

February 22, 2018

Dear Fellow Telferscot Shareholders:

On behalf of your Board of Directors, you are cordially invited to the special meeting of the holders of common shares of Telferscot Resources Inc. (the “Company”). **The Meeting will be held at the office of Gardiner Roberts LLP, Suite 3600, 22 Adelaide Street, Toronto, Ontario M5H 4E3 on Thursday, March 22, 2018 at 10:00 a.m. (Eastern Standard Time).** Terms not expressly defined herein shall have the meanings given to them in the accompanying Management Information Circular (“MIC”) of the Company.

The principal purposes of this meeting are to approve two business development initiatives and the supporting resolutions thereto:

Firstly, the Arrangement: Shareholders are being asked to approve a plan of arrangement (the “Arrangement”) between the Company and seven subsidiaries (the “SpinCos”) as described in the MIC. Six of these subsidiaries will be transferred the rights to business development deals that the Company has been working on since the termination of the proposed transaction with Auxico Resources Canada Inc. at the end of 2016 and the seventh subsidiary will obtain all rights to pursue the litigation commenced by the Company against Auxico in connection with the termination of that transaction. Management elected to undertake the Arrangement to maximize the opportunities for Telferscot Shareholders to benefit from the development initiatives pursued by Telferscot in 2017.

In support of the Arrangement Shareholders will also be asked to approve a reduction in the Company’s stated capital and stock option plans for each subsidiary. The Company has also arranged financing for each subsidiary to provide the resources necessary to develop the proposed businesses.

Secondly, the Acquisition: Shareholders are being asked to approve the acquisition of all of the issued and outstanding securities of Canntab Therapeutics Limited by way of three cornered amalgamation (the “Acquisition”). Following the Acquisition, Telferscot shareholders will own approximately 2.55% of the Company (2.21% on a fully diluted basis). Canntab has developed a patent-pending oral sustained-release formulation for cannabinoids. Canntab’s proprietary extended release tablets make it easier for doctors and patients to manage dosage. Sustained-release dosage forms are designed to release the active pharmaceutical ingredient at a predetermined rate in order to maintain a constant drug concentration over a specific period of time, resulting in a longer duration of action from a single dose and often with reduced side effects. Management is of the view that this is a positive opportunity for the Telferscot shareholders. In support of the Acquisition, Telferscot Shareholders will also be asked to approve a 200 to 1 consolidation, a name change and a change to the board of directors of the Company.

Pursuant to the Arrangement, there will be a distribution to the Telferscot Shareholders of shares of each Spinco – details of each are more fully set forth in the MIC. As a result of the Arrangement and the Acquisition, holders of common shares of the Company will end up holding common shares in each of the Company and each Spinco. The Company will carry on the business of Canntab and each subsidiary will pursue the development opportunity assigned to it.

After the Arrangement and the Acquisition are completed, Telferscot, which will be renamed “Canntab Therapeutics Limited”, will operate the existing business of Canntab, and the existing board

of directors and management of Canntab will become the board of directors and management of the Company.

Telferscot has applied to list the shares to be issued to the shareholders of Canntab on the Canadian Securities Exchange (the "CSE") but as of the date hereof the CSE has not granted conditional approval for the listing of such shares. Any such approval would be subject to the Company fulfilling the conditions contained therein and there can be no assurance when, or if, such Shares will be listed but it is a condition to both the completion of the Arrangement and the Acquisition that such approval be obtained.

Completion of the Arrangement is also conditional upon approval by not less than 66 $\frac{2}{3}$ % of the votes cast by Telferscot Shareholders present in person or by proxy at the Meeting. Shareholders must also approve the Capital Reduction, the Continuance and the Name Change by not less than 66 $\frac{2}{3}$ %. The Acquisition must also be approved by a simple majority, the stock option plans for Spincos and the changes to the Board. Shareholders are entitled to one vote for each Telferscot Share held. While the Company has received an Interim Order by the Superior Court of Justice of Ontario, the Arrangement is subject to final approval by the Superior Court and is subject to the satisfaction of certain other conditions.

The Board has unanimously determined that the proposed Arrangement and the Acquisition are in the best interests of the Company and is fair from the point of view of the Shareholders. Accordingly, the Board has unanimously approved and recommends that Shareholders vote **IN FAVOUR** of the Arrangement, the Acquisition and all supporting resolutions. The determination of the Board is based on various factors described more fully in the accompanying Notice of Special Meeting and MIC.

The attached Notice of Special Meeting and MIC describe in detail the Arrangement, the Acquisition and all supporting resolutions as well as the procedures to be followed at the Meeting. Please review the MIC carefully, as it has been prepared to assist you in making an informed decision with respect to the Arrangement, the Acquisition and all supporting resolutions. Shareholders should consider consulting their tax, financial, legal or other advisors to explain the implications of the Arrangement and the Acquisition.

The proposed Arrangement and the Acquisition will have a significant impact on the Company and its subsidiaries. The Board wishes to convey the importance of having the Telferscot Shares held by all Telferscot Shareholders represented at the Meeting.

Holders of the Telferscot Shares are also advised that they are provided with rights of dissent with respect to the Arrangement. Please review the MIC carefully if you are contemplating exercising these rights.

Subject to the satisfaction of all conditions to the Arrangement and the Acquisition, including the required Court approval, if Shareholders of the Company approve the Arrangement and the Acquisition, **it is anticipated that the Arrangement and the Acquisition will be completed by March 29, 2018.**

On behalf of the Company, we would like to thank you for your past and ongoing support.

Yours truly,

"Stephen Coates"

Stephen Coates
Chief Executive Officer
Telferscot Resources Inc.

INSTRUCTIONS FOR TELFERSCOT SHAREHOLDERS:

Voting – as a Registered Shareholder (you hold a physical share certificate or have a statement of holdings from Capital Transfer Agency as of the Record Date of February 16, 2018):

Whether or not you are able to attend in person, the Board urges you to complete, sign and date the enclosed Proxy Form and return it in the envelope provided to the office of the company's Transfer Agent, Capital Transfer Agency, 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1 as soon as possible and, in any event, by no later than 10:00 a.m. (Eastern Standard Time) on Tuesday, March 20, 2018.

Completed proxies may also be presented to the Chair of the Meeting immediately prior to its commencement. Please review the Circular for additional details on how to vote your Common Shares. If you require further assistance, please do not hesitate to contact the Company at (416) 913-4110 or info@telferscotresources.com.

If you are a registered holder of Telferscot Shares, your new shares will be registered in a manner identical to the manner in which your Telferscot Shares are registered. Please be advised that you will not receive certificates representing the Spincos until after the Arrangement has been completed and only then once the proposed acquisitions have been completed.

Help to Save Money by completing and returning the enclosed Supplemental Mail Card

As a Registered Shareholder, you have the right to request to NOT receive printed copies of the Annual and/or Quarterly Financial Statements and Management Discussion & Analysis. Please consider completing the enclosed YELLOW FORM and returning it to the Company or to Capital Transfer in order to save the Company and the Spincos the cost of printing and mailing this information. These documents are produced and filed for public review at www.sedar.com and will continue to be made available on the companies' websites.

Requesting future information from the Company and the Spincos:

There will be many developments in the resultant entities and you will be a shareholder in each one. Management strongly urges to you follow these developments and opportunities as they are communicated publicly through news releases and public filings. By providing your contact information you will only receive communications in the manner by which you request.

Please consider completing the form on the following page to receive important news and communications directly from the Company and from the Spincos.



A RESULTANT SUMMARY OF THE PROPOSED ACQUISITION AND ARRANGEMENT

If approved by shareholders, the court and the CSE, as a holder of common shares of Telferscot Resources Inc. will end up receiving:

	<u>Example:</u>	<u>To calculate what you should expect:</u>
Shares of Canntab:	$1,000 \div 200 = 5$	* _____ $\div 200 =$ _____
Shares of Spinco #1:	$1,000 \div 10 = 100$	* _____ $\div 10 =$ _____
Shares of Spinco #2:	$1,000 \div 50 = 20$	* _____ $\div 50 =$ _____
Shares of Spinco #3:	$1,000 \div 50 = 20$	* _____ $\div 50 =$ _____
Shares of Spinco #4:	$1,000 \div 50 = 20$	* _____ $\div 50 =$ _____
Shares of Spinco #5:	$1,000 \div 10 = 100$	* _____ $\div 10 =$ _____
Shares of Spinco #6:	$1,000 \div 50 = 20$	* _____ $\div 50 =$ _____
Shares of Spinco #7:	$1,000 \div 5 = 200$	* _____ $\div 5 =$ _____

* Enter the number of Telferscot shares you owned as of February 16, 2018

SHAREHOLDER REQUEST FOR COMMUNICATIONS:

I wish to receive electronic delivery of:

News Releases Corporate Updates Future Investment Opportunities

Shareholder Name

Shareholder Email

Shareholder Address (optional)

Shareholder Signature

Date

The Canadian Securities Administration recognizes that developments in information technology allow companies to disseminate documents to security holders and investors in a timelier and cost-efficient manner than by traditional paper methods. By providing an e-mail address, you will be deemed to be consenting to the electronic delivery to you at such e-mail address of the requested news and corporate communications from the Company, the Spinco's and/or their authorized distributors.

PLEASE RETURN TO: Telferscot Resources Inc.
2702-401 Bay Street
Toronto, ON M5H 2K1

Or by scanned copy emailed to:
info@telferscotresources.com