

**FORM 51-102F3**

**MATERIAL CHANGE REPORT  
UNDER NATIONAL INSTRUMENT 51-102**

1. **Name and Address of Company**

Telferscot Resources Inc.  
2702-401 Bay Street  
P.O. Box 136  
Toronto ON M5H 2Y4

2. **Date of Material Change**

June 30, 2016

3. **News Release**

A news release with respect to the material change referred to in this report was disseminated through Marketwired on June 30, 2016 and filed on the system for electronic document analysis and retrieval (SEDAR).

4. **Summary of Material Change**

Telferscot Signs Agreement to Acquire Silver-Gold Assets in Mexico

5. **Full Description of Material Change**

TORONTO, Ontario, June 30, 2016 – Telferscot Resources Inc. (CSE:TFS) (“**Telferscot**”) and Auxico Resources Canada Inc. (“Auxico”), a private Canadian corporation, are pleased to announce that they have entered into an amalgamation agreement (the “Amalgamation Agreement”) as per the Letter of Intent (see press release May 17, 2016).

Pursuant to the Amalgamation Agreement, and on the effective date of the Amalgamation Agreement, the following shall occur:

- a) Following a 35:1 share consolidation, to be approved by shareholders, Telferscot shall issue 23,900,000 fully paid, issued and outstanding common shares from treasury (the “Exchange Shares”) to Auxico Shareholders, being one (1) Exchange Share for each one (1) Auxico share issued and outstanding as of the execution of the Amalgamation Agreement and all such Auxico shares shall be cancelled;
- b) Auxico is in the process of completing a financing whereby Auxico shall issue secured convertible debentures (the “Debentures”) being convertible into 5,000,000 Auxico Shares for gross proceeds of US\$2,000,000. Telferscot shall assume the obligations of Auxico pursuant to the Debentures. Further to such assumption,

Telferscot shall reserve for issuance 5,000,000 Exchange Shares.

Closing of the transaction is subject to a number of conditions, including the completion of satisfactory due diligence, receipt of any required shareholder, regulatory and third-party consents, the CSE having conditionally accepted the relisting of Telferscot's common shares and the satisfaction of other customary closing conditions.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

For further information, contact Stephen Coates, Director and CEO of Telferscot Resources Inc at 416-642-1807.

9. **Date of Report**

July 6, 2016