



**NOTICE OF ANNUAL AND SPECIAL MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**Meeting to be held at 10:00 a.m.  
August 26, 2021  
at McKercher LLP  
374 Third Avenue South  
Saskatoon, Saskatchewan**

**July 16, 2021**

## 49 NORTH RESOURCES INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**TAKE NOTICE THAT** the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares in the capital of 49 North Resources Inc. (the “**Company**”) will be held at McKercher LLP, 374 Third Avenue South, Saskatoon, Saskatchewan, on Thursday, August 26, 2021, commencing at 10:00 a.m. (Central Standard Time), for the following purposes:

1. to receive the audited financial statements of the Company for the years ended December 31, 2018, December 31, 2019 and December 31, 2020 and the report of the auditors thereon;
2. to elect directors of the Company for the ensuing year;
3. to appoint Davidson & Company LLP, Chartered Accountants, as auditors of the Company and to authorize the directors to fix their remuneration;
4. to consider and, if deemed advisable, adopt, with or without variation, an ordinary resolution granting the continuation of the existing stock option plan of the Company; and
5. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the Shareholders at the Meeting is set forth in the accompanying Management Information Circular of the Company dated July 16, 2021.

Subject to any COVID-19 restrictions which may be in place at the time of the meeting, Shareholders may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date, sign and return the accompanying form of proxy, or other appropriate form of proxy in accordance with the instructions set forth in the accompanying Management Information Circular and form of proxy. **Proxies will not be valid unless deposited at the offices of the Company’s registrar and transfer agent, Alliance Trust Company at #1010, 407 – 2<sup>nd</sup> Street SW, Calgary, Alberta, T2P 2Y3, in the enclosed self-addressed envelope, by not later than 10:00 a.m. (Central Standard Time) on Tuesday, August 24, 2021 (or, in the case of an adjournment of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting).** A person appointed as proxy holder need not be a Shareholder.

Only Shareholders of record at the close of business on July 16, 2021 are entitled to receive notice of and to vote at the Meeting.

**DATED** at Saskatoon, Saskatchewan, this 16<sup>th</sup> day of July 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

signed “*Tom MacNeill*”  
President and Chief Executive Officer

**49 NORTH RESOURCES INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**for the Annual and Special Meeting of Shareholders**  
**to be held on Thursday, August 26, 2021**

July 16, 2021

**GENERAL**

*Solicitation of Proxies*

**This Management Information Circular (“Circular”) is furnished in connection with the solicitation by management of 49 North Resources Inc. (“49 North”, the “Company”, or the “Issuer”) of proxies for the annual and special meeting (the “Meeting”) of the registered holders of common shares of the Company (the “Shareholders”) which is to be held at McKercher LLP, 374 Third Avenue South, Saskatoon, Saskatchewan on Thursday, August 26, 2021, commencing at 10:00 a.m. (Central Standard Time).**

Solicitation of proxies will be primarily by mail, but may also be undertaken by telephone, email, facsimile, or oral communications by the directors and officers of the Company, at no additional compensation. Subject to use of the Notice-and-Access Provisions (defined below) in relation to the delivery of the Notice of Annual and Special Meeting (the “Notice”) and Circular to Shareholders, the Company has engaged its registrar and transfer agent, Alliance Trust Company, at its offices in Calgary, Alberta, to aid in the mail-out of the Notice-and-Access Notice (defined below) and related Meeting materials, and to receive and tabulate proxy forms and voting instructions for the Meeting. The cost of the solicitation of proxies will be borne by the Company.

*Voting Shares and Principal Holders of Shares*

The Company’s authorized capital consists of an unlimited number of common shares and an unlimited number of first preferred shares, issuable in series, and an unlimited number of second preferred shares, issuable in series; of which, as at the close of business on July 16, 2021, there were 83,119,155 common shares, 2,665,012 first preferred, series 1 shares and 688,316 first preferred, series 2 shares issued and outstanding.

The directors of the Company have fixed July 16, 2021 as the record date (the “**Record Date**”) for the determination of Shareholders entitled to receive notice of the Meeting. Each person who is the holder of common shares on the Record Date is entitled to one vote per common share so held, except to the extent that the person has transferred the ownership of any of the common shares after the Record Date and the transferee of those shares produces a properly endorsed share certificate or otherwise establishes that he or she owns such shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of Shareholders entitled to vote at the Meeting, in which event the transferee shall be entitled to vote such shares at the Meeting. The common shares referred to above are the only voting shares of the Company that are outstanding as of the Record Date and, accordingly, only the holders of common shares are entitled to receive notice of or vote at the Meeting. The holders of first preferred, series 1 shares and first preferred, series 2 shares are not entitled to receive notice of or vote at the Meeting.

As of July 16, 2021, Tom MacNeill owns, controls, or directs, directly or indirectly, 10,052,980 shares being 12.1% of all issued and outstanding shares. To the knowledge of the directors and executive officers of the Company, as of the date hereof, no other person or company beneficially owns, or controls or directs, directly or indirectly, shares of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company. Unless otherwise stated or unless the context otherwise indicates, all references hereafter in this Circular to “**shares**” means common shares of the Company and all references to “**Shareholders**” mean the registered holders of such shares.

### ***Appointment, Signing and Revocation of Proxies***

If your shares are held by or through a nominee such as a dealer, broker, or other intermediary, please see the instructions below under *Beneficial Owners*.

Shareholders who are unable to attend the Meeting and vote in person may still vote by appointing a proxy. Tom MacNeill and Andrew Davidson (the management designees named in the form of proxy) are executive officers of the Company. **A Shareholder who wishes to appoint another person (who need not be a Shareholder) to represent the Shareholder at the Meeting may either insert the person's name in the blank space provided in the form of proxy or complete another proper form of proxy.** Proxies will not be valid unless deposited at the offices of the Company's registrar and transfer agent, Alliance Trust Company at #1010, 407 – 2<sup>nd</sup> Street SW, Calgary, Alberta, T2P 2Y3, in the self-addressed envelope provided, by not later than 10:00 a.m. (Central Standard Time) on Tuesday, August 24, 2021 (or, in the case of an adjournment of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting).

A form of proxy must be signed by the Shareholder or his or her duly authorized attorney in writing in accordance with the instructions printed on the form. A Shareholder has the right to revoke a submitted proxy at any time prior to its use. To do so, the Shareholder may deliver a written notice to the registered office of the Company at 374 3<sup>rd</sup> Avenue South, Saskatoon, Saskatchewan, S7K 1M5, at any time up to and including the last business day before the Meeting or any adjournment of the Meeting. The proxy may also be revoked on the day of the Meeting or any adjournment of the Meeting by delivering written notice to the Chair of the Meeting, or designate thereof, and, additionally, may be revoked in any other manner permitted by law. The written notice of revocation must be signed by the Shareholder or by an attorney who has the Shareholder's written authorization. If the Shareholder is a corporation, the written notice must be signed by its duly authorized officer or attorney.

### ***Voting of Proxies***

The management designees named in the form of proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the instructions of the Shareholder appointing them and if the Shareholder specifies a choice with respect to any matter to be voted upon, the shares will be voted accordingly. **In the absence of such instruction, the relevant shares will be voted in favour of all matters referred to in the Notice and discussed in this Circular under the heading "PARTICULARS OF MATTERS TO BE ACTED UPON".** The form of proxy confers discretionary authority on the persons named therein with respect to amendments or variations to such matters and with respect to other matters that may properly be brought before the Meeting. As at the date hereof, management knows of no such amendment, variations, or other matters to be brought before the Meeting.

### ***Beneficial Owners***

Subject to the provisions of National Instrument 54-101 *Communication With Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), only registered holders of the Company's common shares are entitled to receive notice of the Meeting and only registered holders or their duly appointed proxies are entitled to vote at the Meeting. Most Shareholders of the Company are not registered holders because their shares are registered in the name of CDS & Co., as nominee of CDS Clearing and Depository Services Inc. ("CDS" or the "Depository") pursuant to the book-entry system operated by CDS (the "Book-Entry System"). Shares represented by certificates registered in the name of the Depository are held by the Depository on behalf of various dealers, brokers or other participants in the Book-Entry System (collectively "Intermediaries") who in turn hold those shares (directly or indirectly through one or more other Intermediaries) for the respective customers and accounts of such Intermediaries (the "Beneficial Owners").

As a Beneficial Owner, you may vote or cause your shares to be voted at the Meeting in any one of the following ways:

- (a) **Voting in Person:** If you plan to attend the Meeting and wish to vote your shares in person, insert your own name in the space provided on the voting instruction form or form of proxy. Then sign and return the voting instruction form or form of proxy to the offices of Alliance Trust Company by (i) facsimile at 403-

237-6181; (ii) by mail via the proxy return envelope provided; or (iii) online at [www.alliancetrust.ca](http://www.alliancetrust.ca), by not later than 10:00 a.m. (Central Standard Time) on Tuesday, August 24, 2021 (or, in the case of an adjournment of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting); or

- (b) **Voting Instructions:** Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your proxyholder. Use the voting instruction form or form of proxy to do this. The persons named in the voting instruction form or form of proxy are officers of the Company. You can choose another person to be your proxyholder by printing that person's name in the space provided. Then sign and return the voting instruction form or proxy to the offices of Alliance Trust Company by (i) facsimile at 403-237-6181; (ii) by mail via the proxy return envelope provided; or (iii) online at [www.alliancetrust.ca](http://www.alliancetrust.ca), by not later than 10:00 a.m. (Central Standard Time) on Tuesday, August 24, 2021 (or, in the case of an adjournment of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting). Your votes can only be counted if the person you appoint attends the Meeting and votes on your behalf.

A Beneficial Owner has the right to revoke a submitted voting instruction form or form of proxy at any time prior to its use. To do so, the Beneficial Owner may deliver a written notice to the registered office of the Company at 374 3<sup>rd</sup> Avenue South, Saskatoon, Saskatchewan, S7K 1M5, at any time up to and including the last business day before the Meeting or any adjournment of the Meeting. The voting instruction form or form of proxy may also be revoked on the day of the Meeting or any adjournment of the Meeting by delivering written notice to the Chair of the Meeting, or designate thereof, and, additionally, may be revoked in any other manner permitted by law. The written notice of revocation must be signed by the Beneficial Owner or by an attorney who has the Beneficial Owner's written authorization. If the Beneficial Owner is a corporation, the written notice must be signed by its duly authorized officer or attorney.

#### ***Delivery of Meeting Materials***

In accordance with the provisions of NI 54-101 and using Notice-and-Access (as defined below), the Company will distribute or cause its agents to distribute copies of the Notice-and-Access Notice, voting instruction form or form of proxy, and certain other information to Shareholders.

If you are a Beneficial Owner and 49 North has sent these materials directly to you, your name, address, and information about your share holdings have been obtained from the lists of non-objecting beneficial owners as of the Record Date by or on behalf of the Company in accordance with the procedures under NI 54-101. Beneficial Owners who have objected to the disclosure of ownership information about themselves will receive the meeting materials through Broadridge Financial Solutions, or another agent. *By choosing to send meeting materials to Beneficial Owners directly, the Company (and not the Intermediary holding shares on behalf of the Beneficial Owners) has assumed responsibility for (i) delivering the meeting materials to Beneficial Owners and (ii) executing the respective Beneficial Owners proper voting instructions.* The purpose of these procedures is to obtain voting instructions from the Beneficial Owners so as to permit the Beneficial Owners to direct the voting of the shares they beneficially own.

If your shares are registered in your name, the form of proxy will be a proxy form. If your shares are held by or through an Intermediary, the form may be a voting instruction form or a proxy form depending on the procedures of the applicable Intermediary. A Beneficial Owner receiving a voting instruction form/proxy form cannot use that voting instruction form/proxy form to vote shares directly at the Meeting. As discussed above, the voting instruction form/form of proxy must first be returned to the Company's registrar and transfer agent in advance of the Meeting in order to have the shares voted.

#### ***Notice and Access***

The notice-and-access provisions under National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 52-102") and NI 54-101 (collectively, "**Notice-and-Access**") are a mechanism which allows reporting issuers other than investment funds to choose to deliver certain proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and

sometimes the transfer agent's website) rather than delivering such materials by mail. Notice-and-Access can be used to deliver materials for both special and general meetings. Registered holders and beneficial owners will be entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense.

The Company has elected to use Notice-and-Access to deliver the meeting materials to shareholders. In order for the Company to utilize Notice-and-Access to deliver proxy-related materials by posting electronically on a website that is not SEDAR, the Company must send a notice ("**Notice-and-Access Notice**") to shareholders indicating that the proxy-related materials have been posted and explaining how a shareholder can access them, or obtain from the Company a paper copy of such meeting materials. Additionally, the Notice-and-Access Notice, explains how a shareholder can obtain a paper copy of any related financial statements and MD&A. The Notice-and-Access Notice has been delivered to shareholders by the Company, along with a form of proxy or voting instruction form.

In order to use Notice-and-Access, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the materials to be posted on the applicable website and other materials to be delivered to shareholders. The Company will not rely upon the use of "stratification". Stratification occurs when a reporting issuer using Notice-and-Access provides a paper copy of the management information circular with the Notice-and-Access Notice to any of its shareholders. No registered holder or beneficial owner of shares will receive a paper copy of the Circular from the Company or any Intermediary unless such shareholder specifically requests same.

The Circular has been posted in full under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), on the Company's website at [www.fnr.ca](http://www.fnr.ca) and at the following internet address: <http://alliancetrust.ca/Shareholders/>.

**Any shareholder who wishes to receive a paper copy of the Circular must make contact with the Company's transfer agent, Alliance Trust Company at #1010, 407 – 2<sup>nd</sup> Street SW, Calgary, Alberta, T2P 2Y3 or by phone at 1 (403) 237-6111 or by emailing [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca).** In order to ensure that a paper copy of the Circular can be delivered to a requesting shareholder in time for such shareholder to review the Circular and return a proxy or voting instruction form prior to the proxy deadline, it is strongly suggested that a shareholder ensure their request is received no later than five (5) business days in advance of the proxy return time set out in the form of proxy or voting instruction form.

#### **CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION**

Certain information in this Circular constitutes forward-looking information. Forward-looking information is information regarding possible future events, conditions, or results of operation of the Issuer that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information involves known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. We believe the expectations reflected in the forward-looking information in this Circular are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on such forward-looking information. The forward-looking information contained in this Circular is provided as of the date hereof. We do not intend and undertake no obligation to update or revise any forward-looking information. All of the forward-looking information contained in this Circular is expressly qualified by this cautionary statement.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as otherwise disclosed herein, management is not aware of any material interest, direct or indirect, of any director, any proposed nominee for election as director, executive officer, or anyone who held office as such since the beginning of the Company's last financial year, or any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. *Financial Statements*

At the Meeting, Shareholders will consider the financial statements of the Company for the fiscal years ended December 31, 2018, December 31, 2019, and December 31, 2020, and the auditor's report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

### 2. *Election of Directors*

**General** - The Articles of the Company provide that the board of directors of the Company (the "**Board**") shall consist of a minimum of three and a maximum of seven directors, with the actual number to be determined from time to time by the Board in accordance with such Articles and the bylaws of the Company (the "**Bylaws**"). The Board has determined that, at the present time, there will be four (4) directors. Directors are elected annually by the Shareholders at the Company's annual meeting. Additionally, a quorum of the Board may: (a) at any time or from time to time appoint one or more additional directors to the Board, provided that the total number of additional directors so appointed shall not exceed one-third of the number of directors elected at the last annual meeting; and (b) appoint an individual as a director to fill a vacancy in the Board resulting from the death, resignation, or disqualification of a former director. The Bylaws further stipulate that, provided that a director is not disqualified from being a director pursuant to subsection 101(10) of *The Business Corporations Act* (Saskatchewan) (the "**SBCA**"), and except where a director is elected by the Shareholders for a specific term, the term of office of each director commences (a) upon the close of the Shareholders' meeting at which such director was elected; or (b) where a director is appointed by the Board, at the time stipulated by the Board at the time of making such appointment, and the term of all directors, whether elected by the Shareholders or appointed by the Board, continues until the close of the following annual meeting or until such director dies, resigns, or pursuant to the SBCA, the Articles, or Bylaws, becomes disqualified to serve as a director. A director whose term as such would otherwise expire at the close of a Shareholder meeting may be re-elected at such meeting.

**Nominees** - The table below sets forth the name and municipality of residence of each person who has been nominated for election as a director at the Meeting; his current position with the Company; the date he first became a director; the number of common shares that, as at the date hereof, are beneficially owned, directly or indirectly, or controlled or directed by such nominees; and such nominees' principal occupation.

Directors will be elected at the Meeting by ordinary resolution which, to be effective, must be approved by a majority of the votes cast at the Meeting. Unless the proposed nominees are validly amended at the Meeting, **proxies and voting instruction forms received in favour of management designees will be voted for the nominees named below, or as otherwise directed in such Shareholder's proxy forms or voting instructions.**

<b>Name and Municipality of Residence</b>	<b>Position with Company</b>	<b>Director Since</b>	<b>No. of Shares Beneficially Owned, Controlled or Directed</b>	<b>Principal Occupation</b>
Tom MacNeill <sup>1</sup> Saskatoon, SK Canada	Chairman of the Board, President, Chief Executive Officer and Director	April, 2005	10,052,980	President and Chief Executive Officer of 49 North Resources Inc.
Andrew Davidson Saskatoon, SK Canada	Chief Financial Officer, Secretary and Director	August, 2015	3,755,274	Chief Financial Officer of 49 North Resources Inc.

Norman Murray Betts <sup>1</sup> Fredericton, NB Canada	Director	June, 2013	Nil	Associate Professor at University of New Brunswick
Andrew Arthur Cook <sup>1</sup> Toronto, ON Canada	Director	September, 2013	Nil	Portfolio Manager with Palette Asset Management Inc.
Notes:				
1. Member of Audit Committee. Dr. Norman Betts serves as the Chair of the Audit Committee.				

**Cease Trade Orders:** No director or executive officer of the Issuer is, as at the date of this Circular, or was, within 10 years before the date of this Circular, a director, chief executive officer, or chief financial officer of any company that was subject to a cease trade or similar order or an order that denied the relevant company access to an exemption under securities legislation that was in effect for more than 30 consecutive days and that was issued (i) while he was acting in the capacity as a director, chief executive officer or chief financial officer of such company, or (ii) after he ceased to be a director, chief executive officer or chief financial officer of such company but which resulted from an event that occurred while he was acting in the capacity as director, chief executive officer, or chief financial officer of such company.

**Bankruptcy:** Except as noted below, no director or executive officer or a Shareholder holding a sufficient number of securities to affect materially the control of the Issuer (i) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets, or (ii) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or (iii) was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets.

From March 2006 until June 2013, Dr. Norman Betts served as a director of Starfield Resources Inc. (TSX: SRU) (“**Starfield**”). On July 2, 2013 Starfield announced that it was deemed to have made an assignment in bankruptcy, effective at the close of business on June 28, 2013 for failure to file a proposal before the time for doing so had past pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). Starfield had previously filed a Notice of Intention to Make a Proposal (“**Notice of Intention**”) pursuant to the provisions of Part III of the BIA. Pursuant to the Notice of Intention, PriceWaterhouseCoopers Inc. (“**PWC**”) was appointed as the trustee (“**Proposal Trustee**”) in Starfield’s proposal proceedings. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List), the time for Starfield to file a proposal expired at the end of the day on June 28, 2013. Starfield completed a sale of substantially all of its assets related to its Ferguson Lake Project in early June 2013. However, in consultation with the Proposal Trustee, Starfield determined that it would not be able to put forward a viable proposal and would not be filing a proposal by the deadline. As a result, Starfield was deemed to have made an assignment in bankruptcy at the end of the day on June 28, 2013. PWC acted as the trustee in bankruptcy for Starfield.

**Penalties or Sanctions:** To the knowledge of management of the Issuer, no proposed director of the Issuer has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director of the Issuer.



### 3. *Appointment of Auditors*

Management of the Company proposes to nominate Davidson & Company LLP, Chartered Accountants, Vancouver, British Columbia, as auditors for the Company until the next annual meeting of Shareholders at remuneration to be fixed by the directors.

To be effective, an ordinary resolution appointing the auditors as aforesaid must be approved by a majority of the votes cast at the Meeting. **Proxies and voting instruction forms received in favour of management designees will be voted for the appointment of Davidson & Company LLP unless the Shareholder has specified in his proxy or voting instructions that his shares are to be withheld from voting on such resolution.**

### 4. *Annual Approval of Stock Option Plan Resolution*

Pursuant to Policy 4.4 of the TSX Venture Exchange (“TSXV”), the Company may have a rolling stock option plan reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant, with no vesting provisions. TSXV Policy 4.4 stipulates that such rolling stock option plans must be approved by the Shareholders of the Company on an annual basis.

The Company wishes to continue with its existing rolling stock option plan (the “Plan”) and, accordingly, seeks Shareholder approval of same by ordinary resolution, being a majority of the votes cast by Shareholders on the resolution. The Plan is also subject to regulatory approval by the TSXV. A copy of the Plan, in the form approved by the directors of the Company, is attached as Appendix “A” hereto.

Accordingly, the following ordinary resolution (the “Annual Approval of Stock Option Plan Resolution”) authorizing the continuation of the Plan reserving 10% of the issued shares of the Company for issuance upon the proper exercise of stock options will be considered at the Meeting:

**“BE IT RESOLVED** that:

1. The Company is hereby authorized to continue with its existing stock option plan (the “Plan”) as previously approved by the Shareholders and the Plan is hereby authorized, ratified and approved, subject to receipt of approval from the TSX Venture Exchange; and
2. Any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver for and on behalf of the Company all such notices, documents and instruments, as may be considered necessary or desirable to give effect to the foregoing resolution, and to complete all transactions in connection with the continuation of the Plan.”

To be effective, the Annual Approval of Stock Option Plan Resolution must be approved by a majority of the votes cast at the Meeting. **Proxies and voting instruction forms received in favour of management designees will be voted for the Annual Approval of Stock Option Plan Resolution unless the Shareholder has specified in his proxy or voting instructions that his shares are to be withheld from voting on such resolution.**

Directors and executive officers of the Company may be granted options under the Plan. Please see “EXECUTIVE COMPENSATION - *Option-based Awards*”.

## EXECUTIVE COMPENSATION

### *Compensation Discussion and Analysis*

Effective January 1, 2008, the Company and TMM Portfolio Management Inc. (“**TMM**”) entered a portfolio management agreement (the “**Portfolio Management Agreement**”). Mr. Tom MacNeill, the President and CEO of the Company, was, and continues as of the date hereof to be an officer, director, and the sole Shareholder of TMM. Pursuant to this Portfolio Management Agreement, since January 1, 2008, TMM has been entitled to be paid a quarterly management fee equal to 0.5% of the net asset value of the Company calculated as of the last business day of the relevant fiscal quarter, which management fee is payable on or prior to the end of the month next following the relevant fiscal quarter; and in each fiscal year of the Company, starting with its fiscal year ended December 31, 2008, TMM is entitled to receive a performance bonus, calculated as of the last business day of the applicable fiscal year, in an amount in respect of each common share that is outstanding as of such day, equal to 20% of the amount, if any, by which the sum of the net asset value per common share as of that date, plus all dividends or other distributions per common share made during that fiscal year, exceeds the greater of \$16.34 and the net asset value per share as of the last business day of the preceding fiscal year. Any such performance bonus is payable within 30 days following the end of the fiscal year to which it relates. Management fees and, if applicable, any performance bonus, not paid by the due dates described above bear interest at prime plus 2% until paid in full. Additionally, the Company reimburses TMM for all expenses reasonably and properly incurred in performing its duties and obligations under the Portfolio Management Agreement, provided that such reimbursements do not include charges for overhead or profit, it being specifically acknowledged in the Portfolio Management Agreement that such overhead and profit has been taken into consideration in determining the management fees and, if applicable, performance bonus, payable as described above.

Notwithstanding the foregoing, on April 1, 2013, TMM and the Corporation agreed to temporarily reduce the management fees payable under the Portfolio Management Agreement to \$10,000 per month until February 1, 2014. From February 1, 2014 until November 1, 2014 the management fee was fixed at \$17,000 per month. From November 1, 2014 to December 31, 2016 the management fee was fixed at \$20,000 plus GST per month, following which the management fees returned to the original compensation as documented in the Portfolio Management Agreement.

Effective June 1, 2015, the Company and Jaelky Holdings Inc. (“**Jaelky**”) entered into a management and consulting agreement (the “**Management and Consulting Agreement**”). Mr. Andrew Davidson, the Chief Financial Officer of the Company, was and continues as of the date hereof to be the sole director, officer and voting shareholder of Jaelky. Pursuant to the Management and Consulting Agreement, Jaelky is entitled to be paid a monthly consulting fee of \$20,000.00 plus GST.

Effective January 1, 2016, the Board adopted an executive compensation plan (the “**Executive Compensation Plan**”). Directors of the Company who are not also officers or employees of the Company (or who do not perform their duties as an officer or employee of the Company on substantially a full-time basis) and directors of the Company who are not directors, officers, or employees of, or associated or affiliated with, TMM or Jaelky, are considered to be “independent directors” for the purposes of this Executive Compensation Plan. For this purpose, all of the Company’s current directors and nominees for election as directors at the Meeting are currently considered independent directors, with the exceptions of Mr. Tom MacNeill, who in addition to being a director, the President, and CEO of the Company, is also the sole shareholder and a director and officer of TMM, and Mr. Andrew Davidson, who in addition to being the Company’s Chief Financial Officer, is also the sole voting shareholder and a director and officer of Jaelky. Independent directors have received a stipend of \$12,000 annually from January 1, 2016 to March 31, 2019, paid in quarterly installments. Since March 31, 2019, no director fees were paid by the Company. The Company intends to resume the annual stipend when circumstances allow.

The Executive Compensation Plan shall be reviewed annually by the board of directors and may be amended from time to time if the board of directors deems it is appropriate to do so.

Executive officers, other than Tom MacNeill (who is compensated under the Portfolio Management Agreement) and Andrew Davidson (who is compensated under the Management and Consulting Agreement), are paid such compensation as is from time to time agreed to by the Board or otherwise in accordance with the respective terms

and conditions of employment set forth in written employment agreements between the Company and such executive officers. As at the date hereof, the Company is party to the Portfolio Management Agreement with TMM and the Management and Consulting Agreement with Jaelky.

With the exception of Mr. Tom MacNeill, whose annual performance bonus entitlement is prescribed by the formula contained in the Portfolio Management Agreement, executive officers of the Company are entitled to receive discretionary cash bonuses from time to time as determined by the Board or the President and CEO, as applicable. 49 North's cash bonus awards are designed to attract and retain senior executives while at the same time motivate those executives to use their best efforts to drive the short-term performance of the Company's business for the benefit of both the Company and its Shareholders. No bonuses were paid by the Company for the 2018, 2019 or 2020 financial years.

All directors and officers are also entitled to be reimbursed for all fees and expenses reasonably incurred in performing their duties as such; and all directors and officers and former directors and officers, and their respective heirs, executors, administrators or other legal representatives, will be indemnified by the Company from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative, investigative, or other proceedings in which such person is involved because of being or having been a director or officer of the Company, provided that such right of indemnification shall be subject to the limitations thereon under applicable law, including provisions of the SBCA that require such person to have acted honestly and in good faith and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, to have had reasonable grounds for believing that his or her conduct was lawful. The Company maintains directors' and officers' liability insurance covering all of its directors and officers. Coverage is limited to \$2 million per occurrence and to an aggregate total of \$2 million in each policy year subject to a deductible of \$50,000 for each director and officer. The annual premium is \$37,264.

#### ***Option-based Awards***

The Shareholders of 49 North approved a stock option plan (the "**2008 Stock Option Plan**") at the Company's annual and special meeting held June 4, 2008. The purpose of the 2008 Stock Option Plan is to attract, retain and motivate Directors, Employees and Consultants (as those terms are defined in the Plan and in accordance with policies of the TSXV) and to advance the interests of 49 North by providing such persons with the opportunity, through Options (as defined in the Plan), to acquire an equity interest in the Issuer. The plan, which is a "rolling" plan for the purpose of TSXV policies, is administered by the Board and authorizes the Board to grant stock options on the following terms:

- (a) the total number of shares that may be reserved pursuant to Options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Issuer as at the date of the grant.
- (b) the number of shares subject to each Option is determined by the Board provided that:
  - (i) in no case will an insider be granted an Option where: (1) the number of shares that may be purchased by insiders pursuant to Options, and any other incentive stock options granted by the Issuer, exceed 10% of the Issuer's issued and outstanding shares; or (2) the Options, and any other incentive stock options granted by the Issuer, granted to insiders in any 12 month period exceed 10% of the Issuer's issued and outstanding shares, in each case determined at the date of grant;
  - (ii) in no case will a Director or Employee be granted an Option where the number of shares that may be purchased by that Director or Employee pursuant to Options, and any other incentive stock options granted by the Issuer, in any 12 month period exceed 5% of the Issuer's issued and outstanding shares, determined at the date of grant;
  - (iii) in no case will a Consultant be granted an Option where the number of shares that may be purchased by that Consultant pursuant to Options, and any other incentive stock options granted by the Issuer, in any 12 month period exceed 2% of the Issuer's issued and outstanding shares, determined at the date of grant; and

- (iv) in no case will the aggregate number of shares that may be purchased pursuant to Options granted to persons conducting Investor Relations Activities (as defined in the Plan) exceed 2% of the Issuer's issued and outstanding shares in any 12 month period, determined at the date of grant.
- (c) the exercise price of an option may not be less than the "Discounted Market Price" (as defined by the policies of the TSXV) which, for these purposes, means the last closing price of the shares before the date of the stock option grant, less any discount allowed by the TSXV, subject to a minimum price of \$0.05. However, if options are granted within 90 days of a public distribution of shares by a prospectus, then the minimum exercise price must be the greater of the Discounted Market Price and the per share price paid by public investors for shares acquired in the prospectus distribution.
- (d) options may be exercisable for a maximum of 10 years from the date of grant, or such shorter period as may be determined by the Board in connection with any particular options granted pursuant to the Plan, provided that options can only be exercised while the optionee is, or within 90 days of ceasing to be, a Director, Employee or Consultant or, if the optionee dies, within one year of the optionee's death. As an exception to the foregoing, options that expire either during a blackout period imposed by the Issuer or within 10 business days following such blackout period shall be deemed to expire on the date that is the 10<sup>th</sup> business day following such blackout period. For these purposes, "blackout period" means the period during which trading in the securities of the Issuer by insiders is restricted in accordance with the policies of the Issuer.
- (e) options granted pursuant to the Plan are non-assignable and non-transferable (subject to certain provisions of the Plan which, in the event of an optionee's death or incapacity, allow options to be exercised by the optionee's estate or other personal representatives as applicable); and
- (f) the Plan includes conventional anti-dilution adjustment provisions pursuant to which if the shares of the Company are subdivided or consolidated or, subject to the Board's discretion, if a stock dividend is paid on the shares, then the number of shares reserved for option and the price payable for shares that are subject to option will be adjusted accordingly; as well as conventional anti-dilution adjustments that may apply upon or as a result of certain stated events, such as a reclassification of common shares, certain types of rights offerings or other distributions (excluding cash dividends paid in the ordinary course), corporate reorganizations, or an amalgamation (or certain other types of merger or acquisition transactions) where the Issuer combines with or is acquired by another company or entity. Additionally, the Plan includes provisions where, in the event of a take-over bid or certain reorganization or merger or acquisition transactions, all unexercised options will immediately become vested (regardless of the vesting conditions, if any, otherwise applicable to such options) or the Board may accelerate the expiry date of options.

No specific formula or criteria is used to determine the quantum of a particular grant (whether in the terms of the number of options or fair value of options). An option grant is intended to recognize, on a reasonable basis, the individual's specific contribution to the Company in the context of the recipient's roll. As a matter of course, options granted by the Company vest immediately on the grant date and are not subject to any restrictions or conditions for exercise.

### Compensation Excluding Compensation Securities

The following table and related notes sets forth information concerning the compensation during the last three fiscal years for the Issuer’s Chief Executive Officer, Chief Financial Officer and the other three most highly compensated executive officers whose annual compensation exceeds \$150,000 (the “**Named Executive Officers**”), followed by the directors who are not Named Executive Officers.

Name and Position	Year (years ended Dec.31)	Salary and Fees (\$)	Non-equity Incentive Plan Compensation		Meeting and Committee Fees (\$)	Value of Perquisites (\$)	All Other Compensation (\$)	Total Compensation (\$)
			Annual Incentive Plans <sup>1</sup> (\$)	Long-term Incentive Plans (\$)				
Tom MacNeill <sup>2</sup> President, Chief Executive Officer and Director	2020	Nil	Nil	N/A	Nil	Nil	452,812 <sup>4</sup>	452,812 <sup>4</sup>
	2019	Nil	Nil	N/A	Nil	Nil	165,654 <sup>4</sup>	165,654 <sup>4</sup>
	2018	Nil	Nil	N/A	Nil	Nil	187,101 <sup>4</sup>	187,101 <sup>4</sup>
Andrew Davidson <sup>3</sup> Chief Financial Officer, Secretary and Director	2020	Nil	Nil	N/A	Nil	Nil	240,000	240,000
	2019	Nil	Nil	N/A	Nil	Nil	240,000	240,000
	2018	Nil	Nil	N/A	Nil	Nil	240,000	240,000
Norman Betts Director	2020	12,000	Nil	N/A	Nil	Nil	Nil	12,000
	2019	12,000	Nil	N/A	Nil	Nil	Nil	12,000
	2018	12,000	Nil	N/A	Nil	Nil	Nil	12,000
Andrew Cook Director	2020	12,000	Nil	N/A	Nil	Nil	Nil	12,000
	2019	12,000	Nil	N/A	Nil	Nil	Nil	12,000
	2018	12,000	Nil	N/A	Nil	Nil	Nil	12,000

Notes:

- These amounts represent cash bonus payments made by the Company. The Company’s policy regarding annual bonus payments is described above under “Compensation Discussion and Analysis”.
- Mr. Tom MacNeill received total compensation of \$452,811.69 in his capacity as a NEO and total compensation of \$Nil in his capacity as a director of the Company.
- Mr. Andrew Davidson received total compensation of \$240,000 in his capacity as a NEO and total compensation of \$Nil in his capacity as a director of the Company.
- The compensation attributed to Mr. Tom MacNeill in the above Summary Compensation Table includes the following:
  - Other Compensation:** As described above under “Compensation Discussion and Analysis”, Mr. Tom MacNeill provides services to the Company through TMM Portfolio Management Inc. Pursuant to the Portfolio Management Agreement, TMM is entitled to receive a management fee and a performance bonus. Mr. Tom MacNeill is an officer, director and the sole shareholder of TMM. The following provides further details respecting the compensation attributed to Mr. Tom MacNeill in the above Summary Compensation Table:

CEO Compensation	Fiscal year ended December 31					
	2020		2019		2018	
	Accrued (\$)	Paid (\$)	Accrued (\$)	Paid (\$)	Accrued (\$)	Paid (\$)
Management fees to TMM	452,812	77,500	165,654	145,000	187,101	278,000
Performance bonus to TMM	Nil	Nil	Nil	Nil	Nil	Nil
Total	452,812	77,500	165,654	145,000	187,101	278,000

### ***Stock Options and Other Compensation Securities***

The following table sets forth the information concerning all stock options and other compensation securities granted to each of the Named Executive Officers and directors that are not Named Executive Officers during the fiscal years ended December 31, 2018, December 31, 2019 and December 31, 2020.

<b>Name and Position</b>	<b>Type of Compensation Security</b>	<b>Number of Compensation Securities, Number of Underlying Securities and Percentage of Class</b>	<b>Date of Issue or Grant</b>	<b>Issue, Conversion or Exercise Price (\$)</b>	<b>Closing Price of Security or Underlying Security on Date of Grant (\$)</b>	<b>Closing Price of Security or Underlying Security at Year-End (\$)</b>	<b>Expiry Date</b>
Tom MacNeill President, Chief Executive Officer and Director	Stock Options <sup>1</sup>	800,000 <sup>2</sup>	May 5, 2019	0.05	0.04	0.02	May 2, 2029
Andrew Davidson Chief Financial Officer, Secretary and Director	Stock Options <sup>1</sup>	800,000 <sup>2</sup>	May 5, 2019	0.05	0.04	0.02	May 2, 2029
Norman Betts Director	Stock Options <sup>1</sup>	200,000 <sup>2</sup>	May 5, 2019	0.05	0.04	0.02	May 2, 2029
Andrew Cook Director	Stock Options <sup>1</sup>	200,000 <sup>2</sup>	May 5, 2019	0.05	0.04	0.02	May 2, 2029

**Notes:**

- All stock options were granted pursuant to the Company's 2008 Stock Option Plan discussed above under "Option Based Awards" and may be exercised for common shares of the Company.
- As at December 31, 2020, the total amount of stock options held by the Named Executive Officers and directors that are not Named Executive Officers is as follows:

<b>Name</b>	<b>Total Stock Options</b>	<b>% of Stock Options Outstanding</b>
Tom MacNeill	1,850,000	24.6%
Andrew Davidson	1,800,000	23.9%
Norman Betts	775,000	10.3%
Andrew Cook	775,000	10.3%

- Subject to earlier termination in accordance with the Plan.
- No compensation security has been re-priced, cancelled and replaced, extended or otherwise materially modified in the fiscal year ended December 31, 2020.
- Stock options granted by the Company vest immediately on the grant date and are not subject to any restrictions or conditions for exercise.
- As of the date of this Management Information Circular, the Company has not issued any options in 2021.

### ***Exercise of Stock Options and Other Compensation Securities***

No stock options or other compensation securities were exercised by a Named Executive Officer or a director that is not Named Executive Officers during the fiscal years ended December 31, 2018, December 31, 2019 and December 31, 2020.

### ***Termination and Change of Control Benefits***

There are no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following, or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of the Company, or a change in a Named Executive Officer's responsibilities.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors or officers of the Company, any proposed management nominee for election as a director of the Company, or any associate of any director, officer, or proposed management nominee is or has been indebted to the Company or any of its subsidiaries at any time during the last completed fiscal year.

### **MANAGEMENT CONTRACTS**

As discussed in greater detail herein under the heading "EXECUTIVE COMPENSATION – *Compensation Discussion and Analysis*", TMM performs management functions for the Company pursuant to a Portfolio Management Agreement made as of January 1, 2008. The Company's President and CEO, Mr. Tom MacNeill, is a director, officer and the sole shareholder of TMM. Additionally, Jaelky performs management functions for the Company pursuant to a Management and Consulting Agreement made as of June 1, 2015. The Company's Chief Financial Officer, Mr. Andrew Davidson, is the sole director, officer and voting Shareholder of Jaelky.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth in this Circular and except for the fact that certain directors and officers are shareholders of the Company, no "informed person" (as defined in NI 51-102) of the Company and no nominee for election as a director of the Company (nor any associate or affiliate of any such person) had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed fiscal year or in any proposed transaction which has materially affected or would reasonably be expected to materially affect the Issuer.

### **AUDIT COMMITTEE**

#### ***Audit Committee Charter***

Attached as Appendix "B" to this Information Circular is the Company's Audit Committee Charter.

#### ***Composition of the Audit Committee***

The members of the Audit Committee are Norman Betts (Chair), Andrew Cook, and Tom MacNeill. Each member of the Audit Committee is financially literate, and Messrs. Norman Betts and Andrew Cook are independent. The terms "independent" and "financially literate" as used herein have the meaning given such terms in National Instrument 52-110 *Audit Committees* ("NI 52-110"). Information regarding education and experience of the members of the Audit Committee that is relevant to the performance of their responsibilities as a member of the Audit Committee includes, without limitation, the following:

<b>Name of Audit Committee Member</b>	<b>Independent</b>	<b>Financially Literate</b>	<b>Education and Experience</b>
Norman Betts	Yes	Yes	Dr. Betts, FCA, FCPA is an associate professor, Faculty of Business Administration, University of New Brunswick, and a Chartered Accountant Fellow (FCA). Dr. Betts serves as a director and member of the audit committees of Tembec Inc., Tanzanian Royalty Exploration Corporation, New Brunswick

			Power Corporation, and Adex Mining Inc. He is also a member of the Board of Directors of the Bank of Canada and co-chair of the board of trustees of the University of New Brunswick Pension Plan for Academic Employees. He is a former Finance Minister and Minister of Business New Brunswick with the Province of New Brunswick. He was awarded a Ph.D. in Management from the School of Business at Queens University in 1992.
Andrew Cook	Yes	Yes	Mr. Cook is a certified public accountant (CPA), chartered accountant (CA), and chartered financial analyst (CFA). During his 20+ year career, Mr. Cook has been employed as an analyst and portfolio manager with the Royal Bank of Canada, Midland Walwyn, Strategic Nova, Marquest Asset Management, Matrix Asset Management Inc., and is currently President and Chief Executive Officer of Palette Asset Management Inc.
Tom MacNeill	No	Yes	Tom MacNeill is a graduate of the University of Saskatchewan (Economics) and is a Chartered Financial Analyst (CFA) and a Certified General Accountant (CGA). Mr. MacNeill has also completed the Canadian Securities course (with Honors) in 1987. With over 25 years in the resource investment and corporate finance industry, Mr. MacNeill's work history includes positions as: Investment Advisor with a major Canadian firm, management accountant within the mining industry, Chief Financial Officer of a Canadian trust corporation, as well as extensive resource portfolio management.

### ***Audit Committee Oversight***

The Company's Board has adopted all recommendations by the Audit Committee with respect to the nomination and compensation of the external auditor.

### ***External Auditor Fees***

The following table discloses all fees billed to the Issuer and its subsidiaries by its external auditor, Davidson & Company LLP, in each of its last three completed fiscal years.

Category	Fiscal Year	Fees (\$)
Audit Fees <sup>1</sup>	2020	44,126
	2019	44,651
	2018	52,531
Audit Related Fees <sup>2</sup>	2020	nil
	2019	nil
	2018	nil
Tax Fees <sup>3</sup>	2020	3,000
	2019	3,000
	2018	2,500
All Other Fees <sup>2</sup>	2020	512
	2019	519
	2018	610
<b>Notes:</b>		
1. Audit fees billed respecting the Issuer and its subsidiaries/special purpose entities. Our external auditor did not perform services relating to the Issuer's subsidiaries, North Rim or Vicarage.		
2. Audit related and other fees relate to quarterly financial statements for the Issuer and Allstar.		
3. Tax fees relate to review of corporate income tax returns.		



### ***Exemption***

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committees*) and 5 (*Reporting Obligations*).

### **CORPORATE GOVERNANCE**

Information concerning the corporate governance of 49 North, as required by National Instrument 58-101 *Disclosure of Corporate Governance Practices*, is included in Appendix “C” which is attached to and forms part of this Circular.

### **ADDITIONAL INFORMATION**

Additional information relating to the Issuer is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Information is also available at 49 North’s website at [www.fnr.ca](http://www.fnr.ca). Financial information concerning the Issuer is provided in the Company’s annual financial statements and related annual MD&A for its most recently completed fiscal year, being the year ended December 31, 2020. Shareholders may also contact the Company’s Manager, Investor Relations (phone: 306-653-2692; email: [ir@fnr.ca](mailto:ir@fnr.ca)) to request copies of the Company’s financial statements and MD&A.

### **DIRECTOR’S APPROVAL**

The contents and sending of this Information Circular has been approved by the Board.

signed “*Tom MacNeill*”  
President and Chief Executive Officer  
July 16, 2021

## Appendix "A"

### 49 North Resources Inc.

#### AMENDED AND RESTATED 2008 STOCK OPTION PLAN

#### ARTICLE 1 DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) "Administrator" means, initially, the President of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) "Associate" has the meaning given to it in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual;
- (c) "Award Date" means the date on which the board awards a particular Option;
- (d) "Board" means the board of directors of the Company, or any committee thereof which the board of directors of the Company has delegated the power to administer and grant options under this Plan;
- (e) "Cause" means:
  - (i) "Cause" as such term is defined in the written employment agreement, if any, between the Company and Employee; or
  - (ii) in the event there is no written employment agreement between the Company and the Employee or "Cause" is not defined in the written employment agreement between the Company and the Employee, the usual meaning of just cause under the common law or the laws of Saskatchewan;
- (f) "Company" means **49 North Resources Inc.**;
- (g) "Consultant" means an individual, other than an employee or an executive of the Company, that
  - (i) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Company or to an affiliated entity of the Company, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Company or the affiliated entity and the individual or a consultant company or consultant partnership of the individual; and
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliated entity of the Company;
- (h) "consultant company" means, for an individual consultant, a company of which the individual consultant is an employee or Shareholder;

- (i) “consultant partnership” means, for an individual consultant, a partnership of which the individual consultant is an employee or partner;
- (j) “Director” means any individual holding the office of director or senior officer of the Company or a subsidiary of the Company to whom stock options can be granted in reliance on a prospectus exemption under applicable Securities Laws;
- (k) “Discounted Market Price” has the meaning given to it in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual;
- (l) “Employee” means an individual who:
  - (i) is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) works full-time for the Company or a subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) works for the Company or a subsidiary of the Company on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (m) “Exercise Notice” means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (n) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date;
- (o) “Exercise Price” means the price at which an Option may be exercised as determined in accordance with paragraph 3.5;
- (p) “Expiry Date” means the date determined in accordance with paragraph 3.3 and after which a particular Option cannot be exercised;
- (q) “Insider” has the meaning given to it in *The Securities Act, 1988* (Saskatchewan);
- (r) “Investor Relations Activities” has the meaning given to it in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual;
- (s) “Market Price” means the last closing price of the Company’s Shares on the TSX Venture Exchange before the issuance of the required news release disclosing the grant of an Option, subject to the exceptions provided for in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual;
- (t) “Option” means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (u) “Option Certificate” means the certificate, in the form set out as Schedule “A” hereto, evidencing an Option;
- (v) “Option Holder” means a Director, Employee or Consultant or former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

- (w) “Plan” means this stock option plan;
- (x) “Personal Representative” means:
  - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (y) “Regulatory Authorities” means all stock exchanges and other organized trading facilities on which the Company’s Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company;
- (z) “Securities Laws” means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and orders in force from time to time that are applicable to the Company;
- (aa) “Share” or “Shares” means, as the case may be, one or more common shares without par value in the capital stock of the Company;
- (bb) “Termination Date” means:
  - (i) in the case of the resignation of the Option Holder as an Employee of the Company, the date that the Option Holder provides notice of his or her resignation as an Employee of the Company to the Company; or
  - (ii) in the case of the termination of the Option Holder’s employment with the Company by the Company for any reason other than death, the date that the Company provides notice of termination of the Option Holder’s employment to the Option Holder; or
  - (iii) in the case of the termination of the written contract of the Option Holder to provide consulting services to the Company, the date that one of the parties to the written contract provides notice of termination of the written contract to the other party; and

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of Saskatchewan.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

**ARTICLE 2  
PURPOSE AND PARTICIPATION**

2.1 Purpose

The purpose of the Plan is to attract, retain and motivate Directors, Employees and Consultants of the Company and its subsidiaries and to advance the interests of the Company by providing such persons with the opportunity, through stock options, to acquire an equity interest in the Company.

2.2 Participation

- (a) The Board shall, from time to time and in its sole discretion, determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded.

- (b) The Board may only grant options to an Employee or Consultant if such Employee or Consultant is a bona fide Employee or Consultant of the Company or a subsidiary of the Company.
- (c) The Board may, in its sole discretion, grant the majority of the Options to Insiders of the Company. Notwithstanding the foregoing, in no case will an Insider be granted an Option where: (i) the number of Shares that may be purchased by Insiders pursuant to Options, and any other incentive stock options granted by the Company, exceed 10% of the Company's issued and outstanding shares; or (ii) the Options, and any other incentive stock options granted by the Company, granted to Insiders in any 12 month period exceed 10% of the Company's issued and outstanding shares, in each case determined at the date of grant.
- (d) In no case will a Director or Employee be granted an Option where the number of Shares that may be purchased by that Director or Employee pursuant to Options, and any other incentive stock options granted by the Company, in any 12 month period exceed 5% of the Company's issued and outstanding shares, determined at the date of grant.
- (e) In no case will a Consultant be granted an Option where the number of Shares that may be purchased by that Consultant pursuant to Options, and any other incentive stock options granted by the Company, in any 12 month period exceed 2% of the Company's issued and outstanding shares, determined at the date of grant.
- (f) In no case will the aggregate number of Shares that may be purchased pursuant to Options granted to persons conducting Investor Relations Activities exceed 2% of the Company's issued and outstanding shares in any 12 month period, determined at the date of grant.

### 2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

### 2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### 2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company, does not give any Option Holder that is an Employee the right to be or to continue to be employed by the Company and does not give any Option Holder that is a Consultant the right to be or to continue to be retained as a Consultant by the Company.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### 3.1 Board to Issue Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be authorized and un-issued Shares the issuance of which shall have been authorized by the Board.

### 3.2 Number of Shares

Subject to adjustment as provided for in paragraph 3.8 of this Plan, the number of Shares which will be available for purchase pursuant to Options granted under this Plan will not exceed 10% of the issued and outstanding common shares of the Company at the Award Date. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which the Option expired or terminated shall again be available for the purposes of the Plan.

### 3.3 Term of Option

Subject to paragraph 3.4, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall be no later than the tenth anniversary of the Award Date of such Option or such later date as allowed by the policies of the TSX Venture Exchange.

### 3.4 Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 4:30 p.m. local time in Saskatoon, Saskatchewan on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in subparagraphs (a) to (c) below:

(a) Death of Option Holder

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director), an Employee (if he or she holds his or her Option as an Employee), or a Consultant (if he or she holds his or her Option as a Consultant), the Expiry Date shall be the first anniversary of the Option Holder's date of death.

(b) Ceasing to hold Office

In the event that the Option Holder holds his or her Option as a Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Expiry Date of the Option shall be, unless otherwise provided for in the Option Certificate, the 90<sup>th</sup> day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in *The Business Companies Act* (Saskatchewan); or
- (ii) his or her removal as a director of the Company pursuant to *The Business Companies Act* (Saskatchewan); or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order; in which case the Expiry Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be an Employee or Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, unless otherwise provided in the Option Certificate, the Expiry Date of the Option shall be the 90<sup>th</sup> day following the Termination Date unless the Option Holder ceases to be:

- (i) an Employee of the Company as a result of termination for Cause; or
- (ii) an Employee or Consultant of the Company as a result of an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the Termination Date.

Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder.

### 3.5 Exercise Price

The price at which an Option Holder may purchase a Share upon the exercise of an Option shall be as set forth in the Option Certificate issued in respect of such Option and in any event shall not be less than the Discounted Market Price of the Company's Shares as of the Award Date. Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Option Holder is an Insider of the Company at the time of the proposed amendment.

Notwithstanding anything else contained herein, in no case will the Discounted Market Price be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

### 3.6 Additional Terms

Subject to all applicable Securities Laws of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

- (a) providing that an Option expires on a date other than as provided for herein;
- (b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events;
- (c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Company; and
- (d) providing that an Option issued to, held by or exercised by an Option Holder who is a citizen or resident of the United States of America, and otherwise meets the statutory requirements, be treated as an "Incentive Stock Option" as that term is defined for purposes of the United States of America Internal Revenue Code of 1986, as amended.

### 3.7 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

### 3.8 Adjustments

If prior to the complete exercise of an Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event"), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### 3.9 Vesting

Options granted to Consultants engaged in Investor Relations Activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the Options vesting in any three month period.

### 3.10 Resale Restrictions

In addition to any resale restrictions under Securities Laws, the Option and any Shares issued upon exercise of the Option will be subject to a hold period of four months from the Award Date of the Option in accordance with the requirements of the TSX Venture Exchange Corporate Finance Manual. The Option, and the Shares, if applicable, will bear the following legend:

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert expiry date of hold period].*

Notwithstanding the forgoing, where the Exercise Price of for Shares issued upon the exercise of an Option is based on the Market Price rather than the Discounted Market Price or otherwise, the Option and Shares issued upon the exercise of the Option will not be subject to the aforementioned TSX Venture Exchange hold period.

#### **ARTICLE 4 EXERCISE OF OPTION**

##### **4.1 Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 4:30 p.m. local time in Saskatoon, Saskatchewan on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

In the event the Expiry Date for Options occurs on a date either during a blackout period imposed by the Company or within ten (10) days following the blackout period (a "Blackout Expiry Date"), the end date for the Exercise Period of such Options shall be deemed to be the date that is ten (10) business day after the Blackout Expiry Date. For the purposes of the forgoing, "blackout period" means a period during which trading in securities of the Company by Insiders of the Company is restricted in accordance with the policies of the Company.

##### **4.2 Issue of Share Certificates**

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the Share Certificate for the balance of Shares available under the Option.

##### **4.3 Condition of Issue**

The Options and the issue of Shares by the Company pursuant to the exercise of Options are subject to the terms and conditions of this Plan and compliance with the rules and policies of all applicable Regulatory Authorities to the granting of such Options and to the issuance and distribution of such Shares, and to all applicable Securities Laws. The Option Holder agrees to comply with all Securities Laws and agrees to furnish to the Company any information, reports or undertakings required to comply with, and to fully cooperate with, the Company in complying with such Securities Laws.

#### **ARTICLE 5 ADMINISTRATION**

##### **5.1 Administration**

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director, senior officer or employee of the Company such administrative duties and powers as it may see fit.



5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

**ARTICLE 6  
AMENDMENT AND TERMINATION**

6.1 Amendment

The Board may amend the Plan at any time, provided, Shareholder approval will be required for the following types of amendments to the Plan:

- (a) an increase in the maximum number of Shares issuable under the Plan;
- (b) a change in the manner of determining the Exercise Price;
- (c) a change in the available term of an Option;
- (d) an extension of the period during which Options may be granted; and
- (e) an alteration or impairment of any Option previously granted to an Option Holder, without prior written consent of the Option Holder.

All other amendments to the Plan will not require Shareholder approval. Such amendments for example include, without limitation, amendments relating to:

- (f) altering the terms and conditions of vesting applicable to any Option;
- (g) changing the termination provisions of an Option, provided that the change does not entail an extension beyond the original Expiry Date of such Option;
- (h) accelerating the Expiry Date;
- (i) amending the definitions contained within the Plan, clarifying any provision of the Plan and other amendments of a “housekeeping” or “clerical” nature;
- (j) a change to the persons eligible to receive options pursuant to the Plan;
- (k) making an addition to or deletion or alteration of the provisions of the Plan that are reasonably necessary to allow Option Holders to receive fair and favourable tax treatment under relevant tax legislation; and
- (l) amending or modifying the mechanics of exercise of the Options, such as changing the form to be used to give notice of exercise, the person to whom the notice of exercise is to be directed and providing for a cashless method of exercising.

6.2 Retrospective Amendment

The Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options that have been previously granted.

6.3           Approvals

This Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities.

6.4           Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

6.5           Agreement

The Company and every Option awarded hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan.

## **Appendix “B”**

### **49 North Resources Inc.**

#### **AUDIT COMMITTEE CHARTER**

##### **COMPOSITION**

The Company shall have an audit committee (the “Committee”) consisting of at least three directors of the Company, and such additional directors (collectively, “Members”) as the board of directors of the Company (the “Board”) may from time to time determine. The chair and a majority of the Members must be persons who are not officers or employees of the Company or any of its affiliates.

Members are appointed to the Committee by the Board, with indefinite terms as the Board deems appropriate, provided that any Member who ceases to be a director of the Company shall thereupon automatically also cease to be a member of the Committee.

##### **RELATIONSHIP WITH EXTERNAL AUDITOR**

The Company’s external auditor (the “Auditor”) shall report directly to the Committee.

##### **MANDATE**

The Committee is generally responsible for, and exercises control and supervision over, the Company’s accounting and financial reporting systems and controls, and compliance with the Company’s reporting requirements under securities legislation and other applicable laws.

The Committee is responsible to and reports directly to the Board and serves as a direct communications link between the Company, its Auditor, Board and management.

Members of the Committee are expected to obtain a reasonably detailed understanding of the Company’s accounting and financial systems and controls and sufficient knowledge of securities and other regulatory requirements to enable them to discharge their duties and responsibilities under this Charter.

##### **DUTIES AND RESPONSIBILITIES**

Without limiting the generality of the Committee’s mandate, the Committee shall:

- a. recommend to the Board:
  - i. the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; and
  - ii. the compensation of the external auditor;
- b. be directly responsible for 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 Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- c. pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditor;
- d. review the Company’s annual and interim financial statements, MD&A, and as applicable, related earnings press releases before the Company publicly discloses this information;
- e. satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures;

- f. establish procedures for:
  - i. the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - ii. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- g. review and approve the Company's hiring policies regarding employees and former employees of the present and former external auditor of the Company.

#### **AUTHORITY**

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, to set and pay the compensation for any advisors employed by the Committee, and to communicate directly with the Company's internal and external auditors.

#### **MEETINGS AND PROCEDURES**

- a. The Committee shall elect from its Members a Chair of the Committee, provided that no Member shall serve as Chair if he or she is an officer of the Company or any of its affiliates.
- b. The time and place of meetings of the Committee and rules of procedure for the giving of notice and conduct of meetings of the Committee shall be determined from time to time by the Members of the Committee and, in the absence of such determination the rules applicable to meetings of the Board as set forth in the Company's bylaws shall apply to meetings of the Committee provided that:
  - i. the Committee shall meet at least twice annually and more frequently as circumstances dictate; and
  - ii. the secretary of the Committee (who may but need not be a Member of the Committee) shall prepare minutes of all meetings of the Committee which minutes shall be distributed as soon as reasonably possible following the Meeting to all Committee Members and shall additionally be made available to all directors of the Company.

The undersigned hereby certifies that this Audit Committee Charter was adopted by resolution of the board of directors of 49 North Resource Fund Inc. on the 25th day of November, 2008, and the same remains in full force and effect without amendment as at the date hereof.

DATED this 26th day of November, 2008.

## Appendix “C”

### 49 North Resources Inc.

#### Form 58-101F2 Corporate Governance Disclosure (Venture Issuers)

#### 1. Board of Directors

Norman Betts and Andrew Cook are independent directors. The Company’s President and CEO, Tom MacNeill, and the Company’s CFO, Andrew Davidson are not considered independent by virtue of the fact that they are also officers of the Company.

#### 2. Directorships

The following directors or proposed nominees for election as a director are also directors of the reporting issuers (or the equivalent) set forth next to their respective names:

Director or Proposed Nominee	Reporting Issuers
Tom MacNeill	Omineca Mining & Metals Ltd., Eros Capital Corp., RHC Capital Corp., Royal Helium Ltd., 1844 Resources Inc. (formerly, Gespeg Copper Resources Inc.), and Westcore Energy Ltd.
Andrew Davidson	Omineca Mining & Metals Ltd., 1844 Resources Inc. (formerly, Gespeg Copper Resources Inc.), MAS Gold Corp., Royal Helium Ltd., Southern Empire Resources Corp., Westcore Energy Ltd., and RHC Capital Corp
Norman Betts	Mimi’s Rock Corp, Canada House Wellness Group Inc. (formerly Abba Medix Group Inc.), INTELLIPHARMACEUTICS INTERNATIONAL INC., Tanzanian Gold Corporation, New Brunswick Power Company, RTICA Corporation, Export Development Canada, and Adex Mining Inc.
Andrew Cook	None.

#### 3. Orientation and Continuing Education

The Company will provide an orientation program for new directors in order that they can become familiar with the role of the Board, its committees and its directors and with the nature and operation of the Company’s business. The measures taken will be as follows:

- i. Each new director will be provided with a copy of the board manual, which contains the Company’s policies and provides a detailed introduction to the Board, its committees and its directors; and
- ii. The Chair will determine what orientation will be necessary and relevant to each new director, based on the new director’s skill set and professional background, and ensures that adequate orientation is provided by the Board or management, or by external service providers where necessary.

With respect to continuing education, the Company will ensure that its directors maintain the skill and knowledge necessary to meet their obligations as directors by having management provide relevant presentations at each annual strategy meeting and at each quarterly meeting, as needed, by bringing consultants in to address the Board on various issues, and by arranging for other meetings with management from time to time. In addition, Board members may attend external director education conferences at the Company’s expense.

#### 4. Ethical Business Conduct

The Board will adopt a written Code of Business Conduct & Ethics (“Code”) for its directors, officers, employees, and consultants. A copy of the Code will then be provided to each director, officer, employee, and consultant. In addition, if the Code is amended or revised, then a new copy is distributed. In order to ensure compliance with the Code, the Board will establish complaint procedures for financial concerns, and environment and safety concerns. With respect to the issue of conflicts of interest, various officers, directors, or other insiders of the Company may hold senior positions with entities involved in the resource industry or otherwise be

involved in transactions within the resource industry and may develop other interests outside the Company. In the event that any such conflict of interest arises, a director who has such a conflict will be required to disclose the conflict to a meeting of the directors of the Company and abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Any decision made by any of such directors involving the Company will be required to be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its Shareholders.

## **5. Nomination of Directors**

In order to identify new candidates for nomination to the Board, the Board will consider advice and input of all Board members. Key areas that are reviewed and discussed are (a) the appropriate size of the Board; (b) the necessary competencies and skills of the Board as a whole; (c) the competencies and skills of each existing director; (d) the identification and recommendation of new individuals qualified to become new Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, and a willingness to serve.

## **6. Compensation**

CEO Compensation - 49 North's President and CEO, Mr. Tom MacNeill, does not receive any direct compensation from the Issuer. He is, however, a director, officer, and the sole Shareholder of the Company's portfolio manager, TMM. Pursuant to a portfolio management agreement made between the Company and TMM as of January 1, 2008 (the "**Portfolio Management Agreement**") the compensation payable to TMM includes a quarterly management fee equal to 0.5% of the net asset value of the Company calculated as of the last business day of the relevant fiscal quarter and in each fiscal year of the Company, starting with its fiscal year ended December 31, 2008, and a performance bonus, calculated as of the last business day of the applicable fiscal year, in an amount in respect of each common share that is outstanding as of such day, equal to 20% of the amount, if any, by which the sum of the net asset value per common share as of that date, plus all dividends or other distributions per common share made during that fiscal year, exceeds the greater of \$16.34 and the net asset value per share as of the last business day of the preceding fiscal year.

CFO Compensation – The Company's CFO, Mr. Andrew Davidson, does not receive any direct compensation from the Issuer. He is, however, a director, officer, and the sole voting Shareholder of Jaelky. Pursuant to a Management and Consulting Agreement made between the Company and Jaelky as of June 1, 2015, the compensation payable to Jaelky is \$20,000 plus GST per month.

Officer Compensation – The compensation of other officers and employees of the Company, is determined through negotiations between each officer and employee. The decision to hire, and the compensation paid to, any particular officer or employee is based on numerous factors, including, without limitation, the CEO's and/or the Board's assessment of the company's operational and administrative requirements as well as the skill-sets, expertise, experience, and time commitments of the candidates considered for such positions.

Directors Compensation – The compensation of directors of the Company is determined by the Board and, since January 2016, directors have been entitled to fees in accordance with an Executive Compensation Plan that was adopted by the Board effective January 1, 2016. Directors are also eligible to receive stock options in accordance with the Company's 2008 Stock Option Plan that was approved by the company's Shareholders at 49 North's annual and special meeting held June 4, 2008.

## **7. Other Board Committees**

Presently the Audit Committee is the only standing committee of the Board.

**8. Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal assessments of its effectiveness, the individual directors, and of its committees on an as needed basis.