

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**

January 6, 2017

3. **News Release**

A news release with respect to the material change referred to in this report was disseminated through Marketwired on January 5, 2107 and filed on the system for electronic document analysis and retrieval (SEDAR).

4. **Summary of Material Change**

Telferscot Resources Announces Termination of Agreement

5. **Full Description of Material Change**

TORONTO, Ontario, January 5, 2017 – Telferscot Resources Inc. (CSE:TFS) (“**Telferscot**” or the “**Company**”) announces that as at December 31, 2016 a number of conditions precedent to the closing of the previously reported transaction with Auxico Resources Canada Inc. (“**Auxico**”) remained outstanding.

Accordingly, the agreement with Auxico has been terminated and pursuant to the terms of the transaction Telferscot is entitled to a break fee of \$150,000.

Company management is now free to explore other opportunities and will begin investigating such opportunities immediately.

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**

January 5, 2017