Telferscot Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

The following discussion and analysis includes financial information from, and should be read in conjunction with, the unaudited financial statements of the Corporation for the period ending June 30, 2011 and the notes thereto.

Overall Performance

Telferscot Resources Inc. (the "Corporation") was incorporated on May 31, 2010. The business of the Corporation is mineral resource exploration and development. The Corporation filed a prospectus with the Ontario Securities Commission, and was approved for trading as a public Corporation, under the ticker symbol "TFS" on April 12, 2011. Trading officially commenced on April 21, 2011.

The Corporation, thus far, has been focused on the exploration for base and precious metals on its Stephens Lake Property, located near Gillam, Manitoba. The Corporation will continue to advance the Stephens Lake Property, by re-applying for the necessary permits and completing a work program during the winter of 2012.

The Corporation's primary focus, however, will be on its recently acquired Democratic Republic of Congo (the "DRC") project, as noted in the subsequent events section of this MD&A. The Corporation's mandate since inception has been to pursue other exploration opportunities on a global basis. Towards this end, subsequent to June 30, 2011, the Corporation was successful in acquiring the rights and obligations to earn into a Copper-Cobalt exploration project located in the Kolwezi district in the DRC. The advancement and development of this asset is now the primary focus of the Corporation. Further details of this acquisition are included in the subsequent events section of this MD&A and the accompanying notes to the financial statements.

Financial Information

The following table summarizes selected financial data from the unaudited financial statements for the period from January 1, 2011 to June 30, 2011, and should be read in conjunction with such statements and related notes:

Item	Period from January 1, 2011 to June 30, 2011 (unaudited)
Revenue	Nil
Expenses	$147,847
Net Loss	$147,847
Current Assets	$1,274,174
Resource Property	$32,223
Total Assets	$1,306,397
Current Liabilities	$29,927
Working Capital	$1,244,247

Telferscot Resources Inc., 401 Bay Street, Suite 2702, Toronto, Ontario, Canada M5Y 2Y4

Shareholders' Equity	$1,276,470
Number of Shares Outstanding	28,525,000

Results of Operations

The financial statements reflect the Corporation's financial condition from January 1, 2011 to June 30, 2011. To date, the Corporation has raised aggregate consideration of $1,476,500 ($1,446,500 in cash consideration) through the sale of its securities and the acquisition of the Stephens Lake Property. There are no comparable prior periods as the Corporation while incorporated on May 31, 2010 commenced operations in July 2011 with inaugural financial statements as of September 30, 2010.

Audit Expense

Audit expense for the three months and six months ended June 30, 2011 was Nil and $3,300 respectively. The future trend for audit fees will be consistent with the current period or higher due to the expansion of the operations of the Corporation.

Consultant Expense

The consultant expense for the three months and six months ended June 30, 2011 was $7,500 and $15,900 respectively and is related to the services of the Chief Financial Officer. The future trend for consultant's expense will be consistent with the current period or higher due to the expansion of the operations of the Corporation.

Legal Expense

Legal expenses for the three months and six months ended June 30, 2011 were $14,436 and $15,900 respectively and are related primarily to legal costs associated with obtaining a public listing. The future trend for legal fees will be dependent on the pace of expansion of the operations of the Corporation.

Management Support and Rent Expense

Management support and rent expenses for the three months and six months ended June 30, 2011 were $10,500 and $21,000 respectively. The future trend for management support and rent fees will be consistent with the current period or higher due to the expansion of the operations of the Corporation.

Reporting Issuer Expense

Reporting Issuer expenses for the three months and six months ended June 30, 2011 were $9,219 and $22,809 respectively. The expenses for becoming a reporting issuer are primarily one-time expenses.

Office & Miscellaneous and Travel Expense

Office, miscellaneous and travel expenses for the three months and six months ended June 30, 2011 were $6,033 and $15,262 respectively. The future trend for Office and Miscellaneous and Travel Expense will be consistent with the current period or higher due to the expansion of the operations of the Corporation.

Insurance Expense

Insurance expense for the three months and six months ended June 30, 2011 was $2,750 and $2,750 respectively and relates to the amortization of Director and Officer insurance coverage.

Working Capital

As at June 30, 2011 the Corporation had working capital of $1,244,247, including cash and term deposits of $1,253,639. The Corporation has no cash flow from operations and is dependent upon raising equity to sustain its operations.

Outstanding Share Data

The Corporation's authorized share capital consists of an unlimited number of Common Shares without par value. At June 30, 2011 there were 28,525,000 Common Shares issued and outstanding, which were issued for aggregate consideration of $1,476,500 (Cash consideration of $1,446,500). At June 30, 2011 there were common share purchase warrants outstanding to purchase an aggregate of 8,000,000 Common Shares. Each warrant entitles the holder to purchase one common share at $0.05 with all warrants expiring on January 15, 2015. These warrants were valued at $16,000 as at July 19, 2010 using the Black Scholes methodology, and were recorded as a charge to Share Capital.

Changes in Accounting Policies

There are no proposed changes in accounting policies.

Critical Accounting Estimates

The Corporation's significant accounting policies for the period ended June 30, 2011 are presented in Note 3 of the unaudited financial statements. As stated in Note 3 (b), the preparation of financial statements in accordance with IFRS requires management to make certain estimates and assumptions. Such estimates may have a significant impact on the financial statements.

The Corporation regularly reviews these estimates; however, actual amounts could differ from the estimates used and may accordingly affect the results of operations.

These estimates include:

- *The carrying values of resource properties*
- *The valuation of future income taxes and allowances*
- *The valuation of financial instruments*

Financial Instruments

The Corporation's significant accounting policies regarding its financial instruments are set out in Note 3 (c) and (d) of the financial statements. The Corporation's financial instruments consist of cash and cash equivalents, receivables and of accounts payable and accrued liabilities. Management is of the opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

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Contractual Obligations for Next Five Years

The Corporation has minimal contractual obligations over the next five years. There are no outstanding option or purchase payments with respect to the Stephens Lake Property. The Corporation has an obligation for an annual work program on this Property to maintain its mineral exploration license, and this obligation is up to date. Furthermore, the Corporation has entered into a business services agreement with Grove Capital for corporate and administrative support and office space. The terms of this agreement are $3,500 per month with six months' notice required for termination.

Transition to IFRS

During the period January 1 to March 31, 2011 the Corporation commenced using International Financial Reporting Standards (IFRS) to report its financial results instead of Canadian Generally Accepted Accounting Policies. The effective date of the transition was May 31, 2010 (the Corporation's date of incorporation). Accordingly the financial statements for the three and six months ended June 30, 2011 have been prepared using IFRS and IFRS have been applied retrospectively to amounts for December 31, 2010. All revenues and expenses for the three and six months ended June 30, 2011 have been presented using IFRS.

It should be noted that the conversion to IFRS has had no impact on cash flow or on key performance indicators for the Corporation. At the present time, management does not foresee that the IFRS changeover will have any significant impact on future reporting. Given the short time period that the Corporation has existed and given the nature of its operations, it is unlikely that any financial trends will be distorted because of the changeover. The Corporation has changed the title of its statement of financial position from "balance sheet" to "statement of financial position" as a result of the changeover to IFRS.

Impact on the business from IFRS

The business processes of the Corporation are simple and no major challenges are expected at this point to operate under IFRS. The Corporation has no compensation arrangements that will be affected by the IFRS implementation. The Corporation's anticipated Stock Option Plan is not affected by ratios or financial targets. Business process will be monitored during the following months to detect and address any previously unidentified IFRS conversion issues.

Liquidity and Capital Resources

To date, the Corporation has financed its operations through the sale of its securities. The Corporation has generated aggregate consideration of $1,476,500, $1,446,500 in cash consideration, and $30,000 for the acquisition of its Stephens Lake Property. During the first quarter of 2011, 6,635,000 Common Shares were issued at $0.10 per share for cash consideration of $663,500.

The Corporation has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Shares to finance its business operations.

The Corporation will require additional funds to support its working capital requirements or for other purposes and will seek to raise additional funds through public or private equity funding, bank debt financing or from other sources. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Corporation, or at all.

Transactions with Related Parties

A contract with Grove Capital is referenced above under the heading Contractual Obligations for Next Five Years. Grove Capital is controlled, in part by an officer and director of the Corporation and in part by a director of the Corporation. The Corporation has no additional related party transactions.

Subsequent Events

On July 18, 2011 the Corporation announced the acquisition of 1830953 Ontario Inc. (“Numco”) a Copper-Cobalt exploration company with rights and obligations to earn into an exploration project located in the Kolwezi district in the Democratic Republic of Congo (“Kolwezi Project”). In consideration for the acquisition (including Numco’s interest in the Kolwezi Project earned through funding work prior to Numco’s acquisition) the Corporation issued 4,674,200 common shares and 375,000 common share purchase warrants exercisable at C$0.25 per share until May 1, 2012. Telferscot has the right to complete the initial 'earn-in' of a 30% stake in the Kolwezi Project through the expenditure of $515,000 (in addition to what has been previously spent by Numco) and a further right to increase its stake to 60% through the expenditure of a further $4-million prior to September 2013. Telferscot will have the right to acquire the balance 40% of the Kolwezi Project following total expenditure on the Property of $5-million. Similarly, the vendors of the Kolwezi Project can force the acquisition of the balance 40% by Telferscot following completion of the $5-million earn-in. The consideration for the final 40% stake will be 40% of Telferscot's issued and outstanding capital at the time the buyout is completed on a partially diluted basis. Since the closing of the Numco acquisition on July 15, 2011 Telferscot has advanced approximately C$225,000 to the Kolwezi Project.

On July 27, 2011 the Corporation announced the appointment of William (Bill) Trewick as President, Chief Operating Officer. Mr. Trewick also joins Telferscot’s Board of Directors. In addition the Corporation also announced the appointment of Geoff Kritzinger, CA as Chief Financial Officer effective September 1, 2011. Mr. Kritzinger has been working in transition with Jeff Lowe the current CFO who will continue as a consultant to the Corporation.

On July 27, 2011 the Corporation also announced that a total of 1.2 million stock options were granted to certain directors, officers and key employees. The stock options were granted under the Corporation’s stock option program, which was approved by the board of directors on November 18, 2010. The options have a five-year term and a strike price of C$0.15. 900,000 options vest immediately while 300,000 options vest 1/3 upon grant date, 1/3 upon first anniversary of grant and 1/3 on second anniversary of grant.