TELFERSCOT RESOURCES INC.

SUITE 2702, 401 BAY STREET
TORONTO, ONTARIO
M5H 2Y4

INFORMATION CIRCULAR
MANAGEMENT SOLICITATION
(Containing information as at January 18, 2016 unless otherwise stated)

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 the Corporation (the "Meeting") to be held at Suite 2702, 401 Bay Street, Toronto, Ontario, M5H 2Y4, at the hour of 10:00 o'clock in the morning (Toronto time), on Thursday February 25, 2016 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., 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1**. 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 10:00 A.M. TUESDAY FEBRUARY 23, 2016, 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 to revoke a valid proxy previously delivered in accordance with the foregoing. 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 MNP LLP, Chartered Accountants, as the auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration;

(b) election of the directors as nominated by Management;

(c) approval of a consolidation of the Corporation's Common Shares on the basis of one (1) post-consolidated common share for up to every twenty-five (25) currently outstanding Common Shares to be enacted by the Directors at their discretion;

(d) approval of the sale of the 2,200 common shares of Kolwezi Copper Corp. currently owned by the Corporation to Schindlers Hong Kong Limited as Trustee of the Pickwick trust in consideration for US$677,600;

(e) approval of a reduction in the Corporation's stated capital by an amount of up to $0.015 multiplied by the number of Common Shares issued and outstanding to facilitate a distribution to Shareholders of up to $0.015 per Common Share in either cash or Common Shares; and

(f) 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 January 18, 2016.

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 January 18, 2016 (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.

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares, of which 60,275,000 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:

Name of Share holder	Number and Type of Securities	Percentage of Class	Percentage of Voting Securities
James Garcelon	7,448,334 Common Shares[(1)]	12.36%	12.36%
Stephen Coates	7,587,727 Common Shares[(2)]	12.59%	12.59%

Note:

(1) Held as to 6,408,334 Common Shares directly and 1,040,000 held by Mr Garcelon's spouse.

(2) Held as to 2,605,010 Common Shares directly, and 400,000 Common Shares through two trusts which are controlled by Mr. Coates, 2,582,717 are held by Mr. Coates' spouse and children and 2,000,000 indirectly through a holding company.

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, 2014, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

• James Garcelon, Chief Executive Officer
• Geoff Kritzinger, CPA, CA, Chief Financial Officer

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

The Compensation Committee is responsible for the compensation program for the Corporation's Named Executive Officers.

Compensation Objectives and Principles

Historically, the Corporation is a mineral exploration company with property interests located in the Democratic Republic of Congo. 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 Compensation Committee, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Compensation Committee 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 Compensation Committee 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 Board of Directors does not currently consider the implications of the risks associated with the Corporation's compensation policies and practices as a result of the limited options available to the Corporation.

The Implementation of the Corporation's Compensation Policies

Consulting Fees

During the year ended December 31, 2014, the Corporation did not pay any compensation to the Chief Executive Officer:

The Chief Financial Officer receives $2,500 per month through the Corporation's contract with Grove Capital Group. 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 Chartered Accountant.

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 Compensation Committee in developing its recommendations with respect to the granting of new options. No options were granted in 2014.

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 of Directors (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.

The compensation of directors, which includes the granting of options under the Corporation's Stock Option Plan, is determined by the full Board of Directors. The payment of the directors' fees to the independent directors recognizes their contributions to the Corporation in their capacities as independent directors and members of one or more committees of the Board of Directors (if applicable), including without limitation the Compensation Committee and the Audit Committee. Starting in the fourth quarter of 2012, the Board of Directors approved quarterly fees of $1,500 for each independent director. Such fees have, to date, remained unpaid.

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, the Chief Financial Officer, Geoff Kritzinger and the former President and COO, William Trewick for the years ended December 31, 2014, December 31, 2013 and December 31, 2012. 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 ($)[1]	Non-Equity Incentive Plan Compensation		Pension Value ($)	All Other Compen-sation ($)	Total Compen-sation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
James Garcelon CEO[2]	2014	Nil	Nil	888	Nil	Nil	Nil	Nil	888
	2013	Nil	Nil	2,224	Nil	Nil	Nil	Nil	2,224
	2012	Nil	Nil	4,888	Nil	Nil	Nil	Nil	4,888
Geoff Kritzinger CFO[3]	2014	30,000	Nil	222	Nil	Nil	Nil	Nil	30,222
	2013	42,000	Nil	556	Nil	Nil	Nil	Nil	42,556
	2012	42,000	Nil	Nil	Nil	Nil	Nil	Nil	49,333
William Trewick President and COO[2][3]	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000
	2012	135,000	Nil	3,055	Nil	Nil	Nil	Nil	138,055

(1) Based on values derived from using Black Scholes option pricing methodology.

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

(3) Given fluctuating foreign exchange rates, Mr. Trewick's monthly compensation was paid in USD is assumed to be equivalent to CAD; Mr. Trewick's employment with Telferscot commenced in July, 2011. Mr. Trewick resigned as President and COO on July 10, 2013.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of December 31, 2014

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers, which are outstanding as of December 31, 2014.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options ($)[1]	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share- Based Awards that have not Vested ($)
James Garcelon	400,000	$0.15	November 29, 2017	Nil	133,334	Nil
Geoff Kritzinger	100,000	$0.15	November 29, 2017	Nil	33,334	Nil
	200,000	$0.15	July 27, 2016	Nil	Nil	Nil

(1) The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options on the last trading date prior to December 31, 2014, which was $0.005 and the exercise price of the option.

Value Vested or Earned by Named Executive Officers During the Year Ended December 31, 2014 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended December 31, 2014.

Name	Option-Based Awards - Value Vested During the Year ($)[1]	Share-Based Awards - Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)
James Garcelon	888	Nil	Nil
Geoff Kritzinger	222	Nil	Nil

[1] Based on values derived from using Black Scholes option pricing methodology

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, 2014.

Director Compensation Table

Name	Fees Earned ($)	Share-Based Awards ($)	Option-Based Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total ($)
				Annual Incentive Plans	Long-Term Incentive Plans			
Stephen Coates	6,000	Nil	888	Nil	Nil	Nil	Nil	6,888
Gerry Gravina	6,000	Nil	444	Nil	Nil	Nil	Nil	6,444

[1] Based on values derived from using Black Scholes option pricing methodology

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of December 31, 2014

The following table summarizes all share-based and option-based awards granted by the Corporation to its directors (other than directors who are Named Executive Officers whose share-based and option-based awards outstanding as of December 31, 2014 detailed above), which are outstanding as of December 31, 2014.

Name	Option-Based Awards			Share-Based Awards				
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options ($) [1]		Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested ($)	
Gerry Gravina	200,000 200,000	$0.15 $0.l5	November 29, 2017 July 27, 2016	Nil	Nil	Nil Nil	Nil	Nil
Stephen Coates	400,000	$0.15	November 29, 2017		Nil	Nil	Nil	

[1] The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options on the last trading day prior to December 31, 2014, which was $0.005, and the exercise price of the option.

Value Vested or Earned During the Year Ended December 31, 2014 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended December 31, 2014 by directors of the Corporation (other than directors who are Named Executed Officers whose value vested or earned during the year ended December 31, 2014 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-Based Awards- Value Vested During the Year ($)[1]	Share-Based Awards- Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation- Value Earned During the Year ($)
Gerry Gravina	444	Nil	Nil
Stephen Coates	888	Nil	Nil

[1] Based on values derived from using Black Scholes option pricing methodology.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

The following table sets out information as of December 31, 2014 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)
Equity compensation plans approved by security holders	2,383,333	$0.15	644,167
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,383,333	$0.15	644,167

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 including 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 2,383,333 stock options outstanding under the Plan and 3,644,167 options available for grant as follows:

Name and Position	**Common Shares Under Option**	**Exercise Price Range**	**Expiry Date**
Directors	800,000	$0.15	July 27, 2016 to November 29, 2017
Directors who are also Executive Officers	400,000	$0.15	November 29, 2017
Executive Officers	600,000	$0.15	July 27, 2016 to November 29, 2017
Consultants	583,333	$0.15	July 27, 2016 to November 29, 2017
TOTAL	**2,383,333**		

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 Ltd., a corporation controlled by one of the directors of the Corporation. The contract provides for a fee of $10,000 a month and includes $2,500 for the services of Geoff Kritzinger as Chief Financial Officer as well as office rent, corporate secretarial services and general administrative services. During the year ended December 31, 2014, the Corporation incurred total fees of $120,000 (2013 $210,000). Since June, 2013, Telferscot has only been paying $10,000 per month against that fee, such that as at December 31, 2014, accounts payable and accrued liabilities include $172,500 (2013 - $52,500) in respect of such fees. Effective January 1, 2014, the monthly fee decreased to $10,000 from $17,500.

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 a committee of the whole board. As defined in MI 52-110, Messrs. Coates and Gravina are independent. Also as defined in MI 52-110, all members of the Audit Committee are financially literate. Following the Meeting, the Audit Committee will be reconstituted and Messrs Kirtlan and Reid will be independent and 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

As the Board consists of only three directors, following the meeting the Audit Committee will continue to be a committee of the whole.

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

Stephen Coates: Mr. Coates is a founder and principal of Grove Capital Group Ltd, a merchant bank specializing in the incubation and development of businesses in Canada and internationally. Grove was established in 2003 to provide business development and strategic relationship advice to small-cap public and private 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 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. Mr. Coates is a graduate of Kings College at the UWO in London, Canada and is an active volunteer, Director and Trustee in the fields of politics, education and with local community organizations.

Bruce Reid: Mr. Reid is the Executive Chairman of the Carlisle Goldfields Limited, as well as a Director. Mr. Reid was the President and Chief Executive Officer of the Corporation from January 2010 until January 2014. Mr. Reid is also a Director of SGX Resources Inc. and other public companies. Mr. Reid was also the President and Chief Executive Officer of U.S. Silver Corp. (a mining company) from June 2006 to November 2009 as well as Vice-President, Corporate Finance of Research Capital (an investment dealer) from 2002 to 2006. Mr. Reid brings to the Corporation extensive experience in corporate finance and in the mining and mineral exploration industry. His background includes more than 30 years of direct and indirect experience in the mining and mineral exploration industry following graduation with a B.Sc. in Geology from the University of Toronto in 1979 and a finance degree from the University of Windsor in 1982

Robert Kirtlan: Mr. Kirtlan is a finance professional with over 20 years of experience in company management and arranging equity and debt financing in the resource sector. For the last 11 years, Mr. Kirtlan has taken active roles in the financing, management and development of exploration and development opportunities across a broad spectrum of commodities in various countries. Prior to that he spent 7 years in the investment banking sector. He is currently Chairman of RMG Limited, a company focused on copper in Chile; Chairman of Decimal Software Limited, a Company with leading edge robo advice technology; and a Director of Credo Resources Limited.

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 fees paid to the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees [(1)]	Tax Fees [(2)]	All Other Fees [(3)]
2014	12,840	Nil	Nil	Nil
2013	26,500	Nil	Nil	Nil

[(1)] Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
[(2)] Fees charged for tax compliance, tax advice and tax planning services.
[(3)] Fees for services other than disclosed in any other column

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

The Corporation is required to comply with 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 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. Following the Meeting, if Management's slate of directors is elected, there will be 2 independent directors: Robert Kirtlan and Bruce Reid. Stephen Coates will not be independent, as he will be named CEO. On March 7, 2012 the Board of Directors adopted a new set of corporate governance policies including a Board Charter, Code of Business Conduct and Ethics, Insider Trading Policy, Whistle Blower Policy and Disclosure Policy.

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: Stephen Coates, Director of Exploratus Inc., and Caracara Silver Inc.; Bruce Reid, Director of Satori Resources Inc., Debut Diamonds Inc., Multi Vision Communications Corp. and Goldtrain Resources Inc.; and Robert Kirtlan, Director of RMG Limited, Decimal Software Limited and Credo Resources Limited.

3. **Orientation and Continuing Education —**Currently the full Board of Directors is responsible for providing for orientation and continuing education for new directors. In the future**, t**he Board of Directors may consider creating 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 —** A Code of Business Conduct was established March 7, 2012 and is available on SEDAR.

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 —** On March 7, 2012 a Compensation Committee was established comprised of Gerry Gravina, Stephen Coates and James Garcelon, the majority of whom are independent. Following the Meeting, the Compensation Committee will comprise Stephen Coates, Robert Kirtlan and Bruce Reid, the majority of whom will be independent. The Compensation Committee 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 the Board of Directors has established an Audit Committee and a Compensation Committee. The Board of Directors is considering the establishment of a Corporate Governance Committee but has no intention at this time to establish other standing committees of the board.

8. **Assessments —** The full Board of Directors 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 consolidated financial statements of the Corporation for the years ended December 31, 2014 and 2013 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors' report and the Corporation's

consolidated financial statements will not constitute approval or disapproval of any matters referred to therein. The consolidated financial statements and the Management's Discussion and Analysis for the year ended December 31, 2014 have been mailed to Shareholders of record and non-objecting beneficial Shareholders. A copy of these consolidated 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 consolidated financial statements to you.

2. Appointment of Auditors

The persons named in the enclosed form of proxy intend to vote for the re appointment MNP LLP, 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 auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection during the past three years 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 MNP LLP, as the Corporation's auditors and to authorize the Board of Directors to fix their remuneration.

3. Election of the Board of Directors

The Board of Directors of the Corporation presently consists of three (3) directors. James Garcelon and Gerry Gravina, two of the current directors of the Corporation have advised that they will not be standing for election at the meeting. The persons named in the enclosed form of proxy intend to vote for the election as directors of the Corporation, the three (3) 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 January 18, 2016. The information as to shares beneficially owned has been furnished to the Board of Directors by the respective nominees.

Name Municipality of Residence	**Position with Corporation**	**Principal Occupation or Employment for the Last Five Years**	**Director From**	**Number of Shares Beneficially Owned or Controlled**
Stephen Coates[(1)(2)] Toronto, Ontario	Director	Principal of Grove Capital Group since 2009.	June 2, 2010	7,587,727 Common Shares[(3)]
Robert Kirtlan[(1) (2)] Perth, Australia	Director	Finance Professional	N/A	3,500,000[(4)]
Bruce Reid Toronto Ontario[(1)(2)]	Director	Geologist	N/A	2,100,000

(1) Member of the Audit Committee.
(2) Members of the Compensation Committee
(3) Held as to 2,605,010 Common Shares directly, and 400,000 Common Shares through two trusts which are controlled by Mr. Coates, 2,582,717 are held by Mr. Coates' spouse and children and 2,000,000 indirectly through a holding company.
(4) 3,500,000 TFS (5.81%) held beneficially through a holding company controlled by Mr. Kirtlan

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

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Except as disclosed below, 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; 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,

Geoff Kritzinger was Chief Financial Officer of Enquest Energy Services Corp. (ENQ – TSXV), which in May, 2010, was subject to a cease trade order for failure to file audited financial statements and other required disclosures within prescribed time limits. The cease trade order has not been rescinded.

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.

3. Consolidation of Common Shares

The Board has proposed the submission to Shareholders for consideration of a special resolution approving the consolidation of the Corporation's issued and outstanding Common Shares (the **"Consolidation Resolution"**). If the Consolidation Resolution is approved, the Board will have authority to consolidate the Common Shares at a ratio of up to twenty five (25) to one (1) (the **"Consolidation"**). The Board will be permitted without further Shareholder approval to select a lower consolidation ratio if it deems appropriate. Approval of the Consolidation by the Shareholders would give the Board authority to implement the Consolidation at any time. As at the date hereof, assuming the Shareholders approve the Consolidation, the Board intends to implement the Consolidation as soon as reasonably practical following the Meeting, subject to Canadian Securities Exchange ("**CSE**") approval. In addition, notwithstanding approval of the Consolidation by the Shareholders, the Board, in its sole discretion, may revoke the Consolidation Resolution and abandon the Consolidation without further approval, action by, or prior notice to Shareholders.

Background and Reasons for Consolidation

The Consolidation will, among other things, assist the Corporation in potentially raising additional capital. In addition, the high number of shares outstanding makes it difficult to sustain higher share prices. This low share price range results in material limitations on the Corporation's ability to raise funds through equity or convertible debt issues. In addition, merger or acquisition proposals to acquire new assets based on share swaps are hampered by the need to issue very large amounts of stock to effect any transaction.

Many institutional and sophisticated investors prefer not to invest in public companies with a high number of outstanding shares and low trading price ranges. A smaller share float tends to discourage low volume traders from using limited capital to set trading ranges and bid/ask prices that are not reflective of the underlying value of assets of the Corporation.

Principal Effects of the Share Consolidation

If approved and implemented, the Consolidation will occur simultaneously for all of the Common Shares and the Consolidation ratio will apply equally for all such Common Shares. The Consolidation will affect all holders of the Corporation's Common Shares uniformly. In addition, there may be a minimal effect on a Shareholder's percentage ownership interest in the Corporation resulting from the proposed treatment of fractional Common Shares (see "*Effect on Fractional Shares*"). No fractional Common Share will be issued in connection with the Consolidation. Each Common Share outstanding post-Consolidation will be entitled to one vote and will be fully paid and non-assessable.

The principal effects of the Consolidation will be that:

(a) the number of Common Shares of the Corporation issued and outstanding will be reduced from 60,275,000 Common Shares as of the date hereof to approximately 2,411,000 Common Shares based on the consolidation ratio of twenty five to one; and

(b) the exercise or conversion price and/or the number of Common Shares issuable under the Corporation's outstanding options will be proportionally adjusted upon the Consolidation based on the Consolidation ratio.

Effect on Fractional Shares

No fractional Common Shares will be issued if, as a result of the Consolidation, a Shareholder would otherwise be entitled to a fractional Common Share. Instead, if, as a result of the Consolidation, a Shareholder is entitled to a fractional Common Share, such fractional Common Share that is less than ½ of one post-Consolidation Common Share will be cancelled and each fractional Common Share that is at least ½ of one post-Consolidation Common Share will be rounded up to one whole post-Consolidation Common Share.

Effect on Non-Registered Holders

Non-Registered Holders holding their Common Shares through an Intermediary should note that such Intermediary may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered Shareholders. If you are a Non-Registered Holder and you have questions or concerns in this regard, you are encouraged to contact your Intermediary.

Effect on Options

The exercise and/or the number of Common Shares issuable under the Corporation's outstanding Options will be proportionally adjusted upon the implementation of the Consolidation, in accordance with the terms of such securities, based on the Consolidation ratio.

Effect on Common Shares Held in Book-Entry Form

Certain Non-Registered Holders may own Common Shares in book-entry form. Non-Registered Holders will not have share certificates evidencing their ownership of such Common Shares and therefore do not need to take any additional actions to exchange their pre-Consolidation book-entry Common Shares, if any, for post-Consolidation Common Shares. Upon the

effective date of the Consolidation, each then existing book-entry account will be adjusted to reflect the number of post-Consolidation Common Shares to which the Non-Registered Holder is entitled in accordance with the Consolidation ratio.

No Dissent Right

Under the *Canada Business Corporations Act* (Ontario) (the "**CBCA**"), Shareholders do not have dissent or appraisal rights with respect to the Consolidation.

Resolution for Approving the Consolidation

Upon approval of the Consolidation Resolution, following the obtaining of all necessary regulatory approvals, including the acceptance of CSE, the Corporation will promptly file articles of amendment with the required entity under the CBCA in the form prescribed by the CBCA to amend the Corporation's articles of incorporation. The Consolidation will become effective on the date shown in the certificate of amendment in connection therewith, or such other date as indicated in the articles of amendment.

When the Consolidation ratio has been fixed by the directors of the Corporation and the proposed Consolidation has been announced, registered Shareholders will be mailed a Letter of Transmittal which will detail the instructions for the exchange of share certificates. The transfer agent will send to each registered Shareholder who has sent the required documents in response to the Letter of Transmittal a new share certificate representing the number of post-Consolidation Common Shares to which the Shareholder is entitled. Until surrendered, each share certificate representing pre-Consolidation Common Shares will be deemed for all purposes to represent the number of whole post-Consolidation Common Shares to which the holder is entitled as a result of the Consolidation. If a registered Shareholder would otherwise be entitled to receive a fractional share, such fractional share shall be treated in the manner described above.

In order to be effective, the Consolidation Resolution must be approved by two-thirds (66⅔%) of the Common Shares voting at the Meeting.

The text of the Consolidation Resolution is as follows:

"**BE IT RESOLVED THAT**:

1. the issued and outstanding shares in the capital of the Corporation be consolidated on the basis of one (1) post-Consolidation Common Share for up to every twenty five (25) Common Shares currently issued and outstanding and the directors of the Corporation are hereby authorized to select a lesser consolidation ratio at their sole discretion;

2. no fractional shares shall be issued upon the Consolidation, each fractional Common Share that is less than ½ of one post-Consolidation Common Share will be cancelled and each fractional Common Share that is at least ½ of one post-Consolidation Common Share will be rounded up to one whole post-Consolidation Common Share;

3. notwithstanding the approval of holders of the Common Shares of the Corporation to the above resolutions, the directors of the Corporation may revoke the foregoing resolutions before they are acted on without any further approval by the persons eligible to vote on this Consolidation Resolution at the Meeting;

4. the effective date of such Consolidation shall be the date shown in the certificate of amendment; and

5. any of the officers or directors of the Corporation be and are hereby authorized for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute and deliver Articles of Amendment to effect the foregoing resolutions with the required entity and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determinations to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such action."

Management recommends that Shareholders vote for the Consolidation.

This resolution must be approved by the requisite two-thirds (66⅔%) majority of the votes cast at the meeting.

The persons named in the Proxy intend to vote FOR the special resolution approving the Consolidation in the absence of directions to the contrary from the Shareholders appointing them.

4. Sale of Shares of Kolwezi Copper Corp.

The Board has proposed the submission to Shareholders for consideration of a special resolution approving the sale of the 2,200 common shares (the "**KCC Shares**") of Kolwezi Copper Corp. ("**KCC**") held by the Corporation to The Pickwick Trust (the "**Purchaser**"). The Purchaser is already a Shareholder of KCC and deals at arm's length with the Corporation. The proposed sale of the KCC Shares (the "**Disposition**") is subject to certain conditions, including approval of the Shareholders of the Corporation.

The sale of the KCC Shares will constitute a disposition of substantially all of the assets of the Corporation which requires the approval of not less than two-thirds (2/3) of the votes cast in person or by proxy by those Shareholders who vote in respect of the Disposition Resolution (as defined herein).

This Circular contains certain statements or disclosures that may constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management of the Corporation or the Purchaser, as applicable, anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", ''will'', "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro forma" or other comparable terminology.

Background and Reasons for the Sale of the KCC Shares

The Corporation acquired its interest in KCC starting in July 18, 2011. KCC owns, through a subsidiary, an interest in various mining claims in the Democratic Republic of Congo (the "**Claims**"). In 2013, KCC entered into an agreement with Ivory Investments Limited ("**Ivory**") pursuant to which Ivory agreed to provide up to US$20,000,000 in funding to support exploration on the Claims in exchange for 70% of KCC's outstanding capital. This transaction was completed in the fall of 2013.

On August 19, 2013, Shareholders of the Corporation approved a transaction whereby the Corporation swapped a 2.99% interest in KCC for the cancellation of 28.79% of the Corporation's then outstanding shares. On the completion of this transaction, the Corporation held 2,775 common shares or 7.40% of KCC.

The Corporation has been seeking opportunities to acquire further assets and has recognized that any such transaction would involve addressing the residual interest in KCC. Management of the Corporation was of the view that any value in KCC should be for the benefit of Shareholders of the Corporation and not for Shareholders who acquire shares as a result of a new business being acquired by the Corporation. While considering alternatives in the summer of 2015, the Corporation was approached by a current Shareholder of KCC to purchase the Corporation's remaining interest in KCC. Management of the Corporation negotiated a price of US$308 per share of KCC. The Corporation and the Purchaser have entered into a share purchase agreement pursuant to which the Corporation agreed to sell its interest in KCC to the Purchaser in two tranches. An initial tranche of 575 common shares of KCC for gross proceeds of US$177,100 was completed on January 8, 2016. The sale of the balance, being the KCC Shares, will be completed following receipt of the required Shareholder approvals to conform with applicable corporate law.

Management is of the view that the sale price of the KCC Shares represented reasonable value to Shareholders. To date, no resource has been discovered on any of the Claims and while Ivory continues to authorize expenditures on the Claims, there can be no assurance that they will continue to do so given current commodity prices and global economic conditions. Even if a time was reached where an economic deposit was found on the Claims, additional dilution would be required to fund the development of such a deposit. As a result, Management was of the view that it would be years, if ever, before the Claims could generate a return. The opportunity to sell its interest in KCC for gross proceeds of US$854,700 was viewed as the preferred outcome. As set out below, the Corporation's intention is to distribute the bulk of this cash to Shareholders but approximately $100,000 will be retained after paying the Corporation's outstanding liabilities to provide an opportunity to seek out an alternative transaction to provide further value for Shareholders.

Share Purchase Agreement

The Corporation and the Purchaser entered into a Share Purchase Agreement dated January 11, 2016 (the "**Agreement**")

pursuant to which the Corporation agreed to sell its interest in KCC on the terms and conditions set out in the Agreement, subject to approval of the Shareholders of the Corporation. A copy of the Agreement is available under the Corporation's profile at SEDAR on www.sedar.com and will be available for inspection during normal business hours at the Corporation's head office at Suite 2702, 401 Bay Street Toronto ON. The sale of an initial tranche of 575 common shares of KCC was completed on January 8, 2016 for gross proceeds of US$177,100. These proceeds were used to repay the Corporation's outstanding convertible debentures.

The Corporation is seeking Shareholder approval to complete the sale of the KCC Shares, representing the remainder of the Corporation's interest in KCC for gross proceeds of US$677,600. Closing is subject to Shareholders approving the sale of the KCC Shares. Closing is to occur by no later than March 31, 2016.

The Corporation Following the Disposition

On completion of the Disposition and the Return of Capital described below, the Corporation will have no assets other than approximately $100,000 in cash. The Corporation will use this cash to maintain its status as a reporting issuer and seek out alternative transactions. If the Corporation does not find an alternative transaction, it will be delisted from the CSE.

Opinion of the Board and Management

The Board of the Corporation has carefully reviewed and considered the merits of the Disposition and, after taking into consideration all applicable factors, has unanimously determined that it is in the best interests of the Corporation and its Shareholders to proceed with the Disposition. As none of the members of the Board are interested parties with respect to the proposed Disposition, the Board determined that review by a special committee was not necessary. Since the Disposition is entirely arm's length and subject to approval of the Shareholders, the Board unanimously determined that no independent appraisal or valuation of its interest in KCC was necessary or appropriate in the circumstances.

Special Resolution Approving the Sale of the KCC Shares

Pursuant to Subsection 189(3) of the CBCA, a disposition of all or substantially all of the assets or undertaking of a company, such as the proposed sale of the KCC Shares, which represents all of the assets held by the Corporation, requires approval by a special resolution of the Shareholders of the Corporation. To approve a special resolution, a majority of not less than two-thirds (66⅔%) of the votes cast in person or by proxy by those Shareholders who vote in respect of the special resolution is required.

At the Meeting, Shareholders will be asked to consider, and if thought fit, to approve the following special resolution (the "**Disposition Resolution**") to approve the sale of the KCC Shares to the Purchaser and to ratify entry into the Agreement:

"**BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT**:

1. the execution and delivery by Telferscot Resources Inc. (the "**Corporation**") of the Agreement dated as of January 11, 2016 between the Corporation and Schindlers Hong Kong Limited as Trustee of the Pickwick Trust (the "**Agreement**") is ratified, approved and confirmed with respect to the sale of the KCC Shares;

2. the performance by the Corporation of its obligations under the Agreement be and is hereby authorized and approved with respect to the sale of the KCC Shares;

3. the disposition (the "**Disposition**") of the KCC Shares, being substantially all of the Corporation's assets, in accordance with the terms and conditions of the Agreement, is hereby authorized, approved and adopted;

4. notwithstanding that this resolution has been passed by the Shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered, without further approval of the Shareholders of the Corporation to: (i) amend the Agreement to the extent permissible therein; and (ii) not proceed with the Disposition without further approval of the Shareholders; and

5. any director or officer of the Corporation be and is hereby authorized and directed for and on behalf of and in the name of the Corporation to do all acts and things and sign, execute and deliver all such applications, documents, agreements and instruments as may be necessary or advisable to effect the Disposition in accordance with the Agreement and to further the transactions contemplated by the Agreement."

Subsection 190(1) of the CBCA provides that any Shareholder of a company may send a notice of dissent to a company in respect of a special resolution under subsection 189(3) of the CBCA. Accordingly, Shareholders have the right to dissent from the Disposition. See heading "Rights of Dissenting Shareholders" below for details of this dissent right.

Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Corporation will be voted "FOR" the approval of the sale of the KCC Shares and to ratify the entry into the Agreement.

The Board and management of the Corporation recommend that Shareholders vote in favour of the above Disposition Resolution.

Rights of Dissenting Shareholders

Section 190 of the CBCA provides that a Shareholder of the Corporation has the right to dissent from the Disposition Resolution ("**Right of Dissent**"). A Shareholder who validly exercises the Right of Dissent, will be entitled, if the Disposition is completed, to be paid the fair value of the dissenting Shareholder's Common Shares determined in accordance with the provisions of Section 190 of the CBCA.

The following description of the right of dissenting Shareholders in respect of the Disposition Resolution is not a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of his or her Common Shares and is qualified in its entirety by the reference to the full text of Section 190 of the CBCA, which is attached to this Circular as **Appendix "B"**. The statutory provisions covering the Right of Dissent and appraisal are technical and complex. **Any Shareholders who wish to exercise their Rights of Dissent and appraisal in respect of the Disposition Resolution should seek their own legal advice, as failure to comply strictly with the provisions of Section 190 of the CBCA may result in a loss of all rights thereunder.**

Any registered Shareholder is entitled, in addition to any other right he or she may have, to dissent ("**Dissenting Shareholder**") and to be paid by the Corporation the fair value of the Common Shares owned by him or her in respect of which he or she dissents, determined as of the close of business on the last business day before the day on which the resolution from which he or she dissents was adopted.

A Dissenting Shareholder is not entitled to dissent with respect to any Common Shares if such Dissenting Shareholder votes (or instructs or is deemed, by submission of an incomplete proxy, to have instructed a proxyholder to vote) any shares in favour of the Disposition, but such Dissenting Shareholder may abstain from voting on the Disposition Resolution (or from submitting a proxy) without affecting the Dissenting Shareholder's dissent rights.

A Dissenting Shareholder may dissent only with respect to all of the Common Shares owned by such Dissenting Shareholder on his or her own behalf or on behalf of any one beneficial owner and registered in his or her name. **Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent, should be aware that only the registered owner of such Common Shares is entitled to dissent. Accordingly, a beneficial owner of Common Shares desiring to exercise his or her right to dissent must make arrangements for the Common Shares beneficially owned by him or her to be registered in his or her name prior to the time the written objection to the Disposition Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of his or her Common Shares to dissent on his or her behalf.**

A Dissenting Shareholder must send to the Corporation a written objection to the Disposition Resolution, which written objection (the "**Objection Notice**") must be received by the Corporation or by the Chairman of the Meeting at or before the Meeting unless the Corporation did not give notice to the Dissenting Shareholder of the purpose of the Meeting and of his or her Right of Dissent. If the Disposition Resolution is passed, the Corporation is required to give each Dissenting Shareholder who filed an Objection Notice, notice of the adoption of the Disposition Resolution (the "**Adoption Notice**"). The Dissenting Shareholder is then required within twenty (20) days after receipt of the Adoption Notice to make a demand for payment of fair value of his or her Common Shares (the "**Demand for Payment**").

A Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of his or her Common Shares, on the earliest of the closing of Disposition, the making of an agreement between the Corporation and the Dissenting Shareholder as to the payment to be made for the Dissenting Shareholder's shares or the pronouncement of the order of the Court fixing the fair value of the shares. Until any of the foregoing events occur, the Dissenting Shareholder may withdraw his or her dissent, or the Corporation may rescind the Disposition Resolution and in either event, proceedings under Section 190 shall be discontinued.

Not later than seven (7) days after the later of the receipt of a Demand for Payment and the closing of Disposition, the Corporation is then required to send to each Dissenting Shareholder delivering a Demand for Payment a written offer to pay (the "**Offer to Pay**") the amount considered by the directors of the Corporation to be the fair value thereof accompanied by a statement showing how the fair value was determined.

If the Corporation fails to make an Offer to Pay or a Dissenting Shareholder fails to accept the Offer to Pay, the Corporation may apply to the Court to fix the fair value. If the Corporation fails to apply to the Court, a Dissenting Shareholder may apply.
A Dissenting Shareholder may make an agreement with the Corporation for the purchase of the Dissenting Shareholder's shares by the Corporation, in the amount of the offer by the Corporation or otherwise, at any time before the Court pronounces an order fixing the fair value of the Common Shares.

On an application under Section 190, the Court must make an order fixing the fair value of the Common Shares of all Dissenting Shareholders, giving judgment in that amount against the Corporation and in favour of each Dissenting Shareholder, and fixing the time within which the Corporation must pay that amount to a Dissenting Shareholder. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date on which the Dissenting Shareholder ceases to have any rights as a Shareholder of the Corporation until the date of payment.

The Dissenting Shareholder is not required to give security for costs in respect of an application to the Court to fix the fair value of the Dissenting Shareholder's shares.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder of the Corporation who seeks payment of the fair value of his or her Common Shares.

Shareholders who wish to exercise their Right of Dissent should carefully review Section 190 of the CBCA attached to this Circular as **Appendix "B"** and seek independent legal advice, as failure to adhere strictly to the Right of Dissent requirements may result in the loss of any right to dissent.

5. Reduction of Stated Capital

Summary

At the Meeting, Shareholders will be asked to approve a special resolution to reduce the stated capital of the Corporation's Common Shares by up to CAD $0.015 per share (the **"Capital Reduction Resolution**"). If the Capital Reduction Resolution is approved by Shareholders at the Meeting, that will permit the Corporation's Directors to declare and pay a distribution of up to CAD $0.015 per share on each outstanding Common Share either in cash or in Common Shares of the Corporation at the election of each Shareholder. The Corporation's Directors require some flexibility to determine the amount available for distribution to Shareholders based upon the actual financial position of the Corporation at the time the distribution is to be declared. The Capital Reduction Resolution gives the Corporation's Directors discretion to fix the reduction in stated capital at an amount less than $0.015 per Common Share to ensure that the Corporation has adequate working capital after giving effect to the proposed distribution.

It is anticipated that the distribution will be paid by April 30, 2016, as a return of capital. The distribution by return of capital is expected to be generally more tax advantageous to Shareholders than a dividend. See "*Certain Canadian Federal Income Tax Considerations*". The distribution will allow Shareholders to elect to acquire future Common Shares in lieu of a cash payment. The price at which such new Common Shares will be issued and the corporate, securities and tax consequences of the issuance of such new Common Shares will be determined by the Directors of the Corporation and full particulars will be provided to Shareholders to provide them with sufficient information to make an informed decision to receive cash or new Common Shares or some combination thereof.

Background to and Reasons for the Reduction of Stated Capital

On the closing of the Disposition, the Corporation will have in excess of $1,000,000 in cash. After paying all outstanding liabilities and retaining approximately $100,000 for working capital, the Corporation will have approximately $900,000 available for distribution to Shareholders as a return of capital (subject to approval of the Capital Reduction Resolution).

The Corporation's management and Directors considered its strategic direction and anticipated capital requirements. The directors determined that the Corporation will have excess cash reserves as a consequence of the Disposition and that it was appropriate to distribute some funds to Shareholders. The remaining cash reserves are expected to be sufficient to maintain the Corporation for a period of time while it searches for an appropriate acquisition.

The distribution is intended to be a return of capital, which will require Shareholder approval to reduce the stated capital of the Corporation's Common Shares. If approved by Shareholders, it is anticipated that the record date for the determination of Shareholders entitled to receive the distribution will be set and the distribution paid by April 30, 2016. The distribution by return of capital is expected to be generally more tax advantageous to Shareholders than a dividend.

Recommendation of the Board

The Board has unanimously determined that the reduction of stated capital is in the best interests of the Corporation and unanimously recommend that Shareholders vote in favour of the Capital Reduction Resolution at the Meeting.

In reaching its determination and recommendation, the Board considered, among others, the following factors: (a) information concerning the financial condition, results of operations, business plans and prospects of the Corporation both before and after giving effect to the reduction of stated capital and planned distribution; (b) the opportunity provided by the reduction of stated capital and planned distribution for all Shareholders to share on a pro rata basis in a portion of the proceeds from the Disposition; and (c) the tax effective structure of the reduction of stated capital and planned distribution as a return of capital.

The foregoing discussion of the information and factors considered by the Board is not intended to be exhaustive. In determining that the reduction of stated capital is in the best interests of the Corporation and recommending that Shareholders vote in favour of the Capital Reduction Resolution, the Board did not assign any relative or specific weights to the factors which were considered, and individual directors may have given differing weights to different factors.

Details of the Capital Reduction Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the Capital Reduction Resolution to reduce the stated capital of the Corporation's common shares by up to CAD $0.015 per share. The Capital Reduction Resolution must be passed by a majority of not less than 2/3 (66⅔%) of the votes cast by Shareholders present in person or voting by proxy at the Meeting.

The CBCA allows a corporation to reduce its stated capital provided there are no reasonable grounds for believing that: (a) the corporation is, or would after the reduction be, unable to pay its liabilities as they become due, or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. The Directors have concluded that the Corporation satisfies these tests.

If the Capital Reduction Resolution is approved, the stated capital account maintained by the Corporation in respect of its Common Shares will be reduced by an amount equal to up to CAD $0.015 multiplied by the number of Common Shares issued and outstanding. The aggregate maximum amount of the reduction of stated capital would be CAD $904,125, based on the 60,275,000 Common Shares issued and outstanding as at the date of this Circular and the Corporation's expectation that no additional Common Shares will be issued from treasury.

The text of the Capital Reduction Resolution is set forth below. It may be amended at the Meeting if the amendments correct manifest errors or are not material.

"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the stated capital account maintained by the Corporation in respect of its Common Shares be reduced pursuant to paragraph 38(1)(b) of the *Canada Business Corporations Act* by an amount equal to up to CAD $0.015 multiplied by the number of Common Shares issued and outstanding, for the purpose of permitting a special distribution to holders of Common Shares of up to CAD $0.015 per Common Share as a return of capital; and that the directors of the Corporation be and are hereby authorized to select a lesser reduction in stated capital in their sole discretion as they may deem appropriate and in the best interests of the Corporation;

2. any director or officer of the Corporation is authorized and directed, for and in the name of and on behalf of the Corporation, to execute, or cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents and instruments, and to do or cause to be done all such acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this special resolution, the execution of any such document or the doing of any such act or thing being conclusive evidence of such determination; and

3. notwithstanding the foregoing, the directors of the Corporation are authorized to revoke this special resolution and not proceed with matters herein authorized, without further approval of the Shareholders of the Corporation."

Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Corporation will be voted "FOR" the approval of the reduction in stated capital.

The Board and management of the Corporation recommend that Shareholders vote in favour of the above Capital Reduction Resolution.

Payment of a Special Distribution

If the Capital Reduction Resolution is approved by Shareholders at the Meeting, that will permit the Corporation's Directors to declare and pay a distribution of up to CAD $0.015 per share on each outstanding Common Share. It is anticipated that the distribution will be paid by April 30, 2016. A news release announcing the declaration of the distribution and the record date, ex-dividend date, if any, and anticipated payment date is expected to be issued following the Meeting. The announcement will also set out the election mechanism for a Shareholder to receive either cash or further Common Shares of the Corporation.

Payment of the distribution is anticipated to be a return of capital. The distribution by return of capital is expected to be generally more tax advantageous to Shareholders than a dividend. See "*Certain Canadian Federal Income Tax Considerations*".

Certain Canadian Federal Income Tax Considerations

The following summary, as at the date of this Circular, outlines the principal Canadian federal income tax considerations generally applicable to Shareholders who are paid the above-described return of capital (the "**Return of Capital"**) by the Corporation by way of a cash payment, and who, for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act"**), deal at arm's length and are not affiliated with the Corporation, and hold their Common Shares as capital property.

Generally, Common Shares will constitute capital property to a Shareholder unless they are held in the course of carrying on a business of trading or dealing in Common Shares or otherwise as part of a business of buying and selling securities or such Shareholder has acquired such Common Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Shareholders who do not hold Common Shares as capital property should consult their own tax advisors regarding the Return of Capital in their particular circumstances.

This summary is not applicable to Shareholders that are financial institutions for purposes of the mark-to-market provisions of the Tax Act. This summary also is not applicable to Shareholders an interest in which would be a "tax shelter investment" (as defined in the Tax Act) and any such Shareholders should consult their own tax advisors with respect to the Canadian federal income tax considerations of the Return of Capital that are applicable to such Shareholders.

This summary is based on the enacted provisions of the Tax Act and the Corporation's understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**"), and also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). However, no assurance can be given that the Tax Proposals will be enacted in their present form, if at all, or that changes to the CRA's administrative policies will not modify or change the statements expressed herein. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law whether by legislative, regulatory, administrative or judicial action, nor does it take into account other federal tax legislation or provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described in this summary. No advance income tax ruling has been sought or obtained from the CRA to confirm the tax consequences of the Return of Capital to the Shareholders.

This summary does not address tax matters relating to a Shareholder's election to receive Common Shares in lieu of cash.

This summary does not address tax matters of any jurisdiction outside of Canada and Shareholders who are not resident in Canada under the laws of a country other than Canada, or who are citizens of a country other than Canada, or who otherwise may be subject to tax in a jurisdiction other than Canada, should consult their own tax advisors with respect to non-Canadian tax matters.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal, business or tax advice to any particular Shareholder. No representations with respect to any tax consequences or considerations to any particular Shareholder are made by virtue of this summary. This summary is not exhaustive of all Canadian federal income tax considerations. The tax consequences and considerations to any particular Shareholder will depend on a variety of factors, including the Shareholder's particular circumstances. Shareholders should consult their own tax advisors regarding the tax consequences and considerations applicable to them as a result of the Return of Capital.

This summary is based upon the assumption that the amount that will be paid by the Corporation to the Shareholders on the Return of Capital will not exceed the Common Shares' paid-up capital for the purposes of the Tax Act, and that such amount was derived from proceeds of disposition realized by the Corporation from transactions that occurred outside the ordinary course of its business. Management of the Corporation is of the view that the Return of Capital will be less than the Common Shares' paid-up capital, that the Return of Capital will be paid as a direct result of the proceeds of disposition the Corporation received on the sale of the KCC Shares, and that such transaction was outside of the ordinary course of the Corporation's business. The Corporation is of the view that subsection 84(4.1) of the Tax Act should not deem the cash amount paid to Shareholders on the Return of Capital to be a dividend.

Resident Shareholders

This portion of the summary is applicable to Shareholders who, at all relevant times and for the purposes of the Tax Act, are or are deemed to be residents of Canada (each, a "**Resident Shareholder**").

The amount received by a Resident Shareholder on the Return of Capital must be deducted in computing the adjusted cost base to a Resident Shareholder of such Resident Shareholder's Common Shares. If the amount so required to be deducted from the adjusted cost base of the Common Shares to a particular Resident Shareholder exceeds the adjusted cost base of such Common Shares, the excess will be deemed to be a capital gain of such Resident Shareholder from a disposition of such Common Shares.

A capital gain realized by a Resident Shareholder who is an individual may give rise to a liability for minimum tax. A Resident Shareholder that is throughout the year a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

Non-Resident Shareholders

This portion of the summary is applicable to Shareholders who, at all relevant times and for the purposes of the Tax Act, are not and are not deemed to be residents of Canada (each, a "**Non-Resident Shareholder**").

The amount received by a Non-Resident Shareholder on the Return of Capital must be deducted in computing the adjusted cost base to a Non-Resident Shareholder of such Non-Resident Shareholder's Common Shares. If the amount so required to be deducted from the adjusted cost base of the Common Shares to a particular Non-Resident Shareholder exceeds the adjusted cost base of such Common Shares, the excess will be deemed to be a capital gain of such Non-Resident Shareholder from a disposition of such Common Shares.

A Non-Resident Shareholder will not be subject to Canadian income tax under the Tax Act on any capital gain realized on any deemed disposition of Common Shares that results from the Return of Capital unless such Common Shares constitute "taxable Canadian property" (as defined by the Tax Act) to the Non-Resident Shareholder. Provided that the Common Shares are listed on a "designated stock exchange" (as defined in the Tax Act), which currently includes the CSE, at the time of the Return of Capital, the Shares generally will not be taxable Canadian property to the Non-Resident Shareholder unless:

(a) at any time during the 60-month period immediately preceding the Return of Capital, the Non-Resident Shareholder and/or persons with whom the Non-Resident Shareholder did not deal at arm's length, held 25% or more of the issued shares

of any class of the Corporation's capital stock; or

(b) the Shares are used by the Non-Resident Shareholder in carrying on business in Canada.

Where Common Shares represent taxable Canadian property to a Non-Resident Shareholder, any capital gains realized on any deemed disposition of the Common Shares resulting from the Return of Capital will be subject to taxation in Canada, except as otherwise provided in any tax treaty between Canada and the country in which the Non-Resident Shareholder is resident.

Non-Resident Shareholders whose Common Shares are or may be taxable Canadian property should consult their own tax advisors regarding the tax consequences and considerations applicable to them of the Return of Capital.

UNLESS OTHERWISE INDICATED, THE PERSONS NAMED IN THE ACCOMPANYING PROXY INTEND TO VOTE IN FAVOUR OF THE CAPITAL REDUCTION RESOLUTION.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and management discussion and analysis ("**MD&A**") for the fiscal year ended December 31, 2014. Shareholders may contact the Corporation to request copies of the financial statements and MD&A by mail to Suite 2701, P.O. Box 136, 401 Bay Street, Toronto, ON M5H 2Y4 Attention: Catherine Beckett.

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 January 18, 2016

BY ORDER OF THE
BOARD OF DIRECTORS

"James Garcelon"

JAMES GARCELON
C.E.O.

APPENDIX “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.

APPENDIX "B"

SECTION 190 OF THE *CANADA BUSINESS CORPORATIONS ACT*

Right to dissent

190. (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under section 184;

(d) be continued under section 188;

(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.