified a complex network of features that could indicate thin-skinned thrusting and folding of the stratigraphic units.


Stephens Lake
Mineral Exploration License
2
0
2
4
6
Kilometres
Data from Ramnath, 2002
Telferscot Resources Inc.
Airborne Magnetometer and EM Survey
Stephens Lake Project, Manitoba
Date: 2010.08.01
By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30
Figure No: 5



Telferscot Resources Inc.

Geological Interpretation
Soil Survey

Stephens Lake Project, Manitoba

Date: 2010.08.01	By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30	Figure No: 6

A total of 16 targets were recommended for ground follow-up by geophysics and drilling, several of which are located in the Stephens Lake area. A few holes were drilled more than 30 km southeast of the Stephens Lake mineral exploration license and intersected graphite- and pyrrhotite-rich units in sedimentary, but no anomalous nickel was identified in the analyses. No mafic or ultramafic units were intersected (#74150, Shore, 2004).

From November 2004 a GEOTEM airborne geophysical survey was carried out in the area, which identified many new targets on which 15 grids were established and surveyed with magnetometer and horizontal loop electromagnetic surveys.

Ten holes were drilled for a total length of 2467m. Five of these were drilled 8-15 km south of the Stephens Lake mineral exploration license and all encountered metasedimentary gneiss including pelitic and semi-pelitic rocks with variable units of graphite and sulphide. Oxide and silicate iron formation were also noted. Ultramafic rocks were not identified and no anomalous assays were reported.

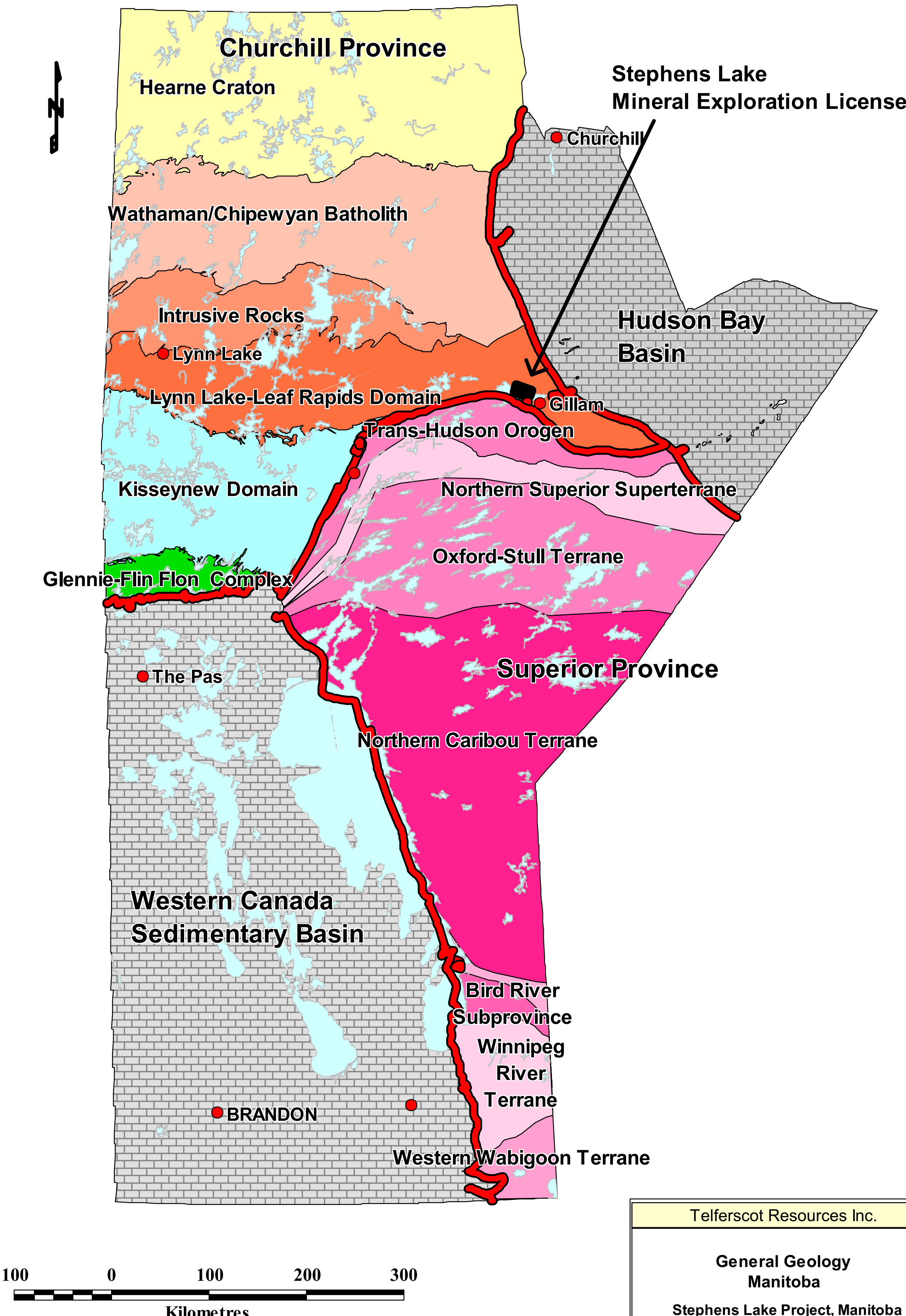
Falconbridge reported that many lower-priority conductors remain untested but the substantial overburden makes for complicated modelling (#74240, Shore, 2005).

7. Geological Setting

The Canadian Shield covers most of the north-central and northeast parts of the North American continent. The Canadian Shield has been subdivided into provinces and sub-provinces depending on the age and structural components of the region.

The Stephens Lake Property is located in the Churchill Province near the boundary with the Superior Province. The rocks in these provinces are of mostly Archean age but when the two provinces joined the boundary zone was sheared and thrust, and sedimentary basins were created in a zone that has been called the Trans-Hudson (Figure 7).

The Superior Province is composed of intrusive, sedimentary and volcanic rocks from several terranes of middle and late Archean age and forms a craton that was accreted mostly from the south during the period 2.72-2.68 Ga (Figure 8).

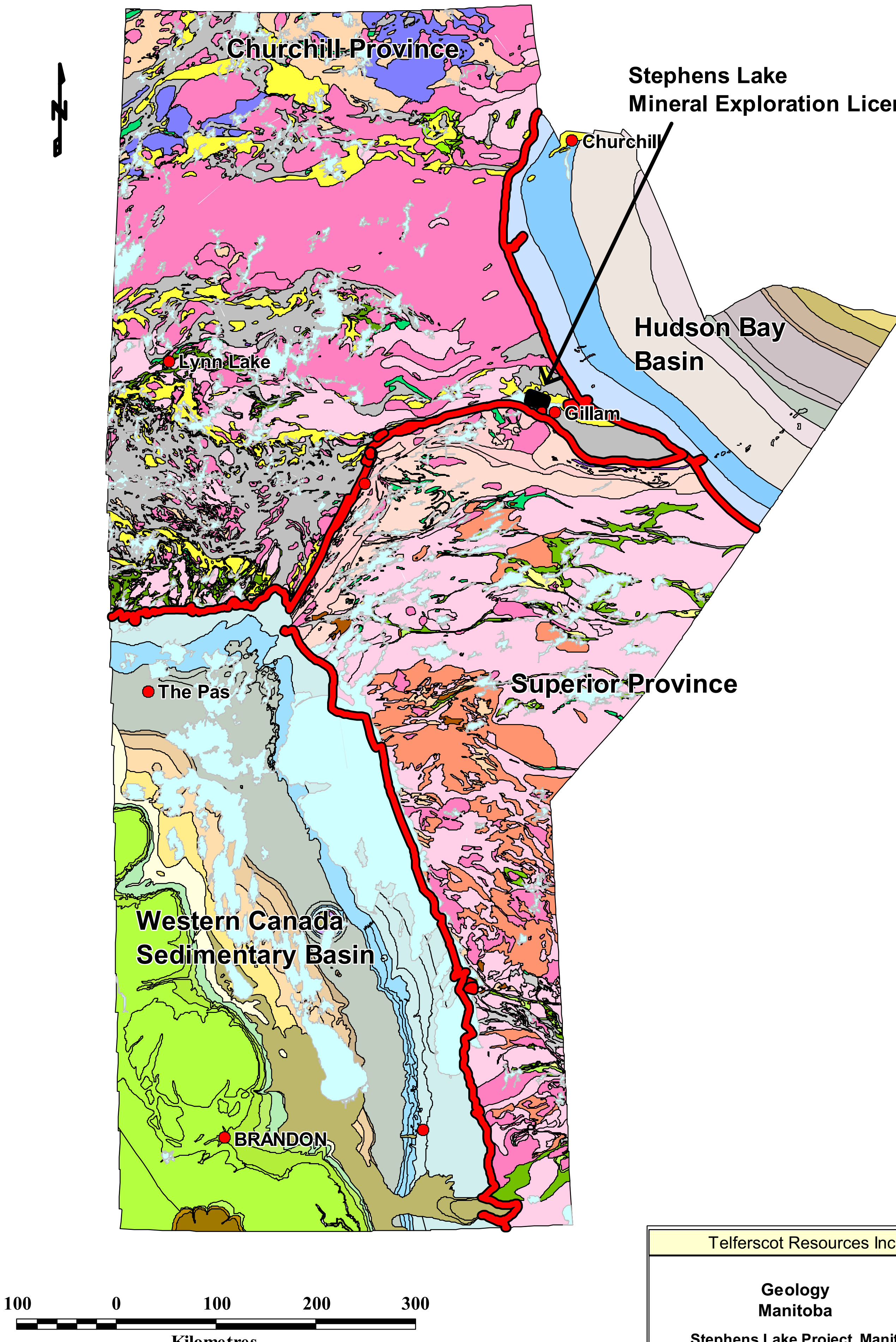


Telferscot Resources Inc.

General Geology
Manitoba

Stephens Lake Project, Manitoba

Date: 2010.08.01	By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30	Figure No: 7



Telferscot Resources Inc.	
Geology Manitoba	
Stephens Lake Project, Manitoba	
Date: 2010.08.01	By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30	Figure No: 8

In Manitoba, from south to north the terranes include the Western Wabigoon, Winnipeg River, Bird River, English River North Caribou Oxford-Stull and the Northern Superior Superterrane. After accretion, the Superior Province underwent rifting and faulting, basin sedimentation and the injection of mafic dyke swarms during the Proterozoic. The Northern Superior Superterrane has been dated at about 3.7 Ga and was accreted at 2.71-2.72 Ga (Percival, 2007).

The Rae-Hearne Craton forms part of the Churchill Province and is composed of reworked granite, granodiorite and tonalite and granitoid complexes, and of charnockite-mangerite granitoid gneiss of Archean age. The Rae-Hearne Craton is flanked to the south by the Wathaman/Chipewyan Batholith, Southern Indian and Lynn Lake/Leaf Rapids domains which are mostly Paleoproterozoic terranes that were accreted onto the Hearne Craton. To the southwest are rocks of the Burntwood back-arc basin and the Glennie-Flin Flon Complex of intraoceanic accreted terranes.

The Trans-Hudson Orogen is a broad zone that was formed when the Rae-Hearne and Superior cratons collided during the Paleoproterozoic. The Trans-Hudson Orogen is composed of a complex series of geological domains that were accreted from the late Neoarchean to the late Paleoproterozoic and include intraplate magmatism and rifting that created oceanic crust, arcs and back-arcs, and was terminated at the time of collision of the Archean cratons. Rocks of the Trans-Hudson Orogen extend from Manitoba and eastern Saskatchewan north and northeast to Nunavut, northern Ontario across Hudson Bay to Ungava, Quebec and south along the Labrador Trough.

In Manitoba the Superior Boundary Zone is associated with the Thompson Nickel Belt and consists of complexly deformed and metamorphosed rocks of 3.0 to 2.65 Ga of the Superior Province that are unconformably overlain by metasedimentary and metavolcanic rocks of the Ospwagan, Burntwood and Sickle groups. Deposition of the Ospwagan Group may have been initiated as early as 2.09 to 2.07 Ga. The Thompson Nickel Belt underwent rifting at about 1.88 Ga and another magmatic event occurred along the Thompson Nickel Belt at about 1.8 Ga.

During the last stages of oceanic arc development and collision at 1.83-1.78 Ga large mafic to ultramafic flows and sills now hosting the Thompson magmatic Ni-Cu-(PGE) deposits were emplaced on the margin between the Superior craton and its Paleoproterozoic cover sequence. (Corrigan et al., 2007).

Local Geology

The Stephens Lake area is located about 10 km northeast of the sheared boundary of the Trans-Hudson Orogen and the Superior Province. At the boundary zone the rocks of the Superior Province include well foliated hornblende-biotite and granodiorite gneiss, and granodiorite and granite plutons of Archean age.

Much of the immediate area covered by the Stephens Lake mineral exploration license is covered with glacial overburden and the few outcrops present in the area are now under water as a result of damming of the lake.

The surficial geology shows mostly lacustrine deposits over ground moraine in most parts of the property. In the northeast bogs and fen occur with peat 2-3m thick and permafrost occurs at a depth of 30-130 cm (Klassen and Netterville, 1980) (Figure 9).

In the western part of the property ground moraine occurs along with minor remnants of glaciofluvial outwash near the lake shore. Glaciofluvial deposits have also been mapped on one of the islands on the south edge of the property.

Prior to flooding of the area by Stephens Lake the area was mapped by the Manitoba Geological Survey, starting in about 1968. Corkery (1985) and later Corkery et al. (1992) produced a compilation geological map indicating that the Stephens Lake area is underlain by Burntwood and Sickle Groups of the Trans-Hudson Orogeny.

The possible group of rock types in the Stephens Lake area has been determined from the interpretation of the geophysical data and from the geological mapping by the Manitoba Geological Survey (Table 3).

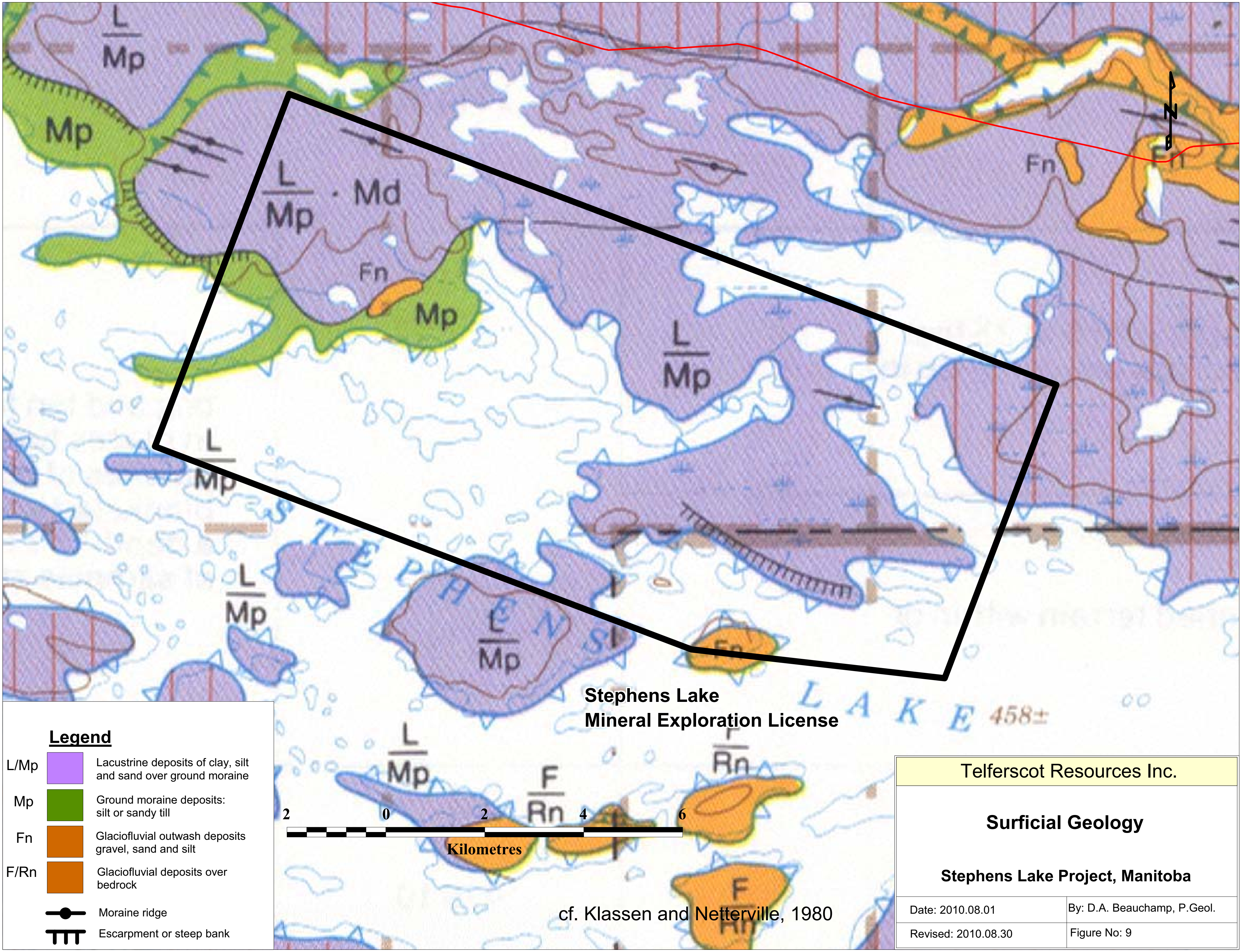
Table 3	
Rock groups in the Stephens Lake region	
Unit	**Description**
Intrusive rocks	Granite, tonalite, hornblende-biotite gneiss and migmatite
Sickle Group	Arkose, arenite, greywacke and quartzite gneiss, polymictic conglomerate, biotite-magnetite gneiss and migmatite
	Amphibolite
Burntwood Group	Metasedimentary rocks including pelitic greywacke, arkosic and psammitic gneiss, and amphibolite
Ospwagan Group (not mapped)	Metasedimentary rocks that include orthogneiss and paragneiss, meta-pelite, sulphidic sediments, iron formation and marble; contains mafic and ultramafic basalt in the upper units, and is host to the ultramafic intrusions and nickel-copper deposits.
Basement (not mapped)	Migmatite, granite and granodiorite gneiss

In the Stephens Lake area the basement rocks have been interpreted from the geophysical data but have not been observed in outcrop.

The Ospwagan group has not yet been mapped in the Stephens Lake area but occurs at the base of the supracrustal sequence in the Thompson Nickel Belt to the west. The sulphidic sedimentary rocks are presumed to be the source rock for the sulphide that allowed for the precipitation of the nickel and copper as sulphides in the Thompson Nickel Belt deposits. Although the Ospwagan formation has not been identified in the Stephens Lake area the unit is recessive and could be present in the region.

The Burntwood Group is composed of gneisses of pelitic, arkosic, psammitic and greywacke composition and of layered hornblende-diopside amphibolite, all of which have been dated at about 1.84-1.83 Ga and interpreted as a back-arc basin (Corrigan et al., 2005). To date, there is no known volcanogenic massive sulphide deposits associated with the Burntwood Group.

To the west in the Thompson Nickel Belt in several locations, a thin amphibolite unit occurs at or near the inferred contact between the Burntwood Group and the overlying Sickle Group. The amphibolite is predominantly intrusive into the basal unit of the Sickle Group and the top of the Burntwood Group (Zwanzig and Böhm, 2002).



L/Mp
Mp
Md
Fn
Stephens Lake
Mineral Exploration License
L A K E 458±
F/Rn
Legend
L/Mp Lacustrine deposits of clay, silt and sand over ground moraine
Mp Ground moraine deposits: silt or sandy till
Fn Glaciofluvial outwash deposits gravel, sand and silt
F/Rn Glaciofluvial deposits over bedrock
Moraine ridge
Escarpment or steep bank
2 0 2 4 6
Kilometres
cf. Klassen and Netterville, 1980
Telferscot Resources Inc.
Surficial Geology
Stephens Lake Project, Manitoba
Date: 2010.08.01
By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30
Figure No: 9

The Sickle Group is composed of greywacke and polymictic conglomerate near the base, of greywacke-psammite gneiss and biotite-magnetite gneiss and cordierite-sillimanite gneiss toward the middle section and of arkose near the top of the sequence.

The late intrusive rocks were mapped to the north and include tonalite, granite, hornblende-bearing granodiorite and migmatite that may include inclusions of earlier rocks such as the Sickle and Burntwood groups.

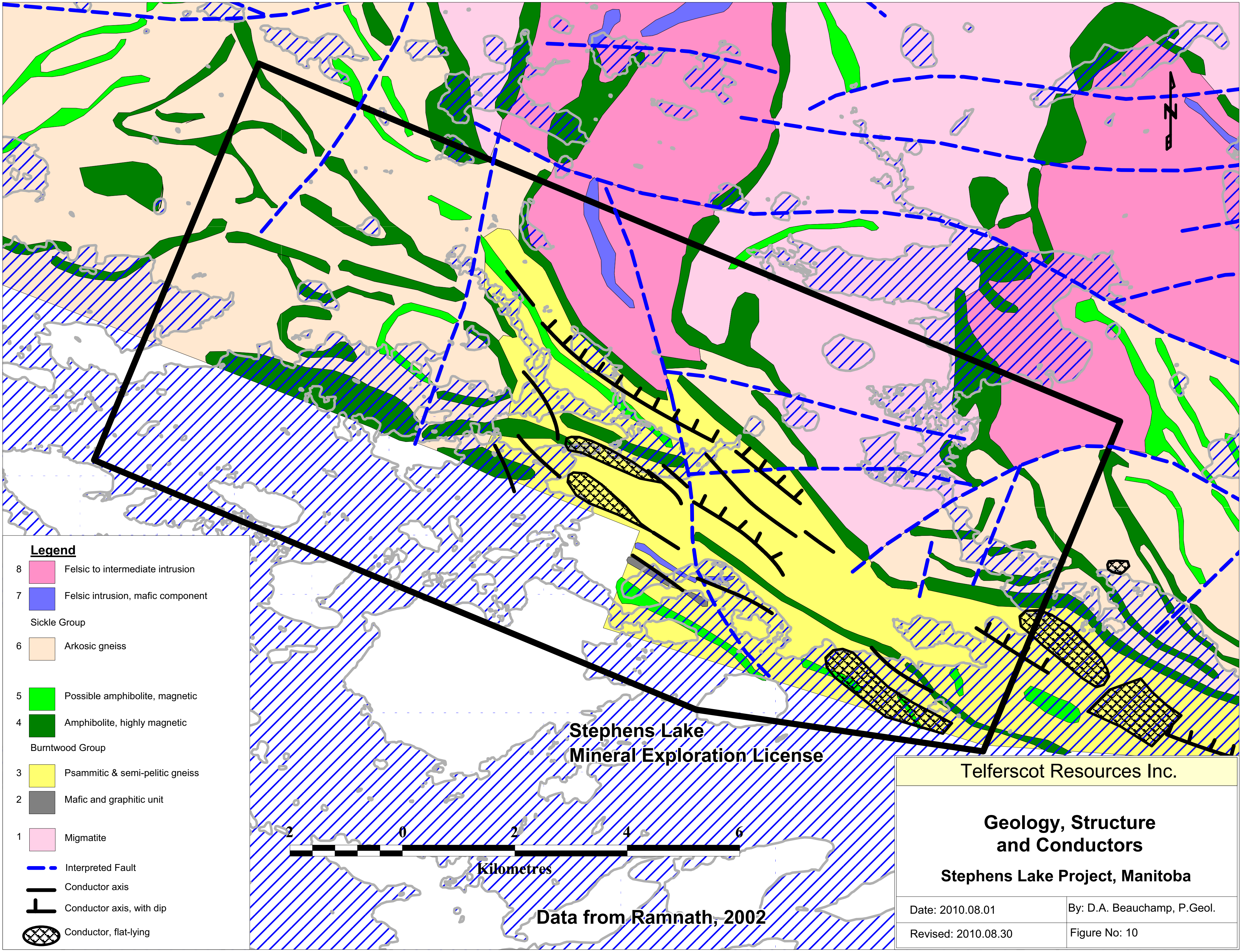
As a result of a high quality airborne geophysical survey in the area Ramnath (2002) performed a detailed evaluation of the data and interpreted the structure and underlying geology from the magnetic and EM data. She concluded that the survey “clearly defines a number of strong, linear, convoluted magnetic anomalies within the Stephens Lake Belt that may represent buried mafic-ultramafic intrusions and associated iron formations” (Figure 10).

The interpretation of the geophysical data shows a base unit interpreted to be migmatite (unit 1) overlain by Burntwood Group rocks including mostly psammitic and semi-pelitic gneiss and one bed identified as a mafic and graphitic unit (units 2 and 3). Two slightly different units of magnetic amphibolite (units 4 and 5) were interpreted as units separate from the Burntwood and Sickle Groups. A unit of amphibolite has been identified in the Thompson Nickel Belt at the contact between the two groups of mostly sedimentary rocks.

In the Sickle Group (unit 6) presumed to correspond to arkosic gneiss the rocks show less magnetic contrast and few EM conductors.

Late intrusions (unit 8) have been interpreted in the north-central and northeast part of the property accompanied by slightly more mafic phases or possibly inclusions of country rock (unit 7). Diabase dykes were identified about 9 km northeast of the property.

Several important faults were recognized throughout the property.



Legend
8 Felsic to intermediate intrusion
7 Felsic intrusion, mafic component
Sickle Group
6 Arkosic gneiss
5 Possible amphibolite, magnetic
4 Amphibolite, highly magnetic
Burntwood Group
3 Psammitic & semi-pelitic gneiss
2 Mafic and graphitic unit
1 Migmatite
Interpreted Fault
Conductor axis
Conductor axis, with dip
Conductor, flat-lying
Stephens Lake
Mineral Exploration License
2 0 2 4 6
Kilometres
Data from Ramnath, 2002
N
Telferscot Resources Inc.
Geology, Structure and Conductors
Stephens Lake Project, Manitoba
Date: 2010.08.01
By: D.A. Beauchamp, P.Geol.
Revised: 2010.08.30
Figure No: 10

A significant number of electromagnetic anomalies were identified, nearly all of which are within the unit mapped as the Burntwood Group in the central and southeast parts of the property. In several areas the anomalies correspond well with the magnetic units identified as amphibolite but in other areas the conductor axes appear between the bands of amphibolite. Most of the conductors are oriented to the northwest; some have been interpreted as having dips to the northeast and some appear to be flat-lying.

8. Deposit Type

The Thompson Nickel Belt is the second largest magmatic copper-nickel district in Canada after Sudbury. The total endowment of the belt has been estimated at more than 150 Mt at a grade of about 2.3% Ni. Up to now, six deposits have been in production and many mineral showings occur over a strike length of about 130 km, mostly on the west margin of the belt. Individual orebodies have ranged from 0.9 Mt at a grade of 1.5% Ni at Soab, to 18.8 Mt at 1% Ni at Bucko and the Thompson 1D deposit at 19 Mt at 2.5% Ni (Figure 11). These orebodies are not located on the Stephens Lake property, the calculations are not compatible with NI 43-101 standards and there is no assurance that mineralization of this type or grade will be discovered on the property.

The nickel sulphide mineralization is closely associated with gabbroic and ultramafic rocks of Paleoproterozoic age that have intruded metasedimentary gneiss of the Ospwagan Group and the underlying upper part of the Superior Craton (Corrigan et al., 2007). The mineralization is present in lenses or tabular bodies of mostly pyrrhotite and pentlandite with minor quantities of chalcopyrite and magnetite in serpentinized ultramafic intrusions that have been described as dunite and pyroxenite.

The ore is usually composed of massive sulphides within in the ultramafic rocks or within the sedimentary rocks of the Ospwagan Group and that may have precipitated after the assimilation of sulphide-rich sedimentary rocks by the high-temperature ultramafic magma (Layton-Matthews et al., 2007). Other mineralization has been described as massive, net-textured, layered and as patchy-, blebby- and heavily-disseminated.

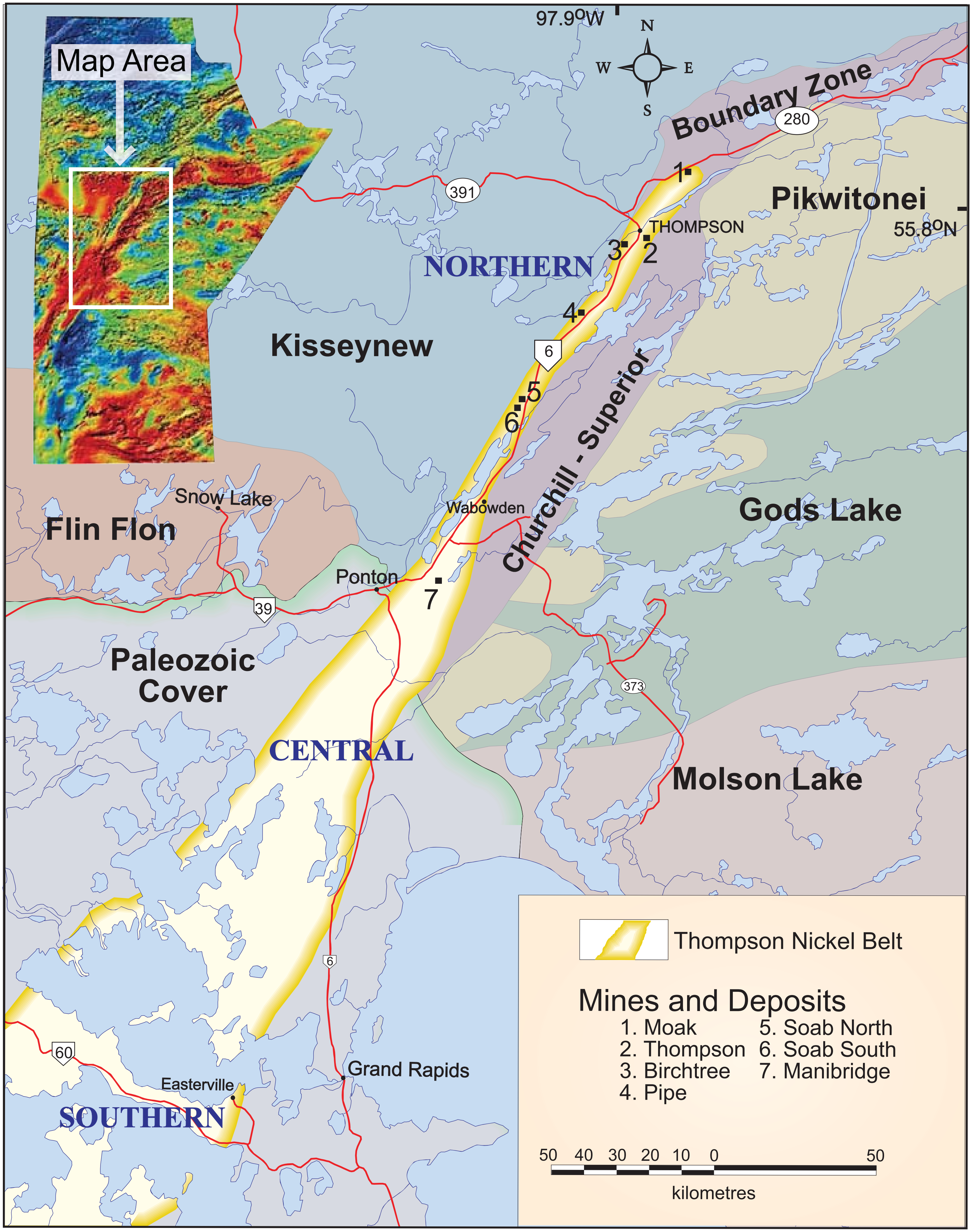


FIGURE 11. General geological map of the Thompson Nickel Belt (modified from Layton-Matthews et al., 2007)

The sedimentary units of the Ospwagan Group are interpreted to have been deposited on a continental platform of felsic to intermediate migmatitic basement gneiss that underwent initially passive, then active rifting with subsequent mafic and ultramafic magmatism. Although poorly exposed, the mafic metavolcanic rocks that represent the last units of the Ospwagan Group are composed of basalt, magnesian basalt and picrite and are represented by pillowed and massive flows that have been metamorphosed to amphibolite facies (Layton-Matthews et al., 2007).

The host rocks of the Ospwagan Group that are associated with the nickel mineralization contain pyrrhotite and minor to trace amounts of pyrite, chalcopyrite and magnetite. The rocks commonly contain up to 25% graphite.

Most of the ultramafic bodies that contain the nickel deposits have been strongly serpentinized, have been eroded by glaciation and now lie mostly under lakes and swamps. These bodies are composed of dunite, peridotite and pyroxenite.

Several magmatic nickel-copper and platinum-group elements (PGE) deposits or occurrences of Paleoproterozoic age have been discovered elsewhere in the Trans-Hudson Orogen, most notably to the west and north of the Thompson Nickel belt. These deposits and occurrences are present in sub-volcanic plutons of mafic to ultramafic composition that are interpreted to be feeders to the overlying volcanic rocks.

Although the Ospwagan Group has not been confirmed in the course of geological mapping in the Stephens Lake area the Burntwood and Sickle Group rocks that overlie the basement rocks in the Stephens Lake area show some similarities to it and could contain similar rock types.

9. Mineralization

There is currently no known mineralization on the Stephens Lake mineral exploration license. Little ground exploration has been carried out and there are no known outcrops on the property.

10. Exploration

The exploration carried out by previous companies is limited to airborne geophysical surveys and one company performed several lines of soil sampling in 2001. The soil samples were processed by TerraSol, a proprietary partial leach analytical method that identifies metallic ions that have mobilized as a result of contact with ground water. Neither Telferscot Resources nor Exploratus has carried out any field work on the property.

11. Drilling

There is no record of any drilling on the property by previous explorers or by the current holders of the property.

The closest reported drilling has been performed about 7.5 km south and southwest of the property.

Two of these holes were drilled in 1968 by Selco in an area to the southwest along the contact between the Superior and Churchill provinces and intersected supracrustal rocks including greywacke, hornblende gneiss, amphibolite and argillite, and extended into the basement rocks including granite gneiss, biotite schist. The argillite was reported to contain graphite and up to 5% pyrrhotite, and the amphibolite was listed as containing 1% pyrite and pyrrhotite.

To the south Falconbridge drilled two holes in 2004 and reported mostly semi-pelitic rocks composed of shale and argillite, and also gneiss and minor pegmatite. The semi-pelitic units contain graphitic horizons and 1-70% pyrrhotite. The maximum reported analyses are 256 ppm Ni and 344 ppm Cu.

In the second hole Falconbridge reported sulphidic magnetite-rich graphitic argillite containing 2-6% pyrrhotite and 11m of gabbro containing disseminated pyrrhotite. Maximum value reported is 300 ppm Ni and 225 ppm from a 20 cm sulphide stringer over in a sample of 1.3m.

No other mineralization was reported from those drill holes.

12. Sampling Method and Approach

For the soil sampling survey carried out in 2002 by Falconbridge samples were collected by auger to an average depth of 40 cm in organic material and 10 cm in inorganic material, although it varied to some extent when permafrost was encountered.

Extensive field notes were collected at each site including data on duplicate samples.

There are no outcrops on the property and no rock analyses have been reported by any operator from the property, including Exploratus and Telferscot.

13. Sampling Preparation, Analyses and Security

For the soil sampling survey carried out in 2002 by Falconbridge the organic and inorganic soil samples were subjected to Enhanced Enzyme Leach and SGH (Soil Gas Hydrocarbon) analysis. Inorganic soil samples were also subjected to the TerraSol method and organic samples were also subjected to Sodium Pyrophosphate (NaP) leach.

The analytical procedure for samples after the Enzyme Leach, TerraSol and NaP was by ICP-Mass Spectrometry. Analyses for SGH are by Gas-Chromatography Mass Spectrometer (Amor, 2001).

There are no outcrops on the property and no rock analyses have been reported from the property by historical or current operator.

14. Data Verification

Not applicable. There are no outcrops on the property and no rock analyses have been reported from the property by historical or current operator.

15. Adjacent Properties

There are no claims or mineral exploration licenses immediately adjoining the Stephens Lake mineral exploration license.

The closest claims were located in a belt starting 5.5 km south of the license and these extended to the west. The claims were held by the property division of Manitoba Hydro and are believed to have been held for strategic reasons so that no one could stake claims over some of their planned project areas. The claims expired in the last few months.

About 50 km to the northeast Peregrine Diamonds Ltd. has held a mineral exploration license with a surface area of 10,700 ha since 2003 presumably for diamond exploration.

Starting 40 km to the south and extending to the east Callinan Mines holds several mineral exploration licenses, some of which are along the Fox River Belt but their holdings also extend north across the Superior-Churchill boundary.

16. Mineral Processing and Metallurgical Testing

Not applicable to this property.

17. Mineral Resources and Mineral Reserve Estimates

Not applicable to this property.

18. Other Relevant Data and Information

Not applicable to this property.

19. Interpretation and Conclusions

Over the past 50 years, and in the last eight years the region covered by the Stephens Lake mineral exploration license has been explored by several airborne geophysical surveys and two lines of soil sampling.

The property has seen little prospecting and the few outcrops that may have been present in streambeds are now under water as a result of flooding by the dam. The area is covered by extensive glacial ground moraine and lacustrine deposits.

Interpretation of an airborne geophysical survey performed by Falconbridge in 2002 shows the presence of the Burntwood and Sickle Groups overlying basement migmatite and intruded by late granitic rocks.

The basal Burntwood Group consists of sedimentary rocks that show relatively flat magnetic background but contains several EM conductors some of which are spatially associated with amphibolite units, interpreted to be volcanic rocks. A mafic and graphitic unit has also been interpreted in the south part of the property. The Sickle Group is also composed of sedimentary rocks that show more variable magnetic background but few EM conductors.

Elsewhere in the Trans-Hudson Orogen the Burntwood and Sickle Groups show similar geophysical patterns although the Burntwood Group doesn’t contain as many bands of amphibolite as the Ospwagan Group located further southwest.

Although the Ospwagan Formation hasn’t been mapped in the region it is possible that the basal amphibolite rocks of the Burntwood Group that overlie the interpreted migmatite basement could correspond to a lateral equivalent to the Ospwagan Group.

The well-defined EM conductors identified in the interpreted Burntwood Group could contain magmatic nickel or volcanogenic massive sulphide mineralization and should be further evaluated with ground geophysical surveys to determine their extent, continuity and character.

20. Recommendations

A ground geophysical program consisting of 22 line kilometres of magnetometer and horizontal loop electromagnetic survey is recommended over the southern part of the property to better define the relationship of the magnetic anomalies and EM conductors. This survey should be initially performed at 100m line-spacing over a strike length of two kilometres.

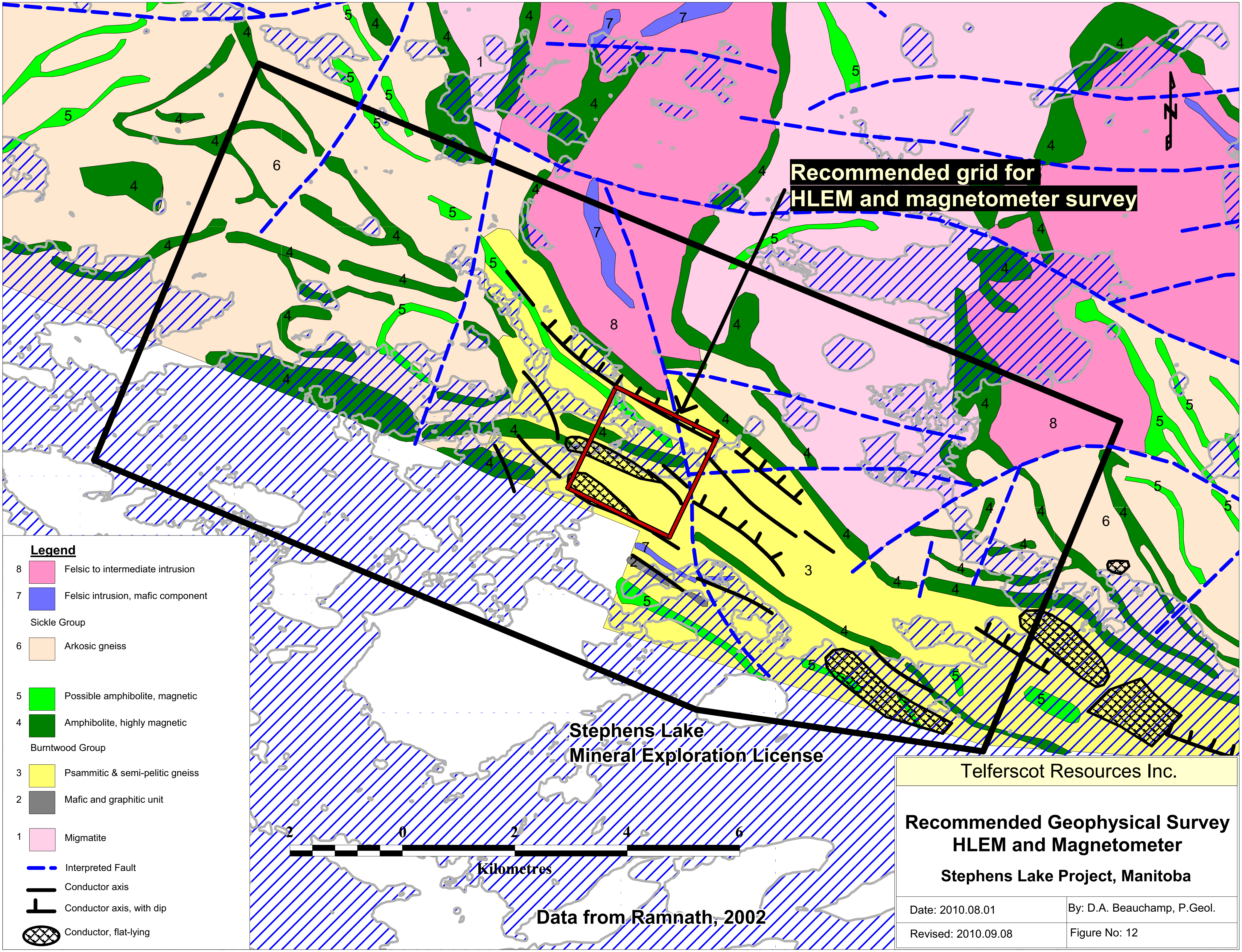
This will allow for a better evaluation of the character and potential of the property and of any mineralization. A budget of $130,000 is proposed to carry out this program, preferably during the winter because of logistical issues such as access, lake shore conditions and swampy terrain (Figure 12 and Table 4).

After successful completion of this preliminary survey and presuming positive results the company should review the data. It may determine that additional infill geophysical data is required, that an extension to the survey is warranted or that the targets identified in the survey should be drilled.

Table 4

Proposed Exploration Budget - Stephens Lake Project

Description			Cost
Mobilization / Demobilization			$12,000
Survey costs:			
	Linecutting	$800 /line km	
	HLEM survey	$1,000 /line km	
	Magnetometer survey	$200 /line km	
	Survey costs	$2,000 /line km	
	Total survey costs @	42 line km	$84,000
Support Costs			$17,000
Contingency		15%	$17,000
Total			$130,000



Recommended grid for
HLEM and magnetometer survey
Stephens Lake
Mineral Exploration License
Data from Ramnath, 2002
2 0 2 4 6
Kilometres
Legend
8 Felsic to intermediate intrusion
7 Felsic intrusion, mafic component
Sickle Group
6 Arkosic gneiss
5 Possible amphibolite, magnetic
4 Amphibolite, highly magnetic
Burntwood Group
3 Psammitic & semi-pelitic gneiss
2 Mafic and graphitic unit
1 Migmatite
Interpreted Fault
Conductor axis
Conductor axis, with dip
Conductor, flat-lying
Telferscot Resources Inc.
Recommended Geophysical Survey
HLEM and Magnetometer
Stephens Lake Project, Manitoba
Date: 2010.08.01
By: D.A. Beauchamp, P.Geol.
Revised: 2010.09.08
Figure No: 12

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Dated in Calgary AB, this 10 of January 2011.

"Daniel A. Beauchamp"

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Daniel A. Beauchamp, P.Geol., M.B.A.
24 Malibou Road SW
Calgary AB T2V 1W6

22. Date and Signature Page

I, Daniel A. Beauchamp of 24 Malibou Road SW, Calgary, AB, hereby certify that:

1. I am an independent consulting geologist;
2. I graduated from the University of Ottawa in 1974 with an Honours B.Sc. from the University of Ottawa;
3. I graduated from the University of Calgary in 1984 with a M.B.A. (Masters in Business Administration) with specialization in finance;
4. I have been a registered member of the Association of Professional Engineers Geologists and Geophysicists of Alberta (APEGGA) since 1980 and my membership number is M29299;
5. Except for two years of post-graduate studies and two years of work in the oil and gas industry I have practiced my profession as a geologist since graduation from university in 1974 with companies, both as an employee and as a consultant. I have worked throughout Canada and have managed mineral exploration projects from the grass roots level to early stages of mine development;
6. I have worked as a geologist, directing and managing projects in the field in many geological environments including volcanogenic massive sulphides in rocks of Archean to Phanerozoic age carrying out geological mapping, supervising geochemical and geophysical surveys, diamond drilling programs including core logging.
7. I have read the definition of “Qualified Person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements to be a “Qualified Person” for the purposes of NI 43-101;
8. I personally examined and studied the literature, reports and company surveys on the property for Telferscot Resources Inc. and Exploratus Ltd., and I am familiar with the project area. I was in Gillam from August 16th to 18th 2010 and visited the property on August 17th 2010;

9. I have had no prior involvement with the property that is the subject of this Technical Report;

10. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which would make the Technical Report misleading;

11. I am independent of the issuer applying all of the tests in section 1.4 of National Instrument 43-101. I do not own, directly or indirectly, nor am I under an agreement, arrangement or understanding or expect to acquire any securities of Telferscot Resources Inc. or Exploratus Ltd. any of their affiliated entities. I hold no interest, directly or indirectly, in the mineral properties that are the subject of the foregoing report or in any adjacent mineral properties in the area;

12. I have read the National Instrument 43-101 and Form 43-101F and this report has been prepared in accordance with these regulations;

13. I consent to the filing of the Technical Report with any stock exchange or other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public;

14. I am responsible for all sections of the report titled “Technical Report and Proposed Exploration Program for the Stephens Lake Project Manitoba, prepared for Telferscot Resources Inc. of Toronto ON and Exploratus Ltd. of Winnipeg MB”, and dated 8th September 2010.

Dated in Calgary, AB, this 10th January 2011.

"Daniel A. Beauchamp"

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Daniel A. Beauchamp, P.Geol., M.B.A.
24 Malibou Road SW
Calgary AB T2V 1W6