



49 NORTH RESOURCES INC.

**LETTER TO
DEBENTUREHOLDERS**

and

**NOTICE OF JOINT EXTRAORDINARY MEETING OF HOLDERS OF
2015 2.5% CONVERTIBLE SENIOR SECURED DEBENTURES – SERIES 1 AND
SERIES 2 AND 2015 2.5% CONVERTIBLE SUBORDINATED SECURED
DEBENTURES**

to be held March 22, 2021

and

MANAGEMENT INFORMATION CIRCULAR

These materials are important and require your immediate attention. They require Debentureholders to make important decisions. If you are in doubt as to what decision to make, please contact your financial, legal, income tax or other professional advisors. If you have any questions or require more information, please contact Alliance Trust Company using the information provided on the back cover of the Management Information Circular.

THE BOARD OF DIRECTORS OF 49 NORTH RESOURCES INC. UNANIMOUSLY RECOMMENDS THAT DEBENTUREHOLDERS VOTE FOR THE DEBENTURE AMENDMENTS AS SET OUT IN THE MANAGEMENT INFORMATION CIRCULAR.

TO VOTE FOR THE DEBENTURE AMENDMENTS PLEASE MARK THE “VOTE FOR” BOX ON THE ACCOMPANYING FORM OF PROXY AND SIGN AND DEPOSIT SUCH DOCUMENT IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN AS SOON AS PRACTICABLE AND IN ANY EVENT BY 10:00 A.M. (CENTRAL STANDARD TIME) ON MARCH 18, 2021.

February 11, 2021

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LETTER TO DEBENTUREHOLDERS

February 11, 2021

TO: The holders of 2015 2.5% Convertible Senior Secured Debentures – Series 1 and Series 2; and
The holders of 2015 2.5% Convertible Subordinated Secured Debentures.

The Debenture Amendments

Holders of 49 North Resources Inc.'s (“**49 North**” or the “**Company**”) 2015 2.5% Convertible Senior Secured Debentures – Series 1 (the “**Series 1 Senior Debentures**”), the holders of the Company’s 2015 2.5% Convertible Senior Secured Debentures – Series 2 (the “**Series 2 Senior Debentures**”, and together with the Series 1 Debentures, the “**Senior Debentures**”) and the holders of the Company’s 2015 2.5% Convertible Subordinated Secured Debentures (the “**Subordinated Debentures**”, and together with the Senior Debentures, the “**Debentures**”) are being asked to consider the following amendments to the Debentures:

1. Extend the maturity date of the Debentures by three (3) years;
2. Amend the conversion price of the Debentures to reduce the price to \$0.15 for the remainder of the term of the Debentures;
3. Provide the Company the right, at its sole option and from time to time, to redeem the Debentures in whole or in part, on not more than 60 and not less than 30 days prior notice, at the face value of the Debentures plus accrued and unpaid interest, subject to the right of the holders to convert prior to such prepayment; and
4. Add a covenant of the Company to use 50% of the net proceeds of any financing it closes during the term of the Debentures to redeem the principal of and interest on the Debentures, on a pro rata basis.

The proposed amendments to the Senior Debentures are hereinafter referred to as the “**Senior Debenture Amendments**”, the proposed amendments to the Subordinated Debentures are hereinafter referred to as the “**Subordinated Debenture Amendments**” and collectively the Senior Debenture Amendments and the Subordinated Debenture Amendments are referred to as the “**Debenture Amendments**”. The Senior Debenture Amendments are subject to the condition precedent that the Subordinate Debenture Amendments are completed contemporaneously with the Senior Debenture Amendments. Similarly, the Subordinated Debenture Amendments are subject to the condition precedent that the Senior Debenture Amendments are effected at the time of the Subordinated Debenture Amendments. Upon the Debenture Amendments becoming effective, the defaults of the Company resulting from its failure to pay the principal amount of the Series 1 Senior Debentures on June 30, 2020 and the principal amount of the Series 2 Senior Debentures and the Subordinated Debentures on December 18, 2020 shall be waived.

Other than the Senior Debenture Amendments and the Subordinated Debenture Amendments, the terms of the Debentures will remain unchanged.

To Vote for the Debenture Amendments

To vote for the Senior Debenture Amendments or the Subordinated Debenture Amendments, as the case may be, please mark the “VOTES FOR” box on the corresponding accompanying voting instruction form or form of proxy and sign and deposit such document in accordance with the instructions set out therein as soon as practicable and in any event by 10:00 a.m. (Central Standard Time) on March 18, 2021.

Time and Place of Meeting

The joint extraordinary meeting (the “**Debentureholder Meeting**”) of the holders of the Senior Debentures (the “**Senior Debentureholders**”) and the holders of the Subordinated Debentures (the “**Subordinated Debentureholders**”), and together with the Senior Debentureholders, the “**Debentureholders**”), is scheduled to be held at the offices of 49 North, 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, on March 22, 2021 at 10:00 a.m. (Central Standard Time).

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to health and safety of the Debentureholders, employees and other stakeholders, 49 North is encouraging Debentureholders and others not to attend the Debentureholder Meeting in person. Instead, we encourage you to vote your Debentures prior to the meeting. Please refer to the “General Proxy and Debentureholder Meeting Matters” section of the accompanying management information circular (the “**Circular**”) for further information.

Anyone who regards their physical attendance at the Debentureholder Meeting as essential is asked to contact 49 North at (306) 653-2692 so that appropriate measures can be put in place to facilitate physical distancing and other precautions to ensure the health and safety of all attendees. 49 North will follow the guidelines and orders of the Provincial and Federal Public Health Authorities in that regard, including those restricting the size of public gatherings.

Approval of the Senior Debenture Amendments

For the Senior Debenture Amendments to be approved, holders of at least 66⅔% of the principal amount of the Senior Debentures, present or represented by proxy at the Debentureholder Meeting, or any adjournment thereof, must vote **FOR** the Senior Debenture Amendments. Each Senior Debentureholder present in person or represented by proxy at the Debentureholder Meeting shall be entitled to one vote in respect of each \$1.00 principal amount of Senior Debentures held by such Senior Debentureholder.

If the Senior Debenture Amendments are approved by the Senior Debentureholders, subject to the condition precedent that the Subordinated Debenture Amendments are completed, the Company anticipates that the effective date of the Senior Debenture Amendments will be on the date the Company enters into the second supplement to the trust indenture for the Senior Debentures dated May 27, 2015 providing for the Senior Debenture Amendments, such second supplement to be substantially in the form attached as Appendix “B” to the Circular. If passed, the Senior Debenture Amendments will be binding upon all Senior Debenture Holders whether present or absent from the Debentureholder Meeting. Accordingly, it is important that your Senior Debentures be represented and voted.

Approval of the Subordinated Debenture Amendments

For the Subordinated Debenture Amendments to be approved, holders of at least 66⅔% of the principal amount of the Subordinated Debentures, present or represented by proxy at the Debentureholder Meeting, or any adjournment thereof, must vote **FOR** the Subordinated Debenture Amendments. Each Subordinated Debentureholder present in person or represented by proxy at the Debentureholder Meeting shall be entitled to one vote in respect of each \$1.00 principal amount of Subordinated Debentures held by such Subordinated Debentureholder.

If the Subordinated Debenture Amendments are approved by the Subordinated Debentureholders, subject to the condition precedent that the Senior Debenture Amendments are completed, the Company anticipates that the effective date of the Subordinated Debenture Amendments will be on the date the Company enters into the first supplement to the trust indenture for the Subordinated Debentures dated December 18, 2015 providing for the Subordinated Debenture Amendments, such first supplement to be substantially in the form attached as Appendix “D” to the Circular. If passed, the Subordinated Debenture Amendments will be binding upon all Subordinated Debenture Holders whether present or absent from the Debentureholder Meeting. Accordingly, it is important that your Subordinated Debentures be represented and voted.

Benefits of the Debenture Amendments

The board of directors of the Company (the “**Board**”) believes that the Senior Debenture Amendments and the Subordinated Debenture Amendments provide a number of benefits to the Company and its securityholders, including to the Senior Debentureholders and the Subordinated Debentureholders. The Board expects that the Senior Debenture Amendments and the Subordinated Debenture Amendments, if implemented, would provide the

following advantages:

- **Positive change in the conversion rights of the Debentures:** Senior Debentureholders and Subordinated Debentureholders retain the right to convert the Senior Debentures or Subordinated Debentures, respectively, into common shares of the Company and, therefore, have the opportunity to participate in the growth of the Company's business and investment portfolio. To make these conversion rights more attractive, the conversion price for both the Senior Debentures and Subordinated Debentures will be reduced to \$0.15 for the remainder of their respective terms (as extended). This conversion feature offers Senior Debentureholders and Subordinated Debentureholders the opportunity to generate capital appreciation from the Senior Debentures and Subordinated Debentures, respectively, in addition to earning interest during the extended term. The Company believes that its business prospects are compelling and will continue to improve if commodity prices rise.
- **Viable, Restructured 49 North:** If the Senior Debenture Amendments and the Subordinated Debenture Amendments are adopted the Company will have the financial flexibility to continue with its operating strategy and focus on enhancing long-term value for stakeholders.

For further particulars of such benefits see "Benefits of the Debenture Amendments and Recommendation of the Board" in the accompanying Circular.

Recommendation of the Board

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SENIOR DEBENTUREHOLDERS AND SUBORDINATED DEBENTUREHOLDERS VOTE FOR THE SENIOR DEBENTURE AMENDMENTS AND SUBORDINATED DEBENTURE AMENDMENTS, RESPECTIVELY.

Management Information Circular

The accompanying Circular provides a detailed description of the Senior Debenture Amendments and the Subordinated Debenture Amendments. Please give this material your careful consideration. If you require assistance, you should consult your financial, legal, income tax or other professional advisors.

We encourage you to read the materials in the accompanying Circular carefully. Your vote is important. Please take the time to vote your Senior Debentures and/or Subordinated Debentures, as the case may be, in accordance with the instructions contained in the accompanying Circular.

Notice-and-Access

For the Debentureholder Meeting, 49 North has elected to take advantage of the notice-and-access provisions of National Instrument 54-101-*Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**Notice-and-Access**"). Notice-and-Access reduces the volume of materials that must be physically mailed to Debentureholders by allowing the Company to deliver meeting materials to Debentureholders electronically by providing Debentureholders with access to these materials online. Notice-and-Access will be used to deliver the meeting materials to both non-registered (beneficial) Debentureholders and registered Debentureholders. As a result, you will be receiving a Notice-and-Access Notice which explains and sets forth important information with respect to how you may access the Circular, together with a voting instruction form or form of proxy.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Tom MacNeill*"

Tom MacNeill

President and Chief Executive Office

49 NORTH RESOURCES INC.
602 – 224 Fourth Avenue South
Saskatoon, Saskatchewan S7K 5M5

NOTICE OF JOINT EXTRAORDINARY MEETING OF DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN that a joint extraordinary debentureholder meeting (the “**Debentureholder Meeting**”) of the holders of the 2015 2.5% convertible senior secured debentures – series 1 (the “**Series 1 Senior Debentures**”) of 49 North Resources Inc. (the “**Company**”), the holders of the 2015 2.5% convertible senior secured debentures – series 2 (the “**Series 2 Senior Debentures**”, and together with the Series 1 Senior Debentures, the “**Senior Debentures**”) of the Company and the holders of the 2015 2.5% convertible subordinated secured debentures (the “**Subordinated Debentures**”, and together with the Senior Debentures, the “**Debentures**”) of the Company will be held at the offices of the Company, 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, on March 22, 2021 at 10:00 a.m. (Central Standard Time) for the following purposes:

1. to consider and, if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the “**Senior Extraordinary Debentureholder Resolution**”) of the holders of the Senior Debentures (the “**Senior Debentureholders**”) in the form attached as Appendix “A” to the management information circular (the “**Circular**”) accompanying this Notice of Joint Extraordinary Meeting of Debentureholders, approving certain amendments to the trust indenture dated May 27, 2015, as supplemented by the First Supplemental Trust Indenture dated December 18, 2015 (the “**Senior Indenture**”), authorizing Alliance Trust Company (the “**Debenture Trustee**”) to execute the second supplemental trust indenture embodying such amendments, which supplemental trust indenture shall be substantially in the form attached as Appendix “B” to the Circular and waiving the defaults of the Company resulting from its failure to pay the principal amount of the Series 1 Senior Debentures on June 30, 2020 and the principal amount of the Series 2 Senior Debentures and the Subordinated Debentures on December 18, 2020;
2. to consider and, if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the “**Subordinated Extraordinary Debentureholder Resolution**”) of the holders of the Subordinated Debentures (the “**Subordinated Debentureholders**”) in the form attached as Appendix “C” to the Circular, approving certain amendments to the trust indenture dated December 18, 2015 (the “**Subordinated Indenture**”), authorizing the Debenture Trustee to execute the first supplemental trust indenture embodying such amendments, which supplemental trust indenture shall be substantially in the form attached as Appendix “D” to the Circular and waiving the defaults of the Company resulting from its failure to pay the principal amount of the Series 1 Senior Debentures on June 30, 2020 and the principal amount of the Series 2 Senior Debentures and the Subordinated Debentures on December 18, 2020; and
3. to transact such further or other business as may properly come before the Debentureholder Meeting or any adjournment or adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Debentureholder Meeting and forms part of this Notice of Joint Extraordinary Meeting of Debentureholders.

The Senior Extraordinary Debentureholder Resolution if passed by the holders of at least 66⅔% of the principal amount of the Senior Debentures present in person or by proxy at the Debentureholder Meeting, or any adjournment thereof, in accordance with the provisions of the Senior Indenture, will be binding upon the Senior Debentureholders, whether present or absent from the Debentureholder Meeting. Accordingly, it is important that your Senior Debentures be represented and voted.

The Subordinated Extraordinary Debentureholder Resolution if passed by the holders of at least 66⅔% of the principal amount of the Subordinated Debentures present in person or by proxy at the Debentureholder Meeting, or any adjournment thereof, in accordance with the provisions of the Subordinated Indenture, will be binding upon the Subordinated Debentureholders, whether present or absent from the Debentureholder Meeting. Accordingly, it is important that your Subordinated Debentures be represented and voted.

The board of directors of the Company has established the record date for the Debentureholder Meeting as the close of business on February 10, 2021 (the “**Record Date**”). Only Senior Debentureholders or Subordinated Debentureholders of record at the close of business on the Record Date will be entitled to notice of the Debentureholder Meeting or any adjournment thereof, and to vote at the Debentureholder Meeting. No Senior Debentureholder or Subordinated Debentureholder becoming a Senior Debentureholder or Subordinated Debentureholder, as the case may be, of record after such time will be entitled to vote at the Debentureholder Meeting or any adjournment thereof. At the Debentureholder Meeting, each Senior Debentureholder will have one vote respecting the Senior Extraordinary Debentureholder Resolution for each \$1.00 principal amount of Senior Debentures held by such Senior Debentureholder as of the Record Date and each Subordinated Debentureholder will have one vote respecting the Subordinated Extraordinary Debentureholder Resolution for each \$1.00 principal amount of Subordinated Debentures held by such Subordinated Debentureholder as of the Record Date.

The Senior Debentures and Subordinated Debentures have been issued in the form of global certificates registered in the name of CDS & Co. and, as such, CDS & Co. is the sole registered Senior Debentureholder and the sole registered Subordinated Debentureholder. Only registered Senior Debentureholders or registered Subordinated Debentureholders, or their duly appointed proxyholders, have the right to vote at the Debentureholder Meeting, or to appoint or revoke a proxy. However, CDS & Co., or its duly appointed proxyholders, may only vote the Senior Debentures or the Subordinated Debentures, as the case may be, in accordance with instructions received from the beneficial Senior Debentureholders or the beneficial Subordinated Debentureholders, as the case may be. Beneficial Senior Debentureholders or beneficial Subordinated Debentureholders, as of the Record Date wishing to vote their Senior Debentures or Subordinated Debentures, respectively, at the Debentureholder Meeting must provide instructions to their broker or other intermediary through which they hold their Senior Debentures or Subordinated Debentures, as the case may be, in sufficient time prior to the deadline for depositing proxies for the Debentureholder Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Senior Debentures or Subordinated Debentures, as the case may be, at the Debentureholder Meeting.

COVID-19 Notice

We are actively monitoring the COVID-19 situation and are sensitive to the public health and travel concerns the Debentureholders, our directors, employees, communities and other stakeholders may have as well the protocols public health authorities may recommend. As a result of the pandemic, we are encouraging you to vote your debentures prior to the Debentureholder Meeting. Please read the “General Proxy and Debentureholder Meeting Matters” section of the Circular or the instructions on the voting instruction form or form of proxy. Anyone who regards their physical attendance at the Debentureholder Meeting as essential is asked to contact the Company at (306) 653-2692 so that appropriate measures can be put in place to facilitate the physical distancing and other precautions to ensure the health and safety of other attendees. The Company will follow the guidance and orders of Provincial and Federal Public Health Authorities in that regard, including those restricting the size of public gatherings.

In the event it is not possible or advisable to hold the Debentureholder Meeting in person, we will announce alternative arrangements for the Debentureholder Meeting via news release as promptly as practicable, which may include changing the date, time or location of the Debentureholder Meeting.

If you have any questions or require more information with regard to voting your Senior Debentures or Subordinated Debentures please contact Alliance Trust Company using the information provided on the back cover of the Circular.

DATED at Saskatoon, Saskatchewan, this 11th day of February, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) “*Tom MacNeill*”

Tom MacNeill

President and Chief Executive Office



MANAGEMENT INFORMATION CIRCULAR
Dated February 11, 2021

SUMMARY

The following is a brief summary of certain information contained in this Management Information Circular (the “Circular”). Reference is made to, and this summary is qualified by, the detailed information contained in this Circular. Debentureholders (as defined below) are encouraged to read this Circular and the attached Appendices carefully and in their entirety.

The Debentureholder Meeting

A joint extraordinary meeting (the “**Debentureholder Meeting**”) of the holders of the 2015 2.5% convertible senior secured debentures – series 1 (the “**Series 1 Senior Debentures**”) of 49 North Resources Inc. (the “**Company**”), the holders of the 2015 2.5% convertible senior secured debentures – series 2 (the “**Series 2 Senior Debentures**”, and together with the Series 1 Senior Debentures, the “**Senior Debentures**”) of the Company and the holders of the 2015 2.5% convertible subordinated secured debentures (the “**Subordinated Debentures**”, and together with the Senior Debentures, the “**Debentures**”) of the Company will be held at the offices of the Company, 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, on March 22, 2021 at 10:00 a.m. (Central Standard Time) for the purposes set forth in the accompanying Notice of Joint Extraordinary Meeting, including to consider and, if deemed advisable:

1. to approve certain amendments (the “**Senior Debenture Amendments**”) to the trust indenture dated May 27, 2015, as supplemented by the First Supplemental Trust Indenture dated December 18, 2015 (the “**Senior Indenture**”) and to authorize Alliance Trust Company (the “**Debenture Trustee**”) to execute the second supplemental trust indenture embodying such amendments; and
2. to approve certain amendments (the “**Subordinated Debenture Amendments**”, and collectively with the Senior Debenture Amendments, the “**Debenture Amendments**”) to the trust indenture dated December 18, 2015 (the “**Subordinated Indenture**”) and to authorize the Debenture Trustee to execute the second supplemental trust indenture embodying such amendments.

Only holders of the Senior Debentures (the “**Senior Debentureholders**”) or holders of the Subordinated Debentures (the “**Subordinated Debentureholders**”, and together with the Senior Debentureholders, the “**Debentureholders**”) of record as of the close of business on February 10, 2021 (the “**Record Date**”) are entitled to receive notice of the Debentureholder Meeting and to vote at the Debentureholder Meeting. Each Senior Debentureholder present in person or represented by proxy at the Debentureholder Meeting shall be entitled to one vote respecting the Senior Debenture Amendments for each \$1.00 principal amount of Senior Debentures held by such Senior Debentureholder, and each Subordinated Debentureholder present in person or represented by proxy at the Debentureholder Meeting shall be entitled to one vote respecting the Subordinated Debenture Amendments for each \$1.00 principal amount of Subordinated Debentures held by such Subordinated Debentureholder.

The Debenture Amendments

The Senior Debenture Amendments, if approved by the Senior Debentureholder, will:

1. Extend the maturity date of the Senior Debentures by three (3) years such that the Series 1 Senior Debentures are due June 1, 2023 and the Series 2 Senior Debentures are due December 18, 2023;
2. Amend the conversion price of the Senior Debentures to reduce the price to \$0.15 for the remainder of the term of the Senior Debentures;

3. Provide the Company the right, at its sole option and from time to time, to redeem the Senior Debentures in whole or in part, on not more than 60 and not less than 30 days prior notice, at the face value of the Senior Debentures plus accrued and unpaid interest, subject to the right of the holders to convert prior to such prepayment; and
4. Add a covenant of the Company to use 50% of the net proceeds of any financing it closes during the term of the Senior Debentures to redeem the principal of and interest on the Debentures (including the Subordinated Debentures), on a pro rata basis.

The Senior Debenture Amendments are subject to the condition precedent that the Subordinate Debenture Amendments are completed contemporaneously with the Senior Debenture Amendments. Other than the Senior Debenture Amendments, the terms of the Senior Indenture will remain unchanged.

The Subordinated Debenture Amendments, if approved by the Subordinated Debentureholder, will:

1. Extend the maturity date of the Subordinated Debentures by three (3) years such that the Subordinated Debentures are due December 18, 2023;
2. Amend the conversion price of the Subordinated Debentures to reduce the price to \$0.15 for the remainder of the term of the Subordinated Debentures;
3. Provide the Company the right, at its sole option and from time to time, to redeem the Subordinated Debentures in whole or in part, on not more than 60 and not less than 30 days prior notice, at the face value of the Subordinated Debentures plus accrued and unpaid interest, subject to the right of the holders to convert prior to such prepayment; and
4. Add a covenant of the Company to use 50% of the net proceeds of any financing it closes during the term of the Subordinated Debentures to redeem the principal of and interest on the Debentures (including the Senior Debentures), on a pro rata basis.

The Subordinated Debenture Amendments are subject to the condition precedent that the Senior Debenture Amendments are effected at the time of the Subordinated Debenture Amendments. Other than the Subordinated Debenture Amendments, the terms of the Subordinated Indenture will remain unchanged.

Upon the Senior Debenture Amendments and the Subordinated Debenture Amendments becoming effective, the defaults of the Company resulting from its failure to pay the principal amount of the Series 1 Senior Debentures on June 30, 2020 and the principal amount of the Series 2 Senior Debentures and the Subordinated Debentures on December 18, 2020 shall be waived.

Benefits of the Debenture Amendments

The board of directors of the Company (the “**Board**”) believes that the Senior Debenture Amendments and the Subordinated Debenture Amendments provide a number of benefits to the Company and its securityholders, including to the Senior Debentureholders and the Subordinated Debentureholders. The Board expects that the Senior Debenture Amendments and the Subordinated Debenture Amendments, if approved by the Senior Debentureholders and the Subordinated Debentureholders, respectively, would provide the following advantages:

- ***Positive change in the conversion rights of the Debentures:*** Senior Debentureholders and Subordinated Debentureholders retain the right to convert the Senior Debentures or Subordinated Debentures, respectively, into common shares of the Company and, therefore, have the opportunity to participate in the growth of the Company's business and investment portfolio. To make these conversion rights more attractive, the conversion price for both the Senior Debentures and Subordinated Debentures will be reduced to \$0.15 for the remainder of their respective terms (as extended). This conversion feature offers Senior Debentureholders and Subordinated Debentureholders the opportunity to generate capital appreciation from the Senior Debentures and Subordinated Debentures, respectively, in addition to earning interest during the extended term. The Company believes that its business prospects are compelling and will continue to improve if commodity prices rise.

- ***Viable, Restructured 49 North:*** If the Senior Debenture Amendments and the Subordinated Debenture Amendments are adopted the Company will have the financial flexibility to continue with its operating strategy and focus on enhancing long-term value for stakeholders.

Recommendation of the Board

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SENIOR DEBENTUREHOLDERS AND SUBORDINATED DEBENTUREHOLDERS VOTE FOR THE SENIOR DEBENTURE AMENDMENTS AND SUBORDINATED DEBENTURE AMENDMENTS, RESPECTIVELY.

Notice

Only Senior Debentureholders or Subordinated Debentureholders of record at the close of business on the Record Date will be entitled to notice of the Debentureholder Meeting or any adjournment thereof, and to vote at the Debentureholder Meeting. The Senior Debentures and Subordinated Debentures have been issued in the form of global certificates registered in the name of CDS & Co. and, as such, CDS & Co. is the sole registered Senior Debentureholder and the sole registered Subordinated Debentureholder. Only registered Senior Debentureholders or registered Subordinated Debentureholders, or their duly appointed proxyholders, have the right to vote at the Debentureholder Meeting, or to appoint or revoke a proxy. However, CDS & Co., or its duly appointed proxyholders, may only vote the Senior Debentures or the Subordinated Debentures, respectively, in accordance with instructions received from the beneficial Senior Debentureholders or the beneficial Subordinated Debentureholders, respectively. Beneficial Senior Debentureholders or beneficial Subordinated Debentureholders as of the Record Date wishing to vote their Senior Debentures or Subordinated Debentures, respectively, at the Debentureholder Meeting must provide instructions to their broker or other intermediary through which they hold their Senior Debentures or Subordinated Debentures, as the case may be, in sufficient time prior to the deadline for depositing proxies for the Debentureholder Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Senior Debentures or Subordinated Debentures, as the case may be, at the Debentureholder Meeting.

Proxy Information

To vote for the Senior Debenture Amendments or the Subordinated Debenture Amendments, Senior Debentureholders or Subordinated Debentureholders, respectively, can do so by using any of the methods outlined below:

By Mail or Fax:

- Step 1. Mark the “VOTES FOR” box in the accompanying form of proxy or voting instruction form.
- Step 2. Sign and date the form of proxy or voting instruction form.
- Step 3. Deposit with the Debenture Trustee, Alliance Trust Company, 1010-407 Second Street SW, Calgary, Alberta, T2P 2Y3, or facsimile at (403) 237-6181, as soon as practicable and in any event no later than 10:00 a.m. (Central Standard Time) by March 18, 2021.

Beneficial Debentureholders who have received a voting instruction form from Broadridge Financial Solutions Inc. (“**Broadridge**”) must deposit the completed voting instruction form with Broadridge by mail or facsimile at the address or facsimile number noted thereon.

By Internet:

Debentureholders who have received a proxy form directly from Alliance must go to “<http://alliancetrust.ca/shareholders/>” and select “Vote My Proxy”. The 12 digit control number located on the box on the form of proxy will be required to complete your voting. Beneficial Debentureholders who have received a voting instruction form from Broadridge must go to www.proxyvote.com in accordance with the instructions and follow the instructions set forth in the form.

INTRODUCTION

The Debentureholder Meeting

The Debentureholder Meeting will be held at the offices of the Company, 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, on March 22, 2021 at 10:00 a.m. (Central Standard Time) for the purposes set forth in the accompanying Notice of Joint Extraordinary Meeting of Debentureholders (the “Notice of Meeting”), including to consider and, if deemed advisable sanction the Debenture Amendments described in this Circular.

Capitalized Terms

Unless the context indicates otherwise, capitalized terms which are used in this Circular and not otherwise defined in this Circular have the meanings given to such terms in the accompanying Letter to Debentureholders and Notice of Meeting.

Information Contained in this Circular

No person has been authorized to give information or to make any representations in connection with the matters to be considered by the Senior Debentureholders or Subordinated Debentureholders other than those contained in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to whether to vote for the Senior Extraordinary Debentureholder Resolution or Subordinated Extraordinary Debentureholder Resolution, as the case may be, or be considered to have been authorized by the Company.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

You should be aware that the Senior Debenture Amendments and the Subordinated Debenture Amendments may have tax consequences both in the United States and in Canada. Tax considerations applicable to Senior Debentureholders and Subordinated Debentureholders have not been included in the Circular, and such Senior Debentureholders and Subordinated Debentureholders should consult their own tax advisors to determine the particular consequences to them of participating in the solicitation being made hereunder.

Senior Debentureholders and Subordinated Debentureholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

The accompanying form of proxy or voting instruction form are for use by Senior Debentureholders and Subordinated Debentureholders in connection with the Senior Debenture Amendments and the Subordinated Debenture Amendments, respectively, and Senior Debentureholders and Subordinated Debentureholders are encouraged to complete, sign and deposit the appropriate the proxy or voting instruction form in accordance with the instructions set out therein.

Canadian Securities Law Considerations

On completion of the Debenture Amendments, the Senior Debentures and Subordinated Debentures may generally be resold in each of the provinces and territories of Canada, without significant restriction, provided the trade is not a “control distribution” under applicable legislation, no unusual effort is made to prepare the market or to create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale. Upon completion of the Debenture Amendments, 49 North will continue to be a reporting issuer in all of the provinces and territories of Canada and the common shares of the Company will continue be listed on the TSX Venture Exchange (the “TSXV”). It is anticipated that neither the Senior Debentures nor Subordinated Debentures will be listed on any stock exchange upon completion of the Debenture Amendments and therefore, there will be no public market to trade the Senior Debentures or Subordinated Debentures.

The foregoing discussion is only a general overview of certain requirements of the Canadian securities laws

applicable to the resale of securities held by Debentureholders upon completion of the Debenture Amendments.

Debentureholders are urged to consult with their professional advisors to ensure that the resale of the securities held by such person upon completion of the Debenture Amendments complies with applicable securities legislation.

Notice to Debentureholders in the United States

The Senior Debentures and the Subordinated Debentures have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), and no solicitation is being made in the United States.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA, NOR HAS THE SEC, ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements included herein constitute “forward-looking statements”. All statements included in this Circular that address future events, conditions or results of operations, including in respect of the Senior Debenture Amendments and the Subordinated Debenture Amendments, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “future” or “continue” or the negative forms thereof or similar variations. These forward-looking statements are based on certain assumptions and analyses made by management in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. Senior Debentureholders and Subordinated Debentureholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of risks and uncertainties, including but not limited to, the risk that the Senior Debenture Amendments and the Subordinated Debenture Amendments will not be successfully completed for any reason and the risk that, if completed, the Company may not realize the anticipated benefits of the Debenture Amendments. Many of such risks and uncertainties are outside the control of the Company and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, including with respect to general economic and financial conditions, interest rates, exchange rates, equity and debt markets, business competition, changes in government regulations or in tax laws, acts and omissions of third parties and the ability of the Company to obtain approval for the Senior Debenture Amendments and the Subordinated Debenture Amendments. Such forward-looking statements should, therefore, be construed in light of such factors and assumptions. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Conventions

In this Circular, unless otherwise specified, all dollar amounts are expressed in Canadian dollars. Information contained in this Circular is given as of February 11, 2021, unless otherwise specifically stated.

THE DEBENTURE AMENDMENTS

Senior Debenture Amendments

Senior Debentureholders are being asked to consider and, if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the “**Senior Extraordinary Debentureholder Resolution**”) approving certain amendments to the Senior Indenture, which, if approved by the Senior Debentureholders, will:

1. Extend the maturity date of the Senior Debentures by three (3) years;

2. Amend the conversion price of the Senior Debentures to reduce the price to \$0.15 for the remainder of the term of the Senior Debentures;
3. Provide the Company the right, at its sole option and from time to time, to redeem the Senior Debentures in whole or in part, on not more than 60 and not less than 30 days prior notice, at the face value of the Senior Debentures plus accrued and unpaid interest, subject to the right of the holders to convert prior to such prepayment; and
4. Add a covenant of the Company to use 50% of the net proceeds of any financing it closes during the term of the Senior Debentures to redeem the principal of and interest on the Debentures (including the Subordinated Debentures), on a pro rata basis.

Other than the foregoing amendments, the Senior Indenture will remain unchanged.

The Senior Debenture Amendments are subject to the condition precedent that the Subordinate Debenture Amendments are completed contemporaneously with the Senior Debenture Amendments. Therefore the Senior Debenture Amendments will only be made if the Subordinated Extraordinary Debentureholder Resolution is approved and the first supplement to the Subordinated Indenture providing for the Subordinated Debenture Amendments is entered.

The Senior Extraordinary Debenture Resolution also waives the defaults of the Company resulting from its failure to pay the principal amount of the Series 1 Senior Debentures on June 30, 2020 and the principal amount of the Series 2 Senior Debentures and the Subordinated Debentures on December 18, 2020, provided that the Senior Debenture Amendments and the Subordinated Debenture Amendments are effected.

The full text of the Senior Extraordinary Debentureholder Resolution is attached to this Circular as Appendix "A".

For the Senior Extraordinary Debentureholder Resolution to be adopted in accordance with the provisions of the Senior Indenture, which requires the resolution must be approved by the affirmative vote of holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Senior Debentures present or represented by proxy at the Debentureholder Meeting.

The Senior Extraordinary Debentureholder Resolution, if passed by the holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Senior Debentures in accordance with the provisions of the Senior Indenture, will be binding upon all Senior Debentureholders.

If the Senior Extraordinary Debentureholder Resolution is passed, then the Company and the Debenture Trustee will enter into the second supplement to the Senior Indenture ("**Second Supplemental Senior Indenture**") substantially in the form attached as Appendix "B" to this Circular. The effective date of the Senior Debenture Amendments will be on the date the Company enters into the Second Supplemental Senior Indenture.

In addition to approval by the Senior Debentureholders, the Senior Debenture Amendments are subject to the receipt of approval from the TSXV.

Subordinated Debenture Amendments

Subordinated Debentureholders are being asked to consider and, if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the "**Subordinated Extraordinary Debentureholder Resolution**") approving certain amendments to the Subordinated Indenture, which, if approved by the Subordinated Debentureholders, will:

1. Extend the maturity date of the Subordinated Debentures by three (3) years;
2. Amend the conversion price of the Subordinated Debentures to reduce the price to \$0.15 for the remainder of the term of the Subordinated Debentures;

3. Provide the Company the right, at its sole option and from time to time, to redeem the Subordinated Debentures in whole or in part, on not more than 60 and not less than 30 days prior notice, at the face value of the Subordinated Debentures plus accrued and unpaid interest, subject to the right of the holders to convert prior to such prepayment; and
4. Add a covenant of the Company to use 50% of the net proceeds of any financing it closes during the term of the Subordinated Debentures to redeem the principal of and interest on the Debentures (including the Senior Debentures), on a pro rata basis.

Other than the foregoing amendments, the Subordinated Indenture will remain unchanged.

The Subordinated Debenture Amendments are subject to the condition precedent that the Senior Debenture Amendments are completed contemporaneously with the Subordinated Debenture Amendments. Therefore the Subordinated Debenture Amendments will only be made if the Senior Extraordinary Debentureholder Resolution is passed and the second supplement to the Senior Indenture providing for the Senior Debenture Amendments is entered.

The Subordinated Extraordinary Debenture Resolution also waives the defaults of the Company resulting from its failure to pay the principal amount of the Series 1 Senior Debentures on June 30, 2020 and the principal amount of the Series 2 Senior Debentures and the Subordinated Debentures on December 18, 2020, provided that the Senior Debenture Amendments and the Subordinated Debenture Amendments are effected.

The full text of the Subordinated Extraordinary Debentureholder Resolution is attached to this Circular as Appendix “C”.

For the Subordinated Extraordinary Debentureholder Resolution to be adopted in accordance with the provisions of the Subordinated Indenture, which requires the resolution must be approved by the affirmative vote of holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Subordinated Debentures present or represented by proxy at the Debentureholder Meeting.

The Subordinated Extraordinary Debentureholder Resolution, if passed by the holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Subordinated Debentures in accordance with the provisions of the Subordinated Indenture, will be binding upon all Subordinated Debentureholders.

If the Subordinated Extraordinary Debentureholder Resolution is passed, then the Company and the Debenture Trustee will enter into a first supplement to the Subordinated Indenture (“**Supplemental Subordinated Indenture**”) substantially in the form attached as Appendix “D” to this Circular. The effective date of the Subordinated Debenture Amendments will be on the date the Company enters into the Supplemental Subordinated Indenture.

In addition to approval by the Subordinated Debentureholders, the Subordinated Debenture Amendments are subject to the receipt of approval from the TSXV.

BACKGROUND TO THE DEBENTURE AMENDMENTS

On June 1, 2020 the Series 1 Senior Debentures matured in accordance with the terms of the Senior Indenture. On that date, the Company paid, in cash, due interest in the amount of approximately \$2.50 per \$100 principal amount of the Series 1 Senior Debentures, being all of the interest due and owing up to June 1, 2020. However, the Company did not pay the principal due and owing in the amount of \$2,746,827. 49 North instead announced its intention to seek approval from the Senior Debentureholders to extend the maturity date of the Senior Debentures by three (3) years and to reduce the conversion price for the Senior Debentures from \$0.50 to \$0.20 per common share of the Company.

On June 7, 2020, the Debenture Trustee delivered notice of default respecting the Company’s failure to pay the principal amount of the Series 1 Senior Debentures on June 1, 2020. The Company advised the Debenture Trustee of the plan to restructure the Senior Debentures as well as to extend the maturity date of the Subordinated Debentures

by three (3) years and to reduce the conversion price for the Subordinated Debentures from \$0.50 to \$0.20 per common share of the Company (collectively, the “2020 Proposal”). The Debenture Trustee provided the 2020 Proposal to CDS to pass on to the participants or deal with in the manner CDS saw fit. No further action was taken by the Debenture Trustee, CDS or any participants.

Following one adjournment for lack of quorum, at the joint extraordinary meeting of the Debentureholders to consider the 2020 Proposal held on November 27, 2020, a majority of the votes cast were in favor of the 2020 Proposal, however, the 66.67% support required to pass the amendments was not achieved. As a result, the Company announced it would continue to work with Debentureholders to create a revised restructuring proposal.

On December 18, 2020 the Series 2 Senior Debentures and the Subordinated Debentures matured in accordance with the terms of the Senior Indenture and the Subordinated Indenture, respectively. On that date, the Company paid, in cash, due interest in the amount of approximately \$2.50 per \$100 principal amount of the Series 2 Senior Debentures and interest in the amount of approximately \$2.50 per \$100 principal amount of the Subordinated Debentures, being all of the interest due and owing in the Series 2 Senior Debentures and the Subordinate Debentures up to December 18, 2020. However, the Company did not pay the principal due and owing on either of the Series 2 Senior Debentures, being \$1,824,881.00, or the Subordinated Debentures, being \$880,083.00. The Company has not received any notice of default respecting its failure to pay the principal amount of the Series 2 Senior Debentures or the Subordinated Debentures on December 18, 2020. To the Company’s knowledge, no action been taken by the Debenture Trustee, CDS or any participants respecting its defaults under the Debentures since the notice of default was delivered on June 7, 2020.

Since the November 27, 2020 meeting, the Company has had discussions with various Debentureholders respecting what terms should be included in a proposal to restructure the Debentures, ultimately arriving at the Debenture Amendments detailed in this Circular. Accordingly, the Company has set the Debentureholder Meeting for the Debentureholders to consider, and if deemed appropriate, approve the proposed Debenture Amendments.

Senior Debentureholders holding an aggregate amount of 11.82% of the outstanding principal amount of the Senior Debentures have agreed the will support the Senior Debenture Amendments by entering voting support agreements.

The Board and management believe that the proposed Senior Debenture Amendments and the proposed Subordinated Debenture Amendments provide the basis for the Company's continued strategy of pursuing long-term value creation for the benefit of its securityholders.

On February 10, 2021, the Board unanimously resolved to proceed to prepare the Debenture Amendments to the Debentureholders following a thorough analysis of material information and relevant considerations. On that same date the Board unanimously approved the contents of this Circular and the sending of it to the Debentureholders.

BENEFITS OF THE DEBENTURE AMENDMENTS AND RECOMMENDATION OF THE BOARD

Benefits of the Debenture Amendments

The Board believes that the Senior Debenture Amendments and the Subordinated Debenture Amendments provide a number of strategic benefits, including, without limitation, the expectation that the Senior Debenture Amendments and the Subordinated Debenture Amendments, if approved by the Senior Debentureholders and the Subordinated Debentureholders, respectively, would provide the following advantages:

- ***Positive change in the conversion rights of the Debentures:*** Senior Debentureholders and Subordinated Debentureholders retain the right to convert the Senior Debentures or Subordinated Debentures, respectively, into common shares of the Company and, therefore, have the opportunity to participate in the growth of the Company's businesses and investment portfolio. To make these conversion rights more attractive, the conversion price for both the Senior Debentures and Subordinated Debentures has been reduced to \$0.15 for the remainder of their respective terms (as amended). This conversion feature offers Senior Debentureholders and Subordinated Debentureholders the opportunity to generate capital appreciation from the Senior Debentures and Subordinated Debentures, respectively, in addition to earning interest during the extended term. The Company believes that its business prospects are compelling and will continue to improve if commodity prices rise.
- ***Viable, Restructured 49 North:*** If the Senior Debenture Amendments and the Subordinated Debenture

Amendments are adopted the Company will have the financial flexibility to continue with its operating strategy and focus on enhancing long term value for shareholders. If the amendments are not approved the Company may not have sufficient funds to service and retire the Debentures, in which case there is a risk the Company may not be able to continue as a going concern.

Recommendation of the Board

The Board has unanimously concluded that the Senior Debenture Amendments and the Subordinated Debenture Amendments are in the best interests of the Company and, as such, has authorized submission of the Senior Debenture Amendments to Senior Debentureholders for approval and has authorized submission of the Subordinated Debenture Amendments to the Subordinated Debentureholders for approval. The Board of the Company unanimously recommends that Senior Debentureholders vote *FOR*** the Senior Debenture Amendments and that Subordinated Debentureholders vote ***FOR*** the Subordinated Debenture Amendments.**

Interests of Board and Senior Management in the Debenture Exchange

In considering the recommendations of the Board with respect to the Debenture Amendments, Debentureholders should be aware that certain members of the Board and 49 North's senior management interests discussed below and elsewhere in this Circular in connection with the Debentures that may present them with perceived conflicts of interest in connection with the Debenture Amendments. The Board is aware of these interests and considered them along with other matters described herein.

The executive officers and directors of 49 North beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 13,800,868 Common Shares, representing approximately 16.61% of the Common Shares outstanding as of the close of business on February 10, 2021. All of the Common Shares held by the executive officers and directors of 49 North will be treated in the same fashion as those held by any other holder of Common Shares. None of the executive officers or directors of the Company beneficially own, directly or indirectly, or exercise control or direction over any Debentures.

SUMMARY OF COMMON SHARES

*The following description of certain material rights, privileges, restrictions and conditions attaching to the common shares of the Company (the "**Common Shares**") is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the articles, a copy of which is posted for public access on the Company's SEDAR profile at www.sedar.com, or, alternatively, can be obtained upon written request to the Company by: (i) mail at 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, S7K 5M5; (ii) telephone at (306) 653-2692; or (iii) fax at (306) 664-4483.*

Each Common Share entitles its holder to receive notice of and attend all annual and special meetings of shareholders of 49 North, other than meetings at which only the holders of another particular class or series are entitled to vote and each such Common Share entitles its holder to one vote. The holders of Common Shares are entitled to receive, out of amounts properly applicable to the payment of dividends, such dividends on the Common Shares as may be declared by and in the discretion of the Board from time to time. Additionally, the holders of Common Shares are entitled to share equally in any distribution of the assets of the Company upon the liquidation, dissolution or winding up of the Company or other distribution of its assets among its shareholders. The rights of the holders of Common Shares to participate in dividends and upon winding-up of the Company are subject to the prior rights, privileges, restrictions and conditions attached to any issued and outstanding first preferred shares or second preferred shares of the Company.

SUMMARY OF SENIOR DEBENTURES AND SENIOR INDENTURE

The following description of certain material terms of the Senior Debentures and the Senior Indenture is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Senior Indenture. A copy of the Senior Indenture is posted for public access on the Company's SEDAR profile at www.sedar.com, or, alternatively, can be obtained upon written request to the Company by: (i) mail at 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, S7K 5M5; (ii) telephone at (306) 653-2692; or (iii) fax at (306) 664-4483.

All capitalized terms used in this “*Summary of Senior Debentures and Senior Indenture*” section of the Circular but not otherwise defined in this Circular shall have the meaning given to such term in the Senior Indenture.

The Senior Indenture

The Senior Debentures have been created and issued pursuant to the trust indenture dated May 27, 2015, as supplemented by the First Supplemental Trust Indenture dated December 18, 2015 (the “**Senior Indenture**”) between the Company and Alliance Trust Company, as trustee. In the event certain conditions described in this Circular are satisfied, the Senior Indenture may be supplemented further by a second supplemental trust indenture between the Company and Alliance Trust Company substantially in the form attached as Appendix “B” providing for the Senior Debenture Amendments. The following is a summary of the material provisions of the Senior Indenture.

The Senior Debentures

The aggregate principal amount of the Senior Debentures which may be issued pursuant to the Senior Indenture is limited to \$5,000,000 and the Senior Debentures are designated “2015 2.5% Convertible Senior Secured Debentures”. There are two series of Senior Debentures, the Series 1 Senior Debentures and the Series 2 Senior Debentures. The Senior Debentures originally had a five-year term to maturity, with the principal sum and any accrued but unpaid interest to mature and come due on the Maturity Date (as defined in the Senior Indenture). The Maturity Date for the Series 1 Senior Debentures is June 1, 2020, and the Maturity Date for the Series 2 Senior Debentures is December 18, 2020. If the Senior Debenture Amendments are made, the Maturity Date for both the Series 1 Senior Debentures and the Series 2 Senior Debentures will be extended for three years such that the Maturity Date for the Series 1 Senior Debentures will be June 1, 2023 and the Maturity Date for the Series 2 Senior Debentures will be December 18, 2023.

The Senior Debentures bear interest at the rate of 2.5% per annum, which interest will be paid in arrears on the Interest Payment Dates, which under the Senior Indenture means (i) each of the anniversaries of the Date of Issue of such Senior Debenture, (ii) the date upon which the Senior Debentures may be converted, (iii) date upon which the Senior Debentures may be redeemed, or (iv) the Maturity Date. Every Senior Debenture will bear interest from its Date of Issue or from the last Interest Payment Date.

The Senior Debentures are direct senior secured obligation of the Company and are secured by a first ranking security interest (subject to Permitted Liens (as defined in the Senior Indenture) and to the extent and for the maximum amount permitted by applicable law) on all of the present and after acquired personal property of the Company. The Company has executed and delivered in favour of the Trustee (as defined in the Senior Indenture) for the benefit of the Trustee and the Debentureholders all required security agreements granting the Trustee a first ranking security interest on the all of the present and after acquired personal property of the Company, subject to Permitted Liens. The Senior Debentures authenticated and issued under the Senior Indenture rank *pari passu* with one another and, subject to Permitted Liens, shall rank in senior to payment to all of the Company's existing and future Indebtedness (as defined in the Senior Indenture).

The Senior Debentures have been issued in denominations of \$1.00 and integral multiples thereof. At the option of the Company, the Senior Debentures may be in physical certificated form or an electronic form and/or held by and in the name of CDS Clearing and Depository Services Inc., or its nominee, CDS & Co., as custodian (“**CDS**”). If the Senior Debentures are issued in the name of CDS, persons with a beneficial interest in the Senior Debentures will not receive definitive certificates representing their interest in the Senior Debentures except as provided in the Senior Indenture. Only Senior Debentures that have been authenticated pursuant to the Senior Indenture will be enforceable against the Company and entitled to the benefits of the Senior Indenture and any security agreements, or be valid or obligatory for any purpose.

The Company has the right to redeem (the “**Right of Redemption**”) and repurchase all, but not less than all, of the principal of and interest on the Senior Debentures at any time prior to the Maturity Date, provided no default under the Senior Debenture has occurred and is continuing, and upon and subject to the terms and conditions in the Senior Indenture. If the Senior Debenture Amendments are adopted, the Right of Redemption will be amended such that the Senior Debentures will be redeemable at the option of the Company in whole or in part from time to time on not more than 60 and not less than 30 days prior notice. The Senior Debenture Amendments also include a covenant of the Company to use 50% of the net proceeds of any financing it closes during the term of the Senior Debentures to redeem the principal of and interest of the Debentures (including the Subordinated Debentures), on a pro rata basis.

The Right of Redemption will not be exercisable with respect to Senior Debentures for which, as at the applicable time, the Company has received a notice of conversion as set forth in the Senior Indenture. The amount payable on redemption by the Company will be equal to the sum of (i) the outstanding principal amount of the Senior Debentures, and (ii) all interest due or accruing due to and excluding such date of redemption. If the Senior Debentures are issued in an electronic form and/or held by and in the name of CDS, then any redemption notice will be delivered and such Senior Debentures may be surrendered or delivered for redemption in accordance with applicable procedures of CDS.

The Company may, if it is not at the time in default under the Senior Indenture, at any time and from time to time, purchase the Senior Debentures in the open market (which will include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender at any price or by contract or by private agreement. All Senior Debentures so purchased will be cancelled and no Senior Debentures shall be issued in substitution therefor.

Conversion

Pursuant to the terms and conditions of the Senior Indenture, all Senior Debentureholders will have the right to convert the whole or any part of the principal amount of their Senior Debentures into Common Shares in accordance with the terms of the Senior Indenture at any time prior to 5:00 pm (Calgary time) on the business day immediately preceding the Maturity Date or the business day immediately preceding the date the Senior Debentures are redeemed by the Company. The Senior Indenture provides that such conversion right may be exercised by delivering to the Trustee's Calgary office the Senior Debenture that is to be converted, with the conversion notice that is attached as a schedule thereto duly executed and completed by or on behalf of the registered holder of the Senior Debenture (collectively the "**Conversion Notice**") in which case the principal amount of the Senior Debenture that is to be converted shall be converted into fully-paid, non-assessable Common Shares at \$0.50 per Common Share (the "**Conversion Price**"). If the Senior Debenture Amendments are implemented, the Conversion Price shall be \$0.15 per Common Share from the effective date of the amendments until the Maturity Date.

If the Senior Debentures are issued in an electronic form and/or held by and in the name of CDS, then any conversion notice will be delivered and such Senior Debentures may be surrendered or delivered for redemption in accordance with applicable procedures of CDS and in such case the Common Shares so converted will be issued, registered and recorded in accordance with applicable procedures of CDS.

Notwithstanding the foregoing:

- (a) Only the principal amount of the Senior Debentures (and not interest) may be converted into Common Shares. All interest that has accrued since the last applicable Interest Payment Date on the principal amount being converted to the date immediately preceding the effective date on which the Senior Debenture is converted, but is otherwise not yet paid, shall be paid to or to the order of the Debentureholder on, or as soon as reasonably possible following, the effective time of conversion;
- (b) No fractional Common Shares will be issued on any conversion. In lieu of fractional Common Shares, the Company shall satisfy fractional interests by a cash payment (computed to the nearest cent) equal to the sum of the last reported sale price of Common Shares on the business day preceding the conversion multiplied by such fractional interest; and
- (c) The Conversion Price and/or the number of Common Shares (or other securities or property) to be issued to a holder who converts a Senior Debenture shall be subject to conventional anti-dilution adjustments as described in the Senior Indenture.

Where Senior Debentures are properly converted in accordance with the provisions of the Senior Indenture as summarized above, the Company shall issue that number of Common Shares (or, as applicable, other securities or property) effective as at the date the Conversion Notice is received by the Trustee and shall issue or cause certificates for such Common Shares to be issued at, or as soon as reasonably possible following, such date. The Company shall also certify and deliver new Senior Debentures in an aggregate principal amount equal to any unconverted part (if any) of the principal amount of Senior Debentures so surrendered.

Representations and Warranties of the Company

In the Senior Indenture the Company makes certain representation and warranties to each Debentureholder, which representations and warranties are summarized as follows:

- (a) The Company (i) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (ii) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification; (iii) has the requisite power and authority and the legal right to own, pledge, mortgage, hypothecate or otherwise encumber its properties; (iv) has all licenses, permits, consents or approvals from or by, and has made all material filings with, and has given all notices to, all Governmental Authorities (as defined in the Senior Indenture) having jurisdiction, to the extent required for such ownership, operation and conduct; (v) is in material compliance with its constating documents and bylaws and is not party to any shareholders agreement; and (vi) is in compliance with all applicable provisions of law;
- (b) The current location of the Company's chief executive office is in Saskatoon, Saskatchewan and the jurisdiction in which all or substantially all of the Collateral (as defined in the Senior Indenture) is located is the Provinces of Saskatchewan;
- (c) The execution, delivery and performance by the Company of the Debenture Documents (as defined in the Senior Indenture) (and the creation of all Security (as defined in the Senior Indenture) provided for therein): (a) are within the Company's power; (b) have been duly authorized by all necessary corporate action; (c) do not contravene any provision of the Company's constating documents and bylaws or any shareholders agreement; (d) do not violate any law or regulation, or any order or decree of any court or Governmental Authority; (e) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, debenture, deed of trust, lease, agreement or other instrument to which the Company is a party or by which the Company or any of its property is bound; (f) do not result in the creation or imposition of any Security upon any of the property of the Company other than those in favour of the Trustee, on behalf of itself and the Debentureholder, pursuant to the Debenture Documents; and (g) do not require the consent or approval of any Governmental Authority or any other person, excluding as provided for in the Senior Indenture and any consent or approval obtained;
- (d) The Company owns all of its material property or assets free of all Liens (as defined in the Senior Indenture), other than Permitted Liens, the Company does not know of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and, the Company has no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof;
- (e) The Company is not subject to regulation under any law that restricts or limits its ability to incur Indebtedness or to perform its obligations in the Senior Indenture. The creation and issuance of the Senior Debentures and repayment thereof will not violate any provision of any applicable statute or any rule, regulation, order or policy of or issued by any securities commission, securities exchange or other securities regulatory authority; and
- (f) No action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of the Company, threatened against the Company, before any Governmental Authority or before any arbitrator or panel of arbitrators, that challenges the Company's right or power to enter into or perform any of its obligations under any Debenture Document, or the validity or enforceability of any Debenture Document or any action taken thereunder.

Covenants of the Company

In the Senior Indenture the Company makes certain covenants to the Trustee for the benefit of the Trustee and the Debentureholders, which covenants are summarized as follows.

Positive Covenants

- (a) Subject to the provisions of the Senior Indenture, the Company will duly and punctually pay or cause to be paid to every Senior Debentureholder the principal of and interest accrued on the Senior Debentures on the dates, at the places, in the money, and in the manner provided in the Senior Indenture and in the Senior Debentures;
- (b) Except expressly provided in the Senior Indenture, the Company will at all times maintain its corporate existence and the Company will carry on and conduct or will cause to be carried on and conducted its business and the business of its Subsidiaries in a proper and efficient manner and will keep or cause to be kept proper books of account and make or cause to be made therein true and accurate entries of all its dealings and transactions in relation to its business and the business of its Subsidiaries, as the case may be, all in accordance with IFRS, and at all reasonable times it will furnish or cause to be furnished to the Trustee or its duly authorized agent or attorney such information relating to its business and that of its Subsidiaries as the Trustee may reasonably require and such books of account shall at all reasonable times be open for inspection by the Trustee or such agent or attorney;
- (c) The Company will within 30 days of the filing thereof with the Securities Regulators, or as otherwise mandated by applicable policies or legislation, furnish to the Trustee and the Debentureholders a copy of the annual financial statements of the Company and the report, if any, of the Company's auditors thereon;
- (d) The Company will use its reasonable commercial efforts to maintain the listing and posting for trading of the Common Shares of the Company on the TSX Venture Exchange or Toronto Stock Exchange, and maintain its status as a "reporting issuer" not in default of the requirements of applicable securities legislation;
- (e) The Company will duly and punctually perform and carry out all of the acts or things to be done by it as provided in the Senior Indenture; and
- (f) The Company will deliver to the Trustee written notice of an Event of Default, which notice is required to give the particulars of the Event of Default.

If the Senior Debenture Amendments are made the Second Supplemental Senior Indenture will include a covenant of the Company to the Trustee for the benefit of the Trustee and the Debentureholders to use 50% of the net proceeds of any financing it closes during the term of the Senior Debentures to redeem the principal of and interest of the Debentures (including the Subordinated Debentures), on a pro rata basis.

Covenants as to Security

- (a) The Company shall keep the Collateral forming part of the Security under the Security Agreement in good condition;
- (b) The Company shall cause all necessary and proper steps to be taken diligently to protect and defend the Collateral and the proceeds thereof against any adverse claims or demands (other than Permitted Liens);
- (c) The Company shall ensure that the Security Agreements will at all times constitute valid and perfected first ranking security on all of the Collateral, subject only to Permitted Liens, and at all times take all actions necessary or desirable to create, perfect and maintain the Security granted pursuant to the Security Agreements as perfected first ranking security over the Collateral, subject only to Permitted Liens;
- (d) The Company shall at all times do, make, endorse, execute, acknowledge and deliver or cause to be done, made, endorsed, executed, acknowledged and delivered all such acts, deeds, mortgages, hypothecs, transfers, assignments, documents, filings, instruments and assurances in law (including consents, approvals or waivers from third parties under applicable documents or applicable legislation) as may be necessary or desirable to ensure that the Trustee (for itself and the Senior Debentureholders) has a first priority (subject only to Permitted Liens) and perfected Security in all of the Company's present and after acquired personal property and to ensure that the payment and performance of the Obligations; and
- (d) If the Security created by the Security Agreements shall have become enforceable and the Trustee shall have become bound to enforce or has commenced enforcing the same, the Company shall from time to time

execute and do all such assurances and things as the Trustee may reasonably require for facilitating the realization of the Security created by the Security Agreements and for exercising all the powers, authorities and discretions conferred upon the Trustee under the Senior Indenture and any other Debenture Document and for confirming to any purchaser of the Collateral, whether sold by the Trustee or by judicial proceedings, the title to the Collateral so sold, and will give all notices and directions as the Trustee may consider expedient.

Negative Covenants

- (a) The Company shall not create, incur, assume or permit to exist any Indebtedness, except Indebtedness that is subordinate to the Obligations;
- (b) The Company shall not enter into any lending or borrowing transaction with any employees of the Company, other than those in the ordinary course of its business;
- (c) The Company shall not amend its constating documents, by-laws, or any other agreement in a manner that would, or could reasonably be expected to, adversely affect the Trustee, the Senior Debtoreholders, the Security Agreements or the Company's duty or ability to repay or discharge the Obligations; and
- (d) Except for Permitted Liens and as provided for in the Debenture Documents, the Company shall not (i) create, incur, assume or permit to exist any Security on or with respect to the Collateral (whether now owned or hereafter acquired), and (ii) become a party to any agreement, debenture, indenture or instrument, or take any other action, that would prohibit the creation of a Security on the Collateral in favour of the Trustee, on behalf of itself and the Senior Debentureholders.

Default and Enforcement

The Senior Indenture will provide that an Event of Default (as defined in the Senior Indenture) will occur if any one or more of the following described events has occurred and is continuing:

- (a) Default in payment of the principal of any Senior Debentures when same becomes due;
- (b) Default in payment of any interest due on the Senior Debentures, unrectified after a period of 5 business days following receipt of notice provided by the Trustee to the Company;
- (c) Certain events of bankruptcy, insolvency or reorganization of the Company under bankruptcy or insolvency laws; and
- (d) Default in the observance or performance of any material covenant or condition of the Senior Indenture and a continuance of such default for a period of 30 days after notice in writing has been given by the Trustee to the Company specifying such default and requiring the Company to rectify the same.

If an Event of Default has occurred and is continuing, the Trustee may in its discretion, and shall upon request of Senior Debtoreholders of not less than 25% of the principal amount of Senior Debentures then outstanding, declare the principal and interest on all outstanding Senior Debentures and any other monies payable pursuant to the Senior Indenture to be immediately due and payable. In certain cases, the holders of more than 50% of the principal amount of the Senior Debentures then outstanding may, on behalf of the holders of the Senior Debentures, waive any Event of Default and/or cancel any declaration of default upon such terms and conditions as such holders shall prescribe (except a default in the payment of principal or interest on the Senior Debentures, which default may only be waived by an extraordinary resolution passed at a meeting of Senior Debentureholders at which the holders of at least 25% of the principal amount of the Senior Debentures then outstanding are present in person or by proxy and passed by the favourable votes of the holders of not less than 66⅔% of the principal amount of Senior Debentures then outstanding represented at the meeting).

If an Event of Default has occurred, the Trustee may in its discretion proceed to enforce the rights of the Trustee and of the Senior Debentureholders as authorized or permitted by the Senior Indenture or by law or equity. No holder of any Senior Debenture shall have any right to institute any action, suit or proceeding or to exercise any other right authorized or permitted by the Senior Indenture or by law or by equity unless, after receiving written notice of an

Event of Default, authorization to act, sufficient funds, and an indemnity, the Trustee shall have failed after reasonable opportunity to act.

Satisfaction and Discharge

The obligations of the Company under the Senior Indenture will be satisfied and discharged upon proof being given to the reasonable satisfaction of the Trustee (i) that all the Senior Debentures and interest (including interest on amounts in default) thereon have been paid or satisfied or (ii) that, all the outstanding Senior Debentures having matured, such payment has been duly provided for by payment to the Trustee or otherwise. Upon payment of all costs, charges and expenses properly incurred by the Trustee in relation to the Senior Indenture and all interest thereon and the remuneration of the Trustee, or upon provision satisfactory to the Trustee being made therefor, the Trustee, at the request and at the expense of the Company, will execute and deliver to the Company such deeds or other instruments as shall be necessary to evidence the satisfaction and discharge of the Senior Indenture and the Security Agreement and to release the Company from its covenants contained in the Senior Indenture and Security Agreement except those relating to the indemnification.

SUMMARY OF SUBORDINATED DEBENTURES AND SUBORDINATED INDENTURE

The following description of certain material terms of the Subordinated Debentures and the Subordinated Indenture is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Subordinated Indenture. A copy of the Subordinated Indenture is posted for public access on the Company's SEDAR profile at www.sedar.com, or, alternatively, can be obtained upon written request to the Company by: (i) mail at 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, S7K 5M5; (ii) telephone at (306) 653-2692; or (iii) fax at (306) 664-4483.

All capitalized terms used in this “*Summary of Subordinated Debentures and Subordinated Indenture*” section of the Circular but not otherwise defined in this Circular shall have the meaning given to such term in the Subordinated Indenture.

The Subordinated Indenture

The Subordinated Debentures have been created and issued pursuant to the trust indenture dated December 18, 2015 (the “**Subordinated Indenture**”) between the Company and Alliance Trust Company, as trustee. In the event certain conditions described in this Circular are satisfied, the Subordinated Indenture may be supplemented by a first supplemental trust indenture between the Company and Alliance Trust Company substantially in the form attached as Appendix “D” providing for the Subordinated Debenture Amendments. The following is a summary of the material provisions of the Subordinated Indenture.

The Subordinated Debentures

The aggregate principal amount of the Subordinated Debentures which may be issued pursuant to the Subordinated Indenture is limited to \$2,000,000 and the Subordinated Debentures are designated “2015 2.5% Convertible Subordinated Secured Debentures”. The Subordinated Debentures originally had a five-year term to maturity, with the principal sum and any accrued but unpaid interest to mature and come due on the Maturity Date (as defined in the Senior Indenture). The Maturity Date for the Subordinated Debentures is December 18, 2020. If the Subordinated Debenture Amendments are made, the Maturity Date for the Subordinated Debentures will be extended for three years such that the Maturity Date for the Subordinated Debentures will be December 18, 2023.

The Subordinated Debentures bear interest at the rate of 2.5% per annum, which interest will be paid in arrears on the Interest Payment Dates, which under the Subordinated Indenture means (i) each of the anniversaries of the Date of Issue of such Subordinated Debenture, (ii) the date upon which the Subordinated Debentures may be converted, (iii) date upon which the Subordinated Debentures may be redeemed, or (iv) the Maturity Date. Every Subordinated Debenture will bear interest from its Date of Issue or from the last Interest Payment Date.

The Subordinated Debentures and all obligations of the Company under or in respect thereof are subordinated in right of payment to all existing and future Senior Debentures. The Subordinated Debentures are direct secured obligations of the Company and are secured by a second ranking security interest subordinate to the Senior Debentures (subject to Permitted Liens (as defined in the Subordinated Indenture) and to the extent and for the maximum amount permitted by applicable law) on all of the present and after acquired personal property of the Company. The Company has executed and delivered in favour of the Trustee (as defined in the Subordinated Indenture) for the benefit of the

Trustee and the Subordinated Debentureholders all required security agreements granting the Trustee a second ranking security interest on the all of the present and after acquired personal property of the Company behind the Senior Debentures, subject to Permitted Liens. The Subordinated Debentures authenticated and issued under the Subordinated Indenture rank *pari passu* with one another and, subject to the Senior Debentures and Permitted Liens, rank in senior to payment to all of the Company's existing and future Indebtedness (as defined in the Subordinated Indenture).

The Subordinated Debentures have been issued in denominations of \$1.00 and integral multiples thereof. At the option of the Company, the Subordinated Debentures may be in physical certificated form or an electronic form and/or held by and in the name of CDS Clearing and Depository Services Inc., or its nominee, CDS & Co., as custodian (“CDS”). For Subordinated Debentures issued in the name of CDS, persons with a beneficial interest in the Subordinated Debentures will not receive definitive certificates representing their interest in the Subordinated Debentures except as provided in the Subordinated Indenture. Only Subordinated Debentures that have been authenticated pursuant to the Subordinated Indenture will be enforceable against the Company and entitled to the benefits of the Subordinated Indenture and any security agreements or be valid or obligatory for any purpose.

The Company has the right to redeem (the “**Right of Redemption**”) and repurchase all, but not less than all, of the principal of and interest on the Subordinated Debentures at any time prior to the Maturity Date, provided no default under the Subordinated Debenture has occurred and is continuing, and upon and subject to the terms and conditions in the Subordinated Indenture. If the Subordinated Debenture Amendments are adopted, the Right of Redemption will be amended such that the Subordinated Debentures will be redeemable at the option of the Company in whole or in part from time to time on not more than 60 and not less than 30 days prior notice. The Subordinated Debenture Amendments also include a covenant of the Company to use 50% of the net proceeds of any financing it closes during the term of the Subordinated Debentures to redeem the principal of and interest of the Debentures (including the Senior Debentures), on a pro rata basis.

The Right of Redemption will not be exercisable with respect to Subordinated Debentures for which, as at the applicable time, the Company has received a notice of conversion as set forth in the Subordinated Indenture. The amount payable on redemption by the Company will be equal to the sum of (i) the outstanding principal amount of the Subordinated Debentures, and (ii) all interest due or accruing due to and excluding such date of redemption. If the Subordinated Debentures are issued in an electronic form and/or held by and in the name of CDS, then any redemption notice will be delivered and such Subordinated Debentures may be surrendered or delivered for redemption in accordance with applicable procedures of CDS.

The Company may, if it is not at the time in default under the Subordinated Indenture, at any time and from time to time, purchase the Subordinated Debentures in the open market (which will include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender at any price or by contract or by private agreement. All Subordinated Debentures so purchased will be cancelled and no Subordinated Debentures shall be issued in substitution therefor.

Conversion

Pursuant to the terms and conditions of the Subordinated Indenture, all Subordinated Debentureholders will have the right to convert the whole or any part of the principal amount of their Subordinated Debentures into Common Shares in accordance with the terms of the Subordinated Indenture at any time prior to 5:00 pm (Calgary time) on the business day immediately preceding the Maturity Date or the business day immediately preceding the date the Subordinated Debentures are redeemed by the Company. The Subordinated Indenture provides that such conversion right may be exercised by delivering to the Trustee’s Calgary office the Subordinated Debenture that is to be converted, with the conversion notice that is attached as a schedule thereto duly executed and completed by or on behalf of the registered holder of the Subordinated Debenture (collectively the “**Conversion Notice**”) in which case the principal amount of the Subordinated Debenture that is to be converted shall be converted into fully-paid, non-assessable Common Shares at \$0.50 per Common Share (the “**Conversion Price**”). If the Subordinated Debenture Amendments are implemented, the Conversion Price shall be \$0.15 per Common Share from the effective date of the amendments until the Maturity Date.

If, however, the Subordinated Debentures are issued in an electronic form and/or held by and in the name of CDS, then any conversion notice will be delivered and such Subordinated Debentures may be surrendered or delivered for redemption in accordance with applicable procedures of CDS and in such case the Common Shares so converted will be issued, registered and recorded in accordance with applicable procedures of CDS.

Notwithstanding the foregoing:

- (a) Only the principal amount of the Subordinated Debentures (and not interest) may be converted into Common Shares. All interest that has accrued since the last applicable Interest Payment Date on the principal amount being converted to the date immediately preceding the effective date on which the Subordinated Debenture is converted, but is otherwise not yet paid, shall be paid to or to the order of the Subordinated Debentureholder on, or as soon as reasonably possible following, the effective time of conversion;
- (b) No fractional Common Shares will be issued on any conversion. In lieu of fractional Common Shares, the Company shall satisfy fractional interests by a cash payment (computed to the nearest cent) equal to the sum of the last reported sale price of Common Shares on the business day preceding the conversion multiplied by such fractional interest; and
- (c) The Conversion Price and/or the number of Common Shares (or other securities or property) to be issued to a holder who converts a Subordinated Debenture shall be subject to conventional anti-dilution adjustments as described in the Subordinated Indenture.

Where Subordinated Debentures are properly converted in accordance with the provisions of the Subordinated Indenture as summarized above, the Company shall issue that number of Common Shares (or, as applicable, other securities or property) effective as at the date the Conversion Notice is received by the Trustee and shall issue or cause certificates for such Common Shares to be issued at, or as soon as reasonably possible following, such date. The Company shall also certify and deliver new Subordinated Debentures in an aggregate principal amount equal to any unconverted part (if any) of the principal amount of Subordinated Debentures so surrendered.

Representations and Warranties of the Company

In the Subordinated Indenture the Company makes certain representation and warranties to each Subordinated Debentureholder, which representations and warranties are summarized as follows:

- (a) The Company (i) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (ii) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification; (iii) has the requisite power and authority and the legal right to own, pledge, mortgage, hypothecate or otherwise encumber its properties; (iv) has all licenses, permits, consents or approvals from or by, and has made all material filings with, and has given all notices to, all Governmental Authorities (as defined in the Subordinated Indenture) having jurisdiction, to the extent required for such ownership, operation and conduct; (v) is in material compliance with its constating documents and bylaws and is not party to any shareholders agreement; and (vi) is in compliance with all applicable provisions of law;
- (b) The current location of the Company's chief executive office is in Saskatoon, Saskatchewan and the jurisdiction in which all or substantially all of the Collateral (as defined in the Subordinated Indenture) is located is the Provinces of Saskatchewan;
- (c) The execution, delivery and performance by the Company of the Debenture Documents (as defined in the Subordinated Indenture) (and the creation of all Security (as defined in the Subordinated Indenture) provided for therein): (a) are within the Company's power; (b) have been duly authorized by all necessary corporate action; (c) do not contravene any provision of the Company's constating documents and bylaws or any shareholders agreement; (d) do not violate any law or regulation, or any order or decree of any court or Governmental Authority; (e) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, debenture, deed of trust, lease, agreement or other instrument to which the Company is a party or by which the Company or any of its property is bound; (f) do not result in the creation or imposition of any Security upon any of the property of the Company other than those in favour of the Trustee, on behalf of itself and the Subordinated Debentureholder, pursuant to the Debenture Documents; and (g) do not require the consent or approval of any Governmental Authority or any other person, excluding as provided for in the Subordinated Indenture and any consent or approval obtained;
- (d) The Company owns all of its material property or assets free of all Liens (as defined in the Subordinated Indenture), other than the security interest granted under the Senior Indenture and the Permitted Liens, the

Company does not know of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and, the Company has no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof;

- (e) The Company is not subject to regulation under any law that restricts or limits its ability to incur Indebtedness or to perform its obligations in the Subordinated Indenture. The creation and issuance of the Subordinated Debentures and repayment thereof will not violate any provision of any applicable statute or any rule, regulation, order or policy of or issued by any securities commission, securities exchange or other securities regulatory authority; and
- (f) No action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of the Company, threatened against the Company, before any Governmental Authority or before any arbitrator or panel of arbitrators, that challenges the Company's right or power to enter into or perform any of its obligations under any Debenture Document, or the validity or enforceability of any Debenture Document or any action taken thereunder.

Covenants of the Company

In the Subordinated Indenture the Company makes certain covenants to the Trustee for the benefit of the Trustee and the Subordinated Debentureholders, which covenants are summarized as follows.

Positive Covenants

- (a) Subject to the provisions of the Subordinated Indenture, the Company will duly and punctually pay or cause to be paid to every Subordinated Debentureholder the principal of and interest accrued on the Subordinated Debentures on the dates, at the places, in the money, and in the manner provided in the Subordinated Indenture and in the Subordinated Debentures;
- (b) Except expressly provided in the Subordinated Indenture, the Company will at all times maintain its corporate existence and the Company will carry on and conduct or will cause to be carried on and conducted its business and the business of its Subsidiaries in a proper and efficient manner and will keep or cause to be kept proper books of account and make or cause to be made therein true and accurate entries of all its dealings and transactions in relation to its business and the business of its Subsidiaries, as the case may be, all in accordance with IFRS, and at all reasonable times it will furnish or cause to be furnished to the Trustee or its duly authorized agent or attorney such information relating to its business and that of its Subsidiaries as the Trustee may reasonably require and such books of account shall at all reasonable times be open for inspection by the Trustee or such agent or attorney;
- (c) The Company will within 30 days of the filing thereof with the Securities Regulators, or as otherwise mandated by applicable policies or legislation, furnish to the Trustee and the Subordinated Debentureholders a copy of the annual financial statements of the Company and the report, if any, of the Company's auditors thereon;
- (d) The Company will use its reasonable commercial efforts to maintain the listing and posting for trading of the Common Shares of the Company on the TSX Venture Exchange or Toronto Stock Exchange, and maintain its status as a "reporting issuer" not in default of the requirements of applicable securities legislation;
- (e) The Company will duly and punctually perform and carry out all of the acts or things to be done by it as provided in the Subordinated Indenture; and
- (f) The Company will deliver to the Trustee written notice of an Event of Default, which notice is required to give the particulars of the Event of Default.

If the Subordinated Debenture Amendments are made the Supplemental Subordinated Indenture will include a covenant of the Company to the Trustee for the benefit of the Trustee and the Debentureholders to use 50% of the net proceeds of any financing it closes during the term of the Subordinated Debentures to redeem the principal of and interest of the Debentures (including the Senior Debentures), on a pro rata basis.

Covenants as to Security

- (a) The Company shall keep the Collateral forming part of the Security under the Security Agreement in good condition;
- (b) The Company shall cause all necessary and proper steps to be taken diligently to protect and defend the Collateral and the proceeds thereof against any adverse claims or demands (other than the security interest granted pursuant to the Senior Indenture and the Permitted Liens);
- (c) The Company shall ensure that the Security Agreements will at all times constitute valid and perfected second ranking security on all of the Collateral, subject only to the Senior Debentures and the Permitted Liens, and at all times take all actions necessary or desirable to create, perfect and maintain the Security granted pursuant to the Security Agreements as perfected second ranking security over the Collateral, subject only to the Senior Debentures and the Permitted Liens;
- (d) The Company shall at all times do, make, endorse, execute, acknowledge and deliver or cause to be done, made, endorsed, executed, acknowledged and delivered all such acts, deeds, mortgages, hypothecs, transfers, assignments, documents, filings, instruments and assurances in law (including consents, approvals or waivers from third parties under applicable documents or applicable legislation) as may be necessary or desirable to ensure that the Trustee (for itself and the Subordinated Debentureholders) has a second priority (subject only to the Senior Debentures and Permitted Liens) and perfected Security in all of the Company's present and after acquired personal property and to ensure that the payment and performance of the Obligations; and
- (d) If the Security created by the Security Agreements shall have become enforceable and the Trustee shall have become bound to enforce or has commenced enforcing the same, the Company shall from time to time execute and do all such assurances and things as the Trustee may reasonably require for facilitating the realization of the Security created by the Security Agreements and for exercising all the powers, authorities and discretions conferred upon the Trustee under the Subordinated Indenture and any other Debenture Document and for confirming to any purchaser of the Collateral, whether sold by the Trustee or by judicial proceedings, the title to the Collateral so sold, and will give all notices and directions as the Trustee may consider expedient.

Negative Covenants

- (a) The Company shall not create, incur, assume or permit to exist any Indebtedness, except Indebtedness that is subordinate to the Obligations;
- (b) The Company shall not enter into any lending or borrowing transaction with any employees of the Company, other than those in the ordinary course of its business;
- (c) The Company shall not amend its constituting documents, by-laws, or any other agreement in a manner that would, or could reasonably be expected to, adversely affect the Trustee, the Subordinated Debtoreholders, the Security Agreements or the Company's duty or ability to repay or discharge the Obligations; and
- (d) Except for the security interest granted pursuant to the Senior Indenture, the Permitted Liens and as provided for in the Debenture Documents, the Company shall not (i) create, incur, assume or permit to exist any Security on or with respect to the Collateral (whether now owned or hereafter acquired), and (ii) become a party to any agreement, debenture, indenture or instrument, or take any other action, that would prohibit the creation of a Security on the Collateral in favour of the Trustee, on behalf of itself and the other Subordinated Debentureholders.

Default and Enforcement

The Subordinated Indenture will provide that an Event of Default (as defined in the Subordinated Indenture) will occur if any one or more of the following described events has occurred and is continuing:

- (a) Default in payment of the principal of any Subordinated Debentures when same becomes due;
- (b) Default in payment of any interest due on the Subordinated Debentures, unrectified after a period of 5 business days following receipt of notice provided by the Trustee to the Company;

- (c) Certain events of bankruptcy, insolvency or reorganization of the Company under bankruptcy or insolvency laws; and
- (d) Default in the observance or performance of any material covenant or condition of the Subordinated Indenture and a continuance of such default for a period of 30 days after notice in writing has been given by the Trustee to the Company specifying such default and requiring the Company to rectify the same.

If an Event of Default has occurred and is continuing, the Trustee may in its discretion, and shall upon request of Subordinated Debentureholders of not less than 25% of the principal amount of Subordinated Debentures then outstanding, declare the principal and interest on all outstanding Subordinated Debentures and any other monies payable pursuant to the Subordinated Indenture to be immediately due and payable. In certain cases, the holders of more than 50% of the principal amount of the Subordinated Debentures then outstanding may, on behalf of the holders of the Subordinated Debentures, waive any Event of Default and/or cancel any declaration of default upon such terms and conditions as such holders shall prescribe (except a default in the payment of principal or interest on the Subordinated Debentures, which default may only be waived by an extraordinary resolution passed at a meeting of Subordinated Debentureholders at which the holders of at least 25% of the principal amount of the Subordinated Debentures then outstanding are present in person or by proxy and passed by the favourable votes of the holders of not less than 66²/₃% of the principal amount of Subordinated Debentures then outstanding represented at the meeting).

If an Event of Default has occurred, the Trustee may in its discretion proceed to enforce the rights of the Trustee and of the Debentureholders as authorized or permitted by the Subordinated Indenture or by law or equity. No holder of any Subordinated Debenture shall have any right to institute any action, suit or proceeding or to exercise any other right authorized or permitted by the Subordinated Indenture or by law or by equity unless, after receiving written notice of an Event of Default, authorization to act, sufficient funds, and an indemnity, the Trustee shall have failed after reasonable opportunity to act.

Satisfaction and Discharge

The obligations of the Company under the Subordinated Indenture will be satisfied and discharged upon proof being given to the reasonable satisfaction of the Trustee (i) that all the Subordinated Debentures and interest (including interest on amounts in default) thereon have been paid or satisfied or (ii) that, all the outstanding Subordinated Debentures having matured, such payment has been duly provided for by payment to the Trustee or otherwise. Upon payment of all costs, charges and expenses properly incurred by the Trustee in relation to the Subordinated Indenture and all interest thereon and the remuneration of the Trustee, or upon provision satisfactory to the Trustee being made therefor, the Trustee, at the request and at the expense of the Company, will execute and deliver to the Company such deeds or other instruments as shall be necessary to evidence the satisfaction and discharge of the Subordinated Indenture and the Security Agreement and to release the Company from its covenants contained in the Subordinated Indenture and Security Agreement except those relating to the indemnification.

CERTAIN INFORMATION CONCERNING THE COMPANY

Earnings Coverage Ratio

The following earning coverage ratios were calculated in accordance with the Canadian securities law disclosure requirements using financial information prepared in accordance with International Financial Reporting Standards (“IFRS”) and adjusted for the completion of the Debenture Amendments, as if the Debenture Amendments has been in effect as of the first day of the relevant period. Adjusted figures are non-IFRS measures. Pro-forma earnings before borrowing costs and income taxes coverage ratios for the year ended December 31, 2019 and the 12-month period ended September 30, 2020 are 1.58 and 38.32, respectively. The foregoing does not adjust for material non-cash items which are included in earnings before interest and taxes, as described in the Company’s financial statements for the year ended December 31, 2019 and the period ended September 30, 2020.

Price Range and Trading Volume of the Company's Common Shares

The outstanding common shares of the Company (the “Common Shares”) are listed on the TSXV under the trading symbol “FNR”. The following table sets forth the price range and trading volume of the Common Shares for the periods indicated.

Period	Price Range		Monthly Volume
	High (\$)	Low (\$)	
June 2019	0.04	0.02	2,170,700
July 2019	0.02	0.02	203,100
August 2019	0.03	0.02	603,900
September 2019	0.03	0.02	261,900
October 2019	0.03	0.02	783,000
November 2019	0.02	0.02	379,900
December 2019	0.02	0.02	759,100
January 2020	0.05	0.03	1,004,700
February 2020	0.05	0.04	393,900
March 2020	0.04	0.03	409,700
April 2020	0.04	0.03	591,100
May 2020	0.05	0.03	1,214,460
June 2020	0.10	0.05	2,137,100
July 2020	0.19	0.14	9,918,500
August 2020	0.18	0.13	2,357,095
September 2020	0.15	0.11	1,074,153
October 2020	0.135	0.09	1,105,989
November 2020	0.115	0.09	642,542
December 2020	0.12	0.09	1,057,008
January 2021	0.125	0.085	1,029,650
February 1-10, 2021	0.10	0.085	215,714

On February 3, 2020, the last day the Common Shares traded prior to the public announcement of the Company's plan to restructure the Debentures, the closing price of the Common Shares on the TSXV was \$0.10.

RISKS AND UNCERTAINTIES

Risks and Uncertainties

In addition to the risks and uncertainties described in the Company's publicly filed disclosure documents, Debentureholders should give careful consideration to the following factors.

Debenture Amendments may not improve the financial condition of the Company's businesses

Management believes the Debenture Amendments will enhance the Company's liquidity and provide it with continued operating flexibility. However, such belief is based on certain assumptions, including that the Debenture Amendments will not materially adversely affect its business, that general economic conditions, and in particular the junior natural resource markets, will improve, and the Company will be able to manage costs. Should any of those assumptions prove false, the financial position of the Company may be materially adversely affected.

The Company may not be able to satisfy payments of interest and principal on the Senior Debentures and Subordinated Debentures

There is no guarantee that the Company will have sufficient cash available to make interest and principal payments on the Senior Debentures and Subordinated Debentures on a timely basis or at all. The likelihood that holders will receive the payments owing to them in connection with the Senior Debentures and Subordinated Debentures will be dependent upon the financial health, and creditworthiness of the Company and the ability of the Company to earn revenues and the status of the junior natural resource markets generally.

Earnings Coverage Ratios

See “*Earning Coverage Ratios*” above, which is relevant to an assessment of the risk that the Company will be unable to pay interest or principal on the Senior Debentures and Subordinated Debentures when due.

Market for the Senior Debentures and Subordinated Debentures

There is currently no market through which the Senior Debentures or Subordinated Debentures may be sold and holders may not be able to resell the Senior Debentures and Subordinated Debentures. This may affect the pricing of the Senior Debentures and Subordinated Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. The Company does not currently intend to apply to have the Senior Debentures or Subordinated Debentures listed on any securities exchange or marketplace at or after the effective date of the Debenture Amendments. There can be no assurance that a secondary market for trading in the Senior Debentures and Subordinated Debentures will develop or that any secondary market which does develop will continue. Also, there can be no assurances that any such secondary market will be active.

Potential Dilution

The Company is authorized to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by Company’s directors, in many cases, without the approval of shareholders. The Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exercisable or exchangeable for Common Shares) and on the conversion, exercise or exchange of options or other securities convertible into Common Shares. The Company may also issue Common Shares to finance future acquisitions and other projects. The size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares cannot be predicted at this time. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per Common Share.

Absence of Covenant Protection

Neither the Senior Indenture, the Senior Debentures, the Subordinate Indenture nor the Subordinated Debentures contain or will contain any provisions that restrict the Company’s ability, at any time and on such terms and conditions as the management determines in accordance with applicable laws to be in the best interest of the Company, to: conduct and carry on such business or businesses as management considers desirable; issue additional Common Shares or other securities at such prices and otherwise on such terms and conditions as the Board considers appropriate; declare and/or pay dividends or make other distributions on its shares; borrow money or incur additional indebtedness; acquire new assets; or undertake one or more fundamental changes including, without limitation, amending its articles of incorporation, amalgamating with one or more other corporations, continuing under the laws of a jurisdiction other than Saskatchewan, selling, leasing or otherwise disposing of all or substantially all of its property; or entering into one or more merger, acquisition or reorganization transactions involving the Company and one or more other entities whether pursuant to a plan of arrangement under *The Business Corporations Act* (Saskatchewan) or otherwise. The implementation of any one or more of the forgoing may have a material adverse effect on the financial condition of the Company, which in turn may adversely effect the Company’s ability to perform its obligations under the Senior Indenture and Subordinated Indenture, including its ability to pay interest and/or repay the principal of the Senior Debentures and Subordinated Debentures at the times and in the amounts contemplated by the terms of those securities if amended. Further, neither the Senior Indenture, the Senior Debentures, the Subordinate Indenture nor the Subordinated Debentures require the Company to observe or maintain any particular financial covenants or ratios as a condition to doing any of the foregoing or as a condition to the Company remaining in compliance with its representations, warranties, covenants and obligations under the Senior Indenture, the Senior Debentures, the Subordinate Indenture and the Subordinated Debentures.

Conversion Price Risk

As at the date hereof, the Common Shares are trading on the TSXV at prices below the Conversion Price of the Senior Debentures and Subordinated Debentures. There is no assurance that the Common Shares will ever trade at prices above said Conversion Price and therefore no assurance that a holder of Senior Debentures and Subordinated

Debentures will be able to profitably convert the Senior Debentures or Subordinated Debentures into Common Shares and/or sell the Common Shares into which the Senior Debentures or Subordinated Debentures are so converted.

Market Price and Volatility of the Common Shares, Senior Debentures and Subordinated Debentures

The market price of the Common Shares, Senior Debentures and Subordinated Debentures will be based on a number of factors including the financial condition, results of operation, liquidity and prospects of the Company; changes in the industry and competition affecting the Company; domestic and global commodity prices and market perceptions of the attractiveness of particular industries and general market and economic conditions. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Senior Debentures, Subordinated Debentures and Common Shares.

Other

The Company reserves the right, notwithstanding the approval by Senior Debentureholders and the Subordinated Debentureholders of the Senior Extraordinary Debentureholder Resolution and Subordinated Extraordinary Debentureholder Resolution, respectively, without further notice to, or the approval of, the Debentureholders, not to proceed with all or any of the matters approved in the Senior Extraordinary Debentureholder Resolution and Subordinated Extraordinary Debentureholder Resolution or to revoke the Senior Extraordinary Debentureholder Resolution and/or Subordinated Extraordinary Debentureholder Resolution.

GENERAL PROXY AND DEBENTUREHOLDER MEETING MATTERS

Solicitation of Proxies and Voting Instructions

This Circular is furnished in connection with the solicitation of proxies and voting instructions by management of the Company to be used at the Debentureholder Meeting. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally by employees of the Company at nominal costs.

Management may also retain one or more proxy solicitation firms on customary terms to solicit proxies on its behalf by telephone or electronic mail. The total cost of the solicitation of proxies and voting instructions will be borne by the Company.

Record Date

Only Debentureholders of record as of the close of business on the Record Date are entitled to receive notice of the Debentureholder Meeting and to vote at the Debentureholder Meeting. At the Debentureholder Meeting, each Senior Debentureholder will have one vote respecting the Senior Extraordinary Debentureholder Resolution for each \$1.00 principal amount of Senior Debentures held by such Senior Debentureholder as of the Record Date and each Subordinated Debentureholder will have one vote respecting the Subordinated Extraordinary Debentureholder Resolution for each \$1.00 principal amount of Subordinated Debentures held by such Subordinated Debentureholder as of the Record Date.

Beneficial Debentureholders

The Senior Debentures and Subordinated Debentures have been issued in the form of global certificates registered in the name of CDS & Co. As such, CDS & Co. is the sole registered holder of Senior Debentures and Subordinated Debentures. Accordingly, all Senior Debentureholders and Subordinated Debentureholders do not hold their Senior Debentures and Subordinated Debentures, respectively, in their own name. Such Senior Debentures and Subordinated Debentures are held by such Senior Debentureholders and Subordinated Debentureholders (“**Beneficial Owners**”), respectively, through one or more intermediaries (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan).

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 Debentures are entitled to receive notice

of the Debentureholder Meeting and only registered Debentureholders or their duly appointed proxies are entitled to vote at the Debentureholder Meeting. If you are a Beneficial Owner, you are entitled to: (i) direct how the Debentures beneficially owned by you are to be voted, or (ii) obtain a legal form of proxy that will entitle you to attend and vote at the Debentureholder Meeting. Often, the form of proxy supplied to beneficial Debentureholders in order that they may provide instructions is identical to the form of proxy provided to registered Debentureholders; however, its purpose is limited to instructing the registered Debentureholders how to vote on behalf of the beneficial Debentureholders.

Delivery of Meeting Materials

In accordance with the provisions of National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”), 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 (as defined below), form of proxy/voting instruction form and certain other information to Beneficial Owners. Registered Debentureholders will receive copies of the Notice-and-Access Notice, form of proxy and certain other information. If you are a Beneficial Owner and Alliance Trust Company has sent these materials directly to you, your name, address and information about your 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 Debentures on behalf of the Beneficial Owner) 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 Debentures they beneficially own. If your Debentures are registered in your name, the form of proxy will be a proxy form. If your Debentures are held by or through an intermediary, the form will be either (i) a form of proxy if received directly by Alliance Trust Company or (ii) a voting instruction form if received from Broadridge. A Beneficial Owner receiving a form of proxy or voting instruction form cannot use that form of proxy or voting instruction form to vote Debentures directly at the Debentureholder Meeting. As discussed below, the form of proxy or voting instruction form must first be returned to the Company’s registrar and transfer agent in advance of the Debentureholder Meeting in order to have the Debentures voted.

Notice and Access

The notice-and-access provisions under NI 52-102 and NI 54-101 (“**Notice-and-Access**”) are a mechanism which allows reporting issuers other than investment funds to choose to deliver 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. Reporting issuers may still choose to continue to deliver such materials by mail, and security 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 for the Debentureholder Meeting to all Debentureholders. In order for the Company to utilize Notice-and-Access to deliver proxy-related materials by posting the Circular (and, certain other meeting materials) electronically on a website that is not SEDAR, the Company must send a notice (“**Notice-and-Access Notice**”) to Debentureholders, indicating that the Circular (and, certain other meeting materials) have been posted and explaining how a Debentureholder can access them or obtain from the Company a paper copy of such meeting materials. The Notice-and-Access Notice has been delivered to Debentureholders by the Company, along with, in the case of Beneficial Owners, a proxy or voting instruction form, and, in the case of registered Debentureholders, a form of proxy.

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 securityholders. 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 securityholders. No Debentureholder 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, on the Company's website at www.fnr.ca and at the following internet address: <http://alliancetrust.ca/shareholders/>.

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

Request for Voting Instructions

If you do not wish to, or are unable to, attend the Debentureholder Meeting (or want another person (who need not be a Senior Debentureholder or Subordinated Debentureholder) to attend and vote on your behalf), you should complete, sign and return the enclosed proxy or voting instruction form in accordance with the directions provided. You may revoke your voting instructions prior to the Debentureholder Meeting by following the instructions provided by your broker or other intermediary.

If you wish to attend the Debentureholder Meeting and vote in person (or have another person (who need not be a Senior Debentureholder or Subordinated Debentureholder) to attend and vote on your behalf you must complete, sign and return the enclosed proxy or voting instruction form in accordance with the directions provided and a legal form of proxy will be sent to you giving you (or such other person) the right to attend and vote at the Debentureholder Meeting. **Given the ongoing concerns relating to COVID-19, please contact the Company prior to attending at the Debentureholder Meeting.**

Registered Debentureholders

If you are a registered Senior Debentureholder or registered Subordinated Debentureholder, you may vote in person at the Debentureholder Meeting or you may appoint another person to represent you as your proxyholder to vote your Senior Debentures or Subordinated Debentures, respectively, on your behalf. If you wish to attend the Debentureholder Meeting **do not** complete or return the enclosed form of proxy because you will vote in person at the Debentureholder Meeting. **Given the ongoing concerns relating to COVID-19, please contact the Company prior to attending at the Debentureholder Meeting.**

Appointment of Proxies

If you are a registered Senior Debentureholder and do not wish to, or are unable to, attend the Debentureholder Meeting you can exercise your right to vote by completing, signing and returning a form of proxy for the Senior Debentures by mail or delivery in person to Alliance Trust Company, 1010-407 Second Street SW, Calgary, Alberta, T2P 2Y3, Attention: Proxy Department, in each case so as to ensure that the applicable form(s) of proxy arrives not later than 10:00 a.m. (Central Standard time), on March 18, 2021 or, if the Debentureholder Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Debentureholder Meeting.

If you are a registered Subordinated Debentureholder and do not wish to, or are unable to, attend the Debentureholder Meeting you can exercise your right to vote by completing, signing and returning a form of proxy for the Subordinated Debentures by mail or delivery in person Alliance Trust Company, 1010-407 Second Street SW, Calgary, Alberta, T2P 2Y3, Attention: Proxy Department, in each case so as to ensure that the applicable form(s) of proxy arrives not later than 10:00 a.m. (Central Standard time), on March 18, 2021 or, if the Debentureholder Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Debentureholder Meeting.

The individuals named in both of the enclosed forms of proxy are representatives of the Company or its affiliates. You have the right to appoint someone else to represent you at the Debentureholder Meeting and may do so by striking out the names of the persons named in the particular form of proxy for the Debentureholder Meeting and inserting that other person's name in the blank space provided in the particular form of proxy. The person you appoint to represent you at the Debentureholder Meeting need not be another Senior Debentureholder or Subordinated Debentureholder, as the case may be.

Revocation of Proxies

If you have submitted a form of proxy and later wish to revoke it, you can do so by:

1. Completing and signing the applicable form of proxy bearing a later date and depositing it with Alliance Trust Company as described above;
2. Depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf): (i) at the registered office of the Company, 602-224 Fourth Avenue South, Saskatoon, Saskatchewan, S7K 5M5, to the attention of the “President”, at any time up to the last business day preceding the day of the Debentureholder Meeting or any adjournment thereof, at which the form of proxy is to be used; or (ii) with the chair of the Debentureholder Meeting before the meeting starts on the day of the meeting or any adjournment thereof; or
3. Following any other procedure that is permitted by law.

Only registered Senior Debentureholders or Subordinated Debentureholders have the right to revoke a proxy. Beneficial Owners who wish to change their vote must make appropriate arrangements with their brokers or other intermediaries. See “Beneficial Debentureholders”.

Voting of Proxies

In connection with any ballot that may be called for, the representatives designated in the enclosed forms of proxy will vote the Senior Debentures or Subordinated Debentures represented thereby for or against the Senior Extraordinary Debentureholder Resolution or the Subordinated Extraordinary Debentureholder Resolution, respectively, in accordance with the instructions indicated on the particular form of proxy and, if a choice is specified with respect to any matter to be acted upon, the Senior Debentures or Subordinated Debentures, as the case may be, will be voted accordingly. In the absence of any direction, the Senior Debentures will be voted **FOR** the Senior Extraordinary Debentureholder Resolution, and the Subordinated Debentures will be voted **FOR** the Subordinated Extraordinary Debentureholder Resolution.

The representatives designated in the enclosed forms of proxy have discretionary authority with respect to amendments to or variations of matters identified in the Notice of Joint Extraordinary Meeting of Debentureholders and with respect to other matters that may properly come before the Debentureholder Meeting. At the date of this Circular, representatives of the Company know of no such amendments, variations or other matters.

Quorum and Votes Necessary to Pass the Senior Extraordinary Debentureholder Resolution

Under the Senior Indenture, the quorum necessary for the transaction of business at the Debentureholder Meeting consists of Senior Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Senior Debentures. For the Senior Extraordinary Debentureholder Resolution to be adopted in respect of the Senior Debentures in accordance with the provisions of the Senior Indenture, it must be approved by the holders of not less than 66⅔% of the principal amount of the Senior Debentures, present or represented by proxy at the Debentureholder Meeting and entitled to vote on the Senior Extraordinary Debentureholder Resolution.

Under the Senior Indenture, if, at the Debentureholder Meeting, the holders of not less than 25% in principal amount of the Senior Debentures outstanding are not present in person or by proxy within 30 minutes after the time appointed for the Debentureholder Meeting, then the Debentureholder Meeting shall be adjourned to such date, being not less than 21 nor more 60 days later, and to such time and place as may be selected by the chair of the Debentureholder Meeting. Not less than 10 days’ notice shall be given of the time and place of the adjourned meeting. At the adjourned Debentureholder Meeting, the Senior Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote shall be an “Extraordinary Resolution” within the meaning of the Senior Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Senior Debentures then outstanding are not present in person or by proxy at such adjourned Debentureholder Meeting.

Quorum and Votes Necessary to Pass the Subordinated Extraordinary Debentureholder Resolution

Under the Subordinated Indenture, the quorum necessary for the transaction of business at the Debentureholder Meeting consists of Subordinated Debentureholders present in person or by proxy and representing at least

25% in principal amount of the outstanding Subordinated Debentures. For the Subordinated Extraordinary Debentureholder Resolution to be adopted in respect of the Subordinated Debentures in accordance with the provisions of the Subordinated Indenture, it must be approved by the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the Subordinated Debentures, present or represented by proxy at the Debentureholder Meeting and entitled to vote on the Subordinated Extraordinary Debentureholder Resolution.

Under the Subordinated Indenture, if, at the Debentureholder Meeting, the holders of not less than 25% in principal amount of the Subordinated Debentures outstanding are not present in person or by proxy within 30 minutes after the time appointed for the Debentureholder Meeting, then the Debentureholder Meeting shall be adjourned to such date, being not less than 21 nor more 60 days later, and to such time and place as may be selected by the chair of the Debentureholder Meeting. Not less than 10 days' notice shall be given of the time and place of the adjourned meeting.. At the adjourned Debentureholder Meeting, the Subordinated Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote shall be an "Extraordinary Resolution" within the meaning of the Subordinated Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Subordinated Debentures then outstanding are not present in person or by proxy at such adjourned Debentureholder Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Company has outstanding \$2,743,925.00 principal amount of the Series 1 Senior Debentures and \$1,824,881.00 principal amount of the Series 2 Senior Debentures, for a total principal amount of the Senior Debentures of \$4,568,806.00 as of the date of this Circular. As at the date hereof, the Company has outstanding \$880,083.00 principal amount of the Subordinated Debentures. Each Senior Debentureholder or Subordinated Debentureholder present in person or represented by proxy at the Debentureholder Meeting shall be entitled to one vote in respect of each \$1.00 principal amount of Senior Debentures or Subordinated Debentures held by such Senior Debentureholder or Subordinated Debentureholder. Any holder of record of Senior Debentures or Subordinated Debentures at the close of business on the Record Date is entitled to vote the Senior Debentures or Subordinated Debentures registered in his or her name at that date on each matter to be acted upon at the Debentureholder Meeting.

Except as set forth below, to the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, Senior Debentures carrying 10% or more of the voting rights attached to the outstanding principal amount of the Senior Debentures. To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, Subordinated Debentures carrying 10% or more of the voting rights attached to the outstanding principal amount of the Subordinated Debentures.

Name	Principal Amount of Senior Debentures Held	Percentage of Senior Debentures Held
Sharon MacNeill	\$540,260 Series 1	11.82%

As at the date hereof, there are 83,097,631 Common Shares, 2,665,012 First Preferred Shares, Series 1, and 609,996 First Preferred Shares, Series 2 issued and outstanding. Except as set forth below, to the Company's knowledge, as of the date hereof, no person or company beneficially owns, directly or indirectly, or controls or directs, more than ten percent of either of the Common Shares, the First Preferred Shares, Series 1 or the First Preferred Shares, Series 2.

Name	Class and Number of Securities Held	Percentage of Securities Held
Tom MacNeill	10,045,594 Common Shares	12.09% of Common Shares

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

Except as otherwise disclosed in this Circular, no director or executive officer of the Company at any time since the beginning of the Company's last financial year nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the Debentureholder Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no informed person of 49 North, or any associate or affiliate of any informed person, has had any material interest in any transaction, or proposed transaction, which has materially affected or would materially affect 49 North or any of its subsidiaries since the commencement of the most recently completed financial year of 49 North.

DEBENTUREHOLDER RIGHTS

Some of your rights as a Senior Debentureholder or Subordinated Debentureholder, as the case may be, including those relating to the Debentureholder Meeting, are described generally in this Circular. For more details, reference is made to the full text of the Senior Indenture or Subordinated Indenture, a copy of which is posted for public access on the Company's SEDAR profile at www.sedar.com, or, alternatively, can be obtained upon written request to the Company by: (i) mail at 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, S7K 5M5; (ii) telephone at (306) 653-2692; or (iii) fax at (306) 664-4483.

REGULATORY APPROVALS AND FILINGS

49 North is not aware of any material regulatory approval or other action by any federal, provincial, state or foreign government or administrative or regulatory agency that would be required to be obtained prior to the completion of the Senior Debenture Amendments and the Subordinated Debenture Amendments, other than the approval of the Debenture Amendments by the TSXV and as otherwise set out in this Circular. In the event that the Senior Debenture Amendments and the Subordinated Debenture Amendments are not approved by the Senior Debentureholders and the Subordinated Debentureholders, respectively, and the TSXV, such amendments will not occur.

DEBENTURE TRUSTEES

The Debenture Trustee under the Senior Indenture and Subordinated Indenture is Alliance Trust Company, a trust company incorporated under the laws of Alberta and having an office in the City of Calgary in the Province of Alberta. The Debenture Trustee may be contacted as follows:

Alliance Trust Company
1010 – 407 Second Street SW
Calgary, Alberta T2P 2Y3
Attention: Proxy Department
Telephone: (403) 237-6111

AUDITOR

The auditor of the Company is Davidson & Company LLP. Davidson & Company LLP was first appointed auditor of the Company on May 28, 2014.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information in respect of the Company is provided in the Company's annual audited consolidated financial statements as at and for the financial year ended December 31, 2019, and unaudited interim condensed consolidated financial statements as at and for the period ended September 30, 2020, and the related management's discussion and analysis (“**MD&A**”) to such annual and interim financial statements. Copies of the Company's financial statements and MD&A are available upon request from the Company by: (i) mail at 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, S7K 5M5; (ii) telephone at (306) 653-2692; or (iii) fax at (306) 664-4483.

DIRECTORS' APPROVAL

The contents of this Circular and its sending to Senior Debentureholders and Subordinated Debentureholders have been approved by the Board.

DATED at Saskatoon, Saskatchewan, the 11th day of February, 2021.

By Order of the Board of Directors,

(Signed) “*Tom MacNeill*” Tom
MacNeill
President and Chief Executive Office

APPENDIX “A”
SENIOR EXTRAORDINARY DEBENTUREHOLDER RESOLUTION

Capitalized terms herein have the meanings ascribed thereto in the management information circular of 49 North Resources Inc. (the “**Company**”) dated February 11, 2021 (“**Circular**”).

BE IT RESOLVED as an Extraordinary Resolution that:

- (a) the amendments (the “**Senior Debenture Amendments**”) to the to the trust indenture dated May 27, 2015, as supplemented by the first supplemental trust indenture dated December 18, 2015 (the “**Senior Indenture**”) governing the 2015 2.5% convertible senior secured debentures – series 1 (the “**Series 1 Senior Debentures**”) of the Company and the 2015 2.5% convertible senior secured debentures – series 2 (the “**Series 2 Senior Debentures**”), and together with the Series 1 Senior Debentures, the “**Senior Debentures**”) of the Company, as described in the Circular and as set forth in the second supplemental trust indenture (the “**Second Supplemental Senior Indenture**”) substantially in the form attached as Appendix “B” to the Circular are hereby approved and authorized;
- (b) Alliance Trust Company (the “**Debenture Trustee**”) is hereby authorized and directed to concur in, execute and deliver the Second Supplemental Senior Indenture embodying the Senior Debenture Amendments on behalf of the holders of the Senior Debentures, which Second Supplemental Senior Indenture shall be substantially in the form attached as Appendix “B” to the Circular, and all amendments incidental or ancillary thereto;
- (c) the Debenture Trustee is hereby authorized and directed to execute and to cause to be executed on behalf of the holders of the Senior Debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the Company and its advisors shall determine to be necessary or desirable to carry out the intent of this Extraordinary Resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) notwithstanding that this Extraordinary Resolution has been passed by the holders of the Senior Debentures, the Company is authorized, without further notice to or approval of the holders of the Senior Debentures, to (i) amend the Second Supplemental Senior Indenture, or (ii) not proceed with the transactions contemplated by the entering into of the Second Supplemental Senior Indenture;
- (e) upon the execution and delivery of the Second Supplemental Senior Indenture and the satisfaction of all of the conditions precedent contained therein, the defaults of the Company resulting from its failure to pay the principal amount of the Series 1 Senior Debentures on June 30, 2020, the principal amount of the Series 2 Senior Debentures on December 18, 2020 and the principal amount of the 2015 2.5% convertible subordinated secured debentures on December 18, 2020 be and are hereby waived, and the Debenture Trustee shall be authorized and directed to waive such events of default on behalf of the holders of the Senior Debentures and cancel any declaration made by the Debenture Trustee made in relation thereto;
- (f) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (g) the Debenture Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the Senior Debenture Trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the Debenture Trustee of such documents or the doing of such other acts or things.

APPENDIX "B"
SECOND SUPPLEMENTAL TRUST INDENTURE
TO THE SENIOR INDENTURE

49 NORTH RESOURCES INC.

— and —

ALLIANCE TRUST COMPANY

SECOND SUPPLEMENTAL TRUST INDENTURE

[•], 2021

[•], 2021

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SECOND SUPPLEMENTAL TRUST INDENTURE

THIS SECOND SUPPLEMENTAL TRUST INDENTURE made as of the [●] day of [●], 2021.

BETWEEN:

49 NORTH RESOURCES INC., a body corporate incorporated pursuant to the laws of Saskatchewan

(the “**Corporation**”)

OF THE FIRST PART

AND:

ALLIANCE TRUST COMPANY, a trust company existing under the laws of Alberta

(the “**Trustee**”)

OF THE SECOND PART

WHEREAS:

- A. the Corporation and the Trustee are parties to a trust indenture dated May 27, 2015, as supplemented by a first supplemental trust indenture dated December 18, 2015 (collectively, the “**Senior Indenture**”), providing for the creation and issue of up to an aggregate principal amount of \$5,000,000 of 2.5% convertible senior secured debentures;
- B. on June 1, 2015, the Corporation issued an aggregate of \$3,103,795 aggregate principal amount of Debentures (the “**Series 1 Debentures**”);
- C. on December 18, 2015, the Corporation issued an aggregate of \$1,896,205 aggregate principal amount of Debentures (the “**Series 2 Debentures**”, and together with the Series 1 Debentures, the “**Debentures**”);
- D. the Senior Indenture provides that the Corporation and the Trustee may enter into indentures supplemental to the Senior Indenture and the Corporation desires to execute and deliver to the Trustee a second supplemental trust indenture for the purposes of amending the terms of the Senior Indenture to:
 - a. extend the Maturity Date of the Series 1 Debentures to June 1, 2023;
 - b. extend the Maturity Date of the Series 2 Debentures to December 18, 2023;
 - c. amend the Conversion Price for the Debentures to reduce the price to \$0.15 as of the date first set out above;
 - d. provide the Corporation the right, at its sole option and from time to time, to redeem the Debentures in whole or in part, on not more than 60 and not less than

30 days prior notice, at the face value of the Debentures plus accrued and unpaid interest, subject to the right of the holders to convert prior to such prepayment; and

- e. add a covenant of the Corporation to use 50% of the net proceeds of any financing it closes during the term of the Debentures to redeem the principal of and interest on the Debentures and the 2015 2.5% convertible subordinated secured debentures (the “**Subordinated Debentures**”) of the Corporation, on a pro rata basis.

E. all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this Second Supplemental Trust Indenture, and to make the same effective and binding upon the Corporation; and

F. the foregoing recitals are made as representations and statements of fact by the Corporation and not the Trustee;

NOW THEREFORE in consideration of the premises and mutual covenants herein set forth, the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Second Supplemental Trust Indenture, unless there is something in the subject matter or context inconsistent therewith, the expressions used herein shall have the same meaning as is ascribed to corresponding expressions in the Senior Indenture and such corresponding expressions shall also apply to the provisions of this Second Supplemental Trust Indenture.

1.2 Interpretation not Affected by Headings.

The division of this Second Supplemental Trust Indenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

ARTICLE 2 - AMENDMENTS TO SENIOR INDENTURE

2.1 Amendments

2.1.1 Section 1.1.13 of the Senior Indenture is deleted and replaced with the following as of the date first set out above:

“1.1.13 “Conversion Price” means \$0.15 for each Share to be issued upon the conversion of the Debentures, being a conversion rate of approximately 20 Shares for each \$3 principal amount of Debentures, subject, however, to adjustments in accordance with section 3.3;”

2.1.2 Section 2.2.1 of the Senior Indenture is deleted and replaced with:

“2.2.1 The Debentures shall be dated as of the respective date on which they are issued (the “Date of Issue”), shall mature on the date that is eight (8) years from Date of Issue of such Debenture (the “Maturity Date”) and shall bear interest (subject to section 2.9) at the rate of 2.5% per annum, which interest shall accrue from day to day and shall be calculated daily upon the outstanding balance of the Debenture from (and including) its Date of Issue

(or the last preceding Interest Payment Date, as applicable) to (but excluding) the earliest of the Maturity Date, the Date of Conversion (to the extent of conversion) and the Redemption Date (to the extent of redemption), after as well as before maturity, demand and default and before and after judgment, with interest on amounts in default at the same rate, which interest, subject to earlier maturity or demand in accordance with the terms of this Indenture, shall be paid in arrears and in accordance with section 2.4 as follows:

2.2.1.1 in installments on each anniversary of the Date of Issue of such Debenture prior to the Maturity Date;

2.2.1.2. in the event that any Debenture or any portion of the principal amount thereof is converted into Shares in accordance with the terms hereof, interest accruing on the amount so converted, from and including the preceding Interest Payment Date (or if there is no preceding Interest Payment Date then from and including the Date of Issue) to but excluding the Date of Conversion shall be paid;

2.2.1.3. in the event that any Debenture or any portion of the principal amount thereof is redeemed in accordance with the terms hereof, interest accruing on the amount so redeemed, from and including the preceding Interest Payment Date (or if there is no preceding Interest Payment Date then from and including the Date of Issue) to but excluding the Redemption Date shall be paid; and

2.2.1.4. on the Maturity Date;

provided that if any of the aforementioned dates for the payment of interest is not a Business Day, such interest shall be paid on the next following Business Day without entitlement to any interest or other sums in respect of such delayed payment or postponement (each of which dates as aforesaid is hereinafter referred to as an “Interest Payment Date”).”

2.1.3 Section 2.5 of the Senior Indenture is deleted and replaced with the following as of the date first set out above:

“2.5 Redemption and Prepayment by the Corporation

Subsequent to [●], 2021 and prior to the Maturity Date, the Corporation shall have the right (the “Right of Redemption”) at its option to redeem, either in whole at any time or in part from time to time, by payment of principal of and accrued and unpaid interest, any Debentures issued hereunder of any series, upon and subject to the following terms and conditions of this section 2.5:

2.5.1 The Right of Redemption may not be exercised if at the date of the Redemption Notice, an Event of Default has occurred and is continuing.

2.5.2 The Right of Redemption may not be exercised with respect to Debentures for which, as at the date of the Redemption Notice, the Corporation has received a Conversion Notice pursuant to section 3.2.

2.5.3 If less than all the Debentures of any series for the time being outstanding are at any time to be redeemed, no Debenture shall be redeemed in part unless the principal amount redeemed is \$1 or a multiple thereof and the Debentures to be so redeemed shall be

selected by the Trustee on a pro rata basis to the nearest \$1 in accordance with the principal amount of the Debentures registered in the name of each holder or in such other manner as the Trustee deems equitable. For this purpose, the Trustee may make, and from time to time vary, regulations with respect to the manner in which such Debentures may be drawn for redemption and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding the fact that as a result thereof one or more of such Debentures may become subject to redemption in part only. In the event that one or more of such Debentures becomes subject to redemption in part only, upon surrender of any such Debentures for payment of the Redemption Amount, the Corporation shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder's order one or more new Debentures for the unredeemed part of the principal amount of the Debenture or Debentures so surrendered or, with respect to a Global Debenture, the Depository shall make notations on the Global Debenture of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Debenture" or "Debentures" as used in this section 2.5 shall be deemed to mean or include any part of the principal amount of any Debenture which in accordance with the foregoing provisions has become subject to redemption.

2.5.4 The Right of Redemption may only be exercised by the Corporation delivering or causing the Trustee to deliver to the Holders written notice (a "Redemption Notice") of the Corporation's intent to redeem the Debenture and the date upon which such redemption is to occur (the "Redemption Date"), which Redemption Date shall be not less than 30 days nor more than 60 days after the date that such Redemption Notice is delivered. Every such notice shall specify the aggregate principal amount of Debentures called for redemption, the Redemption Date, the Redemption Amount and the places of payment and shall state that interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date. In addition, unless all the outstanding Debentures are to be redeemed, the Redemption Notice shall specify:

2.5.4.1 the distinguishing letters and numbers of the registered Debentures which are to be redeemed (or of such thereof as are registered in the name of such Debentureholder);

2.5.4.2 in the case of a published notice, the distinguishing letters and numbers of the Debentures which are to be redeemed or, if such Debentures are selected by terminal digit or other similar system, such particulars as may be sufficient to identify the Debentures so selected;

2.5.4.3 in the case of a Global Debenture, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Corporation; and

2.5.4.4 in all cases, the principal amounts of such Debentures or, if any such Debenture is to be redeemed in part only, the principal amount of such part.

In the event that all Debentures to be redeemed are registered Debentures, publication shall not be required.

2.5.5 Where the Debentures are called for redemption in accordance with the foregoing provisions of this section 2.5 and provided a Holder has not exercised the Conversion

Right in accordance with subsection 2.5.6 or 2.5.7 below, the Corporation shall pay and deliver, or cause the Trustee to pay and deliver, to each Holder on or prior to the Redemption Date the amount (the “Redemption Amount”) equal to the sum of the following:

- 2.5.5.1 the aggregate principal amount of Debentures called for redemption; and
 - 2.5.5.2 all interest due or accruing due thereon to and excluding the Redemption Date.
- 2.5.6 Where, following the delivery of a Redemption Notice, a Conversion Notice is delivered by a Holder in accordance with section 3.2 and is received by the Trustee prior to 5:00 p.m. Calgary time on the Business Day prior to the Redemption Date, and said Holder thereby converts all of the outstanding principal under the Debentures subject to the Redemption Notice, the Redemption Notice shall be deemed to be of no further force or effect and the outstanding principal under the said Debentures shall be converted into Shares, and all interest and other charges due or accruing due to the Date of Conversion shall be paid, in accordance with article 3.
- 2.5.7 Where, following the delivery of a Redemption Notice, a Conversion Notice is delivered by a Holder in accordance with subsection 3.2.1 and is received by the Trustee prior to 5:00 p.m. Calgary time on the Business Day prior to the Redemption Date, and said Holder thereby converts less than all of the outstanding principal under the Debentures subject to the Redemption Notice:
- 2.5.7.1 the outstanding principal under the said Debentures that is to be converted as set forth in the Conversion Notice shall be converted into Shares, and all interest due or accruing due to and excluding the Date of Conversion on the outstanding principal of the Debentures so converted shall be paid, in accordance with article 3; and
 - 2.5.7.2 the outstanding principal under the said Debentures that is not converted and all interest due and accruing due thereon to and excluding the Redemption Date shall be paid on the Redemption Date in accordance with subsection 2.5.9.
- 2.5.8 Where the Debentures are called for redemption in accordance with the foregoing provisions of this section 2.5, the Holders shall surrender the Debentures subject to the Redemption Notice to the Trustee and, upon the payment of all outstanding obligations (and/or, if applicable, the conversion of the outstanding principal of the Debentures into Shares), said Debentures shall be cancelled and of no further force or effect, provided that, a delay by a Holder in the delivery, or the failure of a Holder to deliver, said Debentures to the Trustee shall not release the Corporation from its obligation to pay the Redemption Amount to the Holder on the Redemption Date following the surrender to the Trustee of the Debentures and upon the payment of such Redemption Amount (and/or, as applicable, the conversion of the outstanding principal of the Debentures into Shares), the Debentures shall be cancelled and of no further force or effect notwithstanding that the Debentures may not have been delivered to the Corporation.
- 2.5.9 The Corporation shall provide for any redemption of Debentures by depositing with the Trustee or to the order of the Trustee by certified cheque, bank draft or wire transfer, at least one (1) Business Day prior to the Redemption Date, such sums as shall be sufficient

to pay the aggregate Redemption Amount. The Corporation shall also deposit with the Trustee a sum sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. From the sums so deposited, the Trustee shall pay or cause to be paid to the Holders of the Debentures redeemed upon surrender of such Debentures the Redemption Amount to which they are respectively entitled upon redemption.

2.5.10 Notwithstanding anything to the contrary in this section 2.5, in the case of any Global Debenture, any Redemption Notice may be delivered and Debentures represented by such Global Debenture may be surrendered or delivered for redemption in accordance with Applicable Procedures and the Corporation, the Trustee and each Holder shall do or cause to be done such additional acts and things necessary or desirable to cause the redemption and any payment therefor in accordance with Applicable Procedures.

2.5.11 The Corporation shall be permitted to purchase Debentures in the open market in accordance with section 2.21.”

2.1.4 Section 2.9.2 of the Senior Indenture is deleted and replaced with the following as of the date first set out above:

“2.9.2 Interest on each Debenture shall cease to accrue from the earliest of the Maturity Date, the Date of Conversion (to the extent of conversion) and the Redemption Date (to the extent of redemption) unless, upon due presentation and surrender thereof for payment on or after the Maturity Date or Redemption Date (as applicable), such payment is improperly withheld or refused.”

2.1.5 Section 5.1 of the Senior Indenture is supplemented with the following as of the date first set out above:

“5.1.7 the Corporation shall use 50% of the net proceeds of any financing it closes during the term of the Debentures to redeem the principal of and interest on the Debentures and the Subordinated Debentures, which redemption shall be completed on a pro rata basis among the Series 1 Senior Debentures, the Series 2 Senior Debentures and the Subordinated Debentures as at the date of the Redemption Notice, provided that funds intended to redeem Debentures that are converted into Shares after the date of the Redemption Notice and prior to the Redemption Date shall be for the use of the Corporation in its sole discretion.”

ARTICLE 3 - CONDITIONS PRECEDENT TO AMENDMENTS

3.1 Conditions Precedent

The amendments in Article 2 of this Second Supplemental Trust Indenture are subject to the condition precedent that the trust indenture dated December 18, 2015 between the Corporation and the Trustee, providing for the creation and issue of the Subordinated Debentures, is contemporaneously amended as contemplated in the management information circular of the Corporation dated February 11, 2021.

ARTICLE 4 - CONFIRMATION

4.1 Confirmation

This Second Supplemental Trust Indenture is supplemental to the Senior Indenture and the Senior Indenture and this Second Supplemental Trust Indenture shall hereafter be read together and shall have effect, so far as practicable, with respect to the Debentures as if all the provisions of the Senior Indenture and this Second Supplemental Trust Indenture were contained in one instrument. The Senior Indenture is and shall remain in full force and effect with regards to all matters governing the Debentures, except as the Senior Indenture is amended, superseded, modified or supplemented by this Second Supplemental Trust Indenture. Subject to the terms hereof, the Senior Indenture, as amended and supplemented by this Second Supplemental Trust Indenture, is in all respects confirmed.

On and after the date hereof, each reference in the Senior Indenture to “this Indenture”, “hereunder”, “Hereof”, “herein”, or words of like import, and each reference to the Senior Indenture in any and all agreements, documents and instruments delivered by all or any one of more of the Corporation, the Trustee or any other person shall mean and refer to the Senior Indenture as amended hereby.

ARTICLE 5 - GENERAL

5.1 Governing Law

This Second Supplemental Trust Indenture shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall be treated in all respects as a Saskatchewan contract.

5.2 Further Assurances

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to carry out the provisions of this Second Supplemental Trust Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Second Supplemental Trust Indenture and carry out its provisions.

5.3 Counterparts

This Second Supplemental Trust Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear date as of the [●] day of [●], 2021.

[This space is intentionally blank. The signature page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Second Supplemental Trust Indenture under the hands of their proper officers duly authorized in that behalf.

49 NORTH RESOURCES INC.

ALLIANCE TRUST COMPANY

by: _____
Name: Andrew Davidson
Title: Chief Financial Officer and Secretary

by: _____
Name: Zinat H. Damji
Title: President and Chief Executive Officer

by: _____
Name: Miguel Lahud
Title: Account Manager, Client Services

APPENDIX “C”
SUBORDINATED EXTRAORDINARY DEBENTUREHOLDER RESOLUTION

Capitalized terms herein have the meanings ascribed thereto in the management information circular of 49 North Resources Inc. (the “**Company**”) dated February 11, 2021 (“**Circular**”).

BE IT RESOLVED as an Extraordinary Resolution that:

- (a) the amendments (the “**Subordinated Debenture Amendments**”) to the to the trust indenture dated December 18, 2015 (the “**Subordinated Indenture**”) governing the 2015 2.5% convertible subordinated secured debentures (the “**Subordinated Debentures**”) of the Company, as described in the Circular and as set forth in the first supplemental trust indenture (the “**First Supplemental Subordinated Indenture**”) substantially in the form attached as Appendix “D” to the Circular are hereby approved and authorized;
- (b) Alliance Trust Company (the “**Debenture Trustee**”) is hereby authorized and directed to concur in, execute and deliver the First Supplemental Subordinated Indenture embodying the Subordinated Debenture Amendments on behalf of the holders of the Subordinated Debentures, which First Supplemental Subordinated Indenture shall be substantially in the form attached as Appendix “D” to the Circular, and all amendments incidental or ancillary thereto;
- (c) the Debenture Trustee is hereby authorized and directed to execute and to cause to be executed on behalf of the holders of the Subordinated Debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the Company and its advisors shall determine to be necessary or desirable to carry out the intent of this Extraordinary Resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) notwithstanding that this Extraordinary Resolution has been passed by the holders of the Subordinated Debentures, the Company is authorized, without further notice to or approval of the holders of the Subordinated Debentures, to (i) amend the First Supplemental Subordinated Indenture, or (ii) not proceed with the transactions contemplated by the entering into of the First Supplemental Subordinated Indenture;
- (e) upon the execution and delivery of the First Supplemental Subordinated Indenture and the satisfaction of all of the conditions precedent contained therein, the defaults of the Company resulting from its failure to pay the principal amount of the 2015 2.5% Convertible Senior Secured Debentures – Series 1 on June 30, 2020, the principal amount of the 2015 2.5% Convertible Senior Secured Debentures – Series 2 on December 18, 2020 and the principal amount of the Subordinated Debentures on December 18, 2020 be and are hereby waived, and the Debenture Trustee shall be authorized and directed to waive such events of default on behalf of the holders of the Subordinated Debentures and cancel any declaration made by the Debenture Trustee made in relation thereto;
- (f) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (g) the Debenture Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the Subordinated Debenture Trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the Debenture Trustee of such documents or the doing of such other acts or things.

APPENDIX "D"
FIRST SUPPLEMENTAL TRUST INDENTURE
TO THE SUBORDINATED INDENTURE

49 NORTH RESOURCES INC.

— and —

ALLIANCE TRUST COMPANY

FIRST SUPPLEMENTAL TRUST INDENTURE

[•], 2021

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE made as of the [●] day of [●], 2021.

BETWEEN:

49 NORTH RESOURCES INC., a body corporate incorporated pursuant to the laws of Saskatchewan

(the “**Corporation**”)

OF THE FIRST PART

AND:

ALLIANCE TRUST COMPANY, a trust company existing under the laws of Alberta

(the “**Trustee**”)

OF THE SECOND PART

WHEREAS:

- A. the Corporation and the Trustee are parties to a trust indenture dated December 18, 2015 (the “**Subordinated Indenture**”), providing for the creation and issue of up to an aggregate principal amount of \$2,000,000 of 2.5% convertible subordinated secured debentures (the “**Debentures**”);
- B. the Subordinated Indenture provides that the Corporation and the Trustee may enter into indentures supplemental to the Subordinated Indenture and the Corporation desires to execute and deliver to the Trustee a first supplemental trust indenture for the purposes of amending the terms of the Subordinated Indenture to:
 - a. extend the Maturity Date of the Debentures to December 18, 2023;
 - b. amend the Conversion Price for the Debentures to reduce the price to \$0.15 as of the date first set out above;
 - c. provide the Corporation the right, at its sole option and from time to time, to redeem the Debentures in whole or in part, on not more than 60 and not less than 30 days prior notice, at the face value of the Debentures plus accrued and unpaid interest, subject to the right of the holders to convert prior to such repayment; and
 - d. add a covenant of the Corporation to use 50% of the net proceeds of any financing it closes during the term of the Debentures to redeem the principal of and interest on the Debentures and the 2.5% convertible senior secured debentures – series 1 (the “**Series 1 Senior Debentures**”) of the Corporation and the 2015 2.5% convertible senior secured debentures – series 2 (the “**Series 2 Senior**

Debentures”, and together with the Series 1 Debentures, the “**Senior Debentures**”), on a pro rata basis.

- C. all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this First Supplemental Trust Indenture, and to make the same effective and binding upon the Corporation; and
- D. the foregoing recitals are made as representations and statements of fact by the Corporation and not the Trustee;

NOW THEREFORE in consideration of the premises and mutual covenants herein set forth, the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this First Supplemental Trust Indenture, unless there is something in the subject matter or context inconsistent therewith, the expressions used herein shall have the same meaning as is ascribed to corresponding expressions in the Subordinated Indenture and such corresponding expressions shall also apply to the provisions of this First Supplemental Trust Indenture.

1.2 Interpretation not Affected by Headings.

The division of this First Supplemental Trust Indenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

ARTICLE 2 - AMENDMENTS TO SUBORDINATED INDENTURE

2.1 Amendments

2.1.1 Section 1.1.13 of the Subordinated Indenture is deleted and replaced with the following as of the date first set out above:

“1.1.13 “Conversion Price” means \$0.15 for each Share to be issued upon the conversion of the Debentures, being a conversion rate of approximately 20 Shares for each \$3 principal amount of Debentures, subject, however, to adjustments in accordance with section 3.3;”

2.1.2 Section 2.2.1 of the Subordinated Indenture is deleted and replaced with:

“2.2.1 The Debentures shall be dated as of the respective date on which they are issued (the “Date of Issue”), shall mature on the date that is eight (8) years from Date of Issue of such Debenture (the “Maturity Date”) and shall bear interest (subject to section 2.9) at the rate of 2.5% per annum, which interest shall accrue from day to day and shall be calculated daily upon the outstanding balance of the Debenture from (and including) its Date of Issue (or the last preceding Interest Payment Date, as applicable) to (but excluding) the earliest of the Maturity Date, the Date of Conversion (to the extent of conversion) and the Redemption Date (to the extent of redemption), after as well as before maturity, demand and default and before and after judgment, with interest on amounts in default at the same

rate, which interest, subject to earlier maturity or demand in accordance with the terms of this Indenture, shall be paid in arrears and in accordance with section 2.4 as follows:

2.2.1.1 in installments on each anniversary of the Date of Issue of such Debenture prior to the Maturity Date;

2.2.1.2. in the event that any Debenture or any portion of the principal amount thereof is converted into Shares in accordance with the terms hereof, interest accruing on the amount so converted, from and including the preceding Interest Payment Date (or if there is no preceding Interest Payment Date then from and including the Date of Issue) to but excluding the Date of Conversion shall be paid;

2.2.1.3. in the event that any Debenture or any portion of the principal amount thereof is redeemed in accordance with the terms hereof, interest accruing on the amount so redeemed, from and including the preceding Interest Payment Date (or if there is no preceding Interest Payment Date then from and including the Date of Issue) to but excluding the Redemption Date shall be paid; and

2.2.1.4. on the Maturity Date;

provided that if any of the aforementioned dates for the payment of interest is not a Business Day, such interest shall be paid on the next following Business Day without entitlement to any interest or other sums in respect of such delayed payment or postponement (each of which dates as aforesaid is hereinafter referred to as an "Interest Payment Date")."

2.1.3 Section 2.5 of the Subordinated Indenture is deleted and replaced with the following as of the date first set out above:

"2.5 Redemption and Prepayment by the Corporation

Subsequent to [●], 2021 and prior to the Maturity Date, the Corporation shall have the right (the "Right of Redemption") at its option to redeem, either in whole at any time or in part from time to time, by payment of principal of and accrued and unpaid interest, any Debentures issued hereunder of any series, upon and subject to the following terms and conditions of this section 2.5:

2.5.1 The Right of Redemption may not be exercised if at the date of the Redemption Notice, an Event of Default has occurred and is continuing.

2.5.2 The Right of Redemption may not be exercised with respect to Debentures for which, as at the date of the Redemption Notice, the Corporation has received a Conversion Notice pursuant to section 3.2.

2.5.3 If less than all the Debentures of any series for the time being outstanding are at any time to be redeemed, no Debenture shall be redeemed in part unless the principal amount redeemed is \$1 or a multiple thereof and the Debentures to be so redeemed shall be selected by the Trustee on a pro rata basis to the nearest \$1 in accordance with the principal amount of the Debentures registered in the name of each holder or in such other manner as the Trustee deems equitable. For this purpose, the Trustee may make, and from time to time vary, regulations with respect to the manner in which such Debentures may be

drawn for redemption and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding the fact that as a result thereof one or more of such Debentures may become subject to redemption in part only. In the event that one or more of such Debentures becomes subject to redemption in part only, upon surrender of any such Debentures for payment of the Redemption Amount, the Corporation shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder's order one or more new Debentures for the unredeemed part of the principal amount of the Debenture or Debentures so surrendered or, with respect to a Global Debenture, the Depository shall make notations on the Global Debenture of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Debenture" or "Debentures" as used in this section 2.5 shall be deemed to mean or include any part of the principal amount of any Debenture which in accordance with the foregoing provisions has become subject to redemption.

2.5.4 The Right of Redemption may only be exercised by the Corporation delivering or causing the Trustee to deliver to the Holders written notice (a "Redemption Notice") of the Corporation's intent to redeem the Debenture and the date upon which such redemption is to occur (the "Redemption Date"), which Redemption Date shall be not less than 30 days nor more than 60 days after the date that such Redemption Notice is delivered. Every such notice shall specify the aggregate principal amount of Debentures called for redemption, the Redemption Date, the Redemption Amount and the places of payment and shall state that interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date. In addition, unless all the outstanding Debentures are to be redeemed, the Redemption Notice shall specify:

2.5.4.1 the distinguishing letters and numbers of the registered Debentures which are to be redeemed (or of such thereof as are registered in the name of such Debentureholder);

2.5.4.2 in the case of a published notice, the distinguishing letters and numbers of the Debentures which are to be redeemed or, if such Debentures are selected by terminal digit or other similar system, such particulars as may be sufficient to identify the Debentures so selected;

2.5.4.3 in the case of a Global Debenture, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Corporation; and

2.5.4.4 in all cases, the principal amounts of such Debentures or, if any such Debenture is to be redeemed in part only, the principal amount of such part.

In the event that all Debentures to be redeemed are registered Debentures, publication shall not be required.

2.5.5 Where the Debentures are called for redemption in accordance with the foregoing provisions of this section 2.5 and provided a Holder has not exercised the Conversion Right in accordance with subsection 2.5.6 or 2.5.7 below, the Corporation shall pay and deliver, or cause the Trustee to pay and deliver, to each Holder on or prior to the Redemption Date the amount (the "Redemption Amount") equal to the sum of the following:

- 2.5.5.1 the principal amount of that Holder's Debentures called for redemption; and
- 2.5.5.2 all interest due or accruing due thereon to and excluding the Redemption Date.
- 2.5.6 Where, following the delivery of a Redemption Notice, a Conversion Notice is delivered by a Holder in accordance with section 3.2 and is received by the Trustee prior to 5:00 p.m. Calgary time on the Business Day prior to the Redemption Date, and said Holder thereby converts all of the outstanding principal under the Debentures subject to the Redemption Notice, the Redemption Notice shall be deemed to be of no further force or effect and the outstanding principal under the said Debentures shall be converted into Shares, and all interest and other charges due or accruing due to the Date of Conversion shall be paid, in accordance with article 3.
- 2.5.7 Where, following the delivery of a Redemption Notice, a Conversion Notice is delivered by a Holder in accordance with subsection 3.2.1 and is received by the Trustee prior to 5:00 p.m. Calgary time on the Business Day prior to the Redemption Date, and said Holder thereby converts less than all of the outstanding principal under the Debentures subject to the Redemption Notice:
- 2.5.7.1 the outstanding principal under the said Debentures that is to be converted as set forth in the Conversion Notice shall be converted into Shares, and all interest due or accruing due to and excluding the Date of Conversion on the outstanding principal of the Debentures so converted shall be paid, in accordance with article 3; and
- 2.5.7.2 the outstanding principal under the said Debentures that is not converted and all interest due and accruing due thereon to and excluding the Redemption Date shall be paid on the Redemption Date in accordance with subsection 2.5.9.
- 2.5.8 Where the Debentures are called for redemption in accordance with the foregoing provisions of this section 2.5, the Holders shall surrender the Debentures subject to the Redemption Notice to the Trustee and, upon the payment of all outstanding obligations (and/or, if applicable, the conversion of the outstanding principal of the Debentures into Shares), said Debentures shall be cancelled and of no further force or effect, provided that, a delay by a Holder in the delivery, or the failure of a Holder to deliver, said Debentures to the Trustee shall not release the Corporation from its obligation to pay the Redemption Amount to the Holder on the Redemption Date following the surrender to the Trustee of the Debentures and upon the payment of such Redemption Amount (and/or, as applicable, the conversion of the outstanding principal of the Debentures into Shares), the Debentures shall be cancelled and of no further force or effect notwithstanding that the Debentures may not have been delivered to the Corporation.
- 2.5.9 The Corporation shall provide for any redemption of Debentures by depositing with the Trustee or to the order of the Trustee by certified cheque, bank draft or wire transfer, at least one (1) Business Day prior to the Redemption Date, such sums as shall be sufficient to pay the aggregate Redemption Amount. The Corporation shall also deposit with the Trustee a sum sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. From the sums so deposited, the Trustee shall pay or cause to be paid to the Holders of the Debentures redeemed upon surrender of such

Debentures the Redemption Amount to which they are respectively entitled upon redemption.

2.5.10 Notwithstanding anything to the contrary in this section 2.5, in the case of any Global Debenture, any Redemption Notice may be delivered and Debentures represented by such Global Debenture may be surrendered or delivered for redemption in accordance with Applicable Procedures and the Corporation, the Trustee and each Holder shall do or cause to be done such additional acts and things necessary or desirable to cause the redemption and any payment therefor in accordance with Applicable Procedures.

2.5.11 The Corporation shall be permitted to purchase Debentures in the open market in accordance with section 2.21.”

2.1.4 Section 2.9.2 of the Subordinated Indenture is delated and replaced with the following as of the date first set out above:

“2.9.2 Interest on each Debenture shall cease to accrue from the earliest of the Maturity Date, the Date of Conversion (to the extent of conversion) and the Redemption Date (to the extent of redemption) unless, upon due presentation and surrender thereof for payment on or after the Maturity Date or Redemption Date (as applicable), such payment is improperly withheld or refused.”

2.1.5 Section 6.1 of the Subordinated Indenture is supplemented with the following as of the date first set out above:

“6.1.7 subject to the provisions hereof, the Corporation shall use 50% of the net proceeds of any financing it closes during the term of the Debentures to redeem the principal of and interest on the Debentures and the Senior Debentures, which redemption shall be completed on a pro rata basis among the Series 1 Senior Debentures, the Series 2 Senior Debentures and the Debentures as at the date of the Redemption Notice, provided that funds intended to redeem Debentures that are converted into Shares after the date of the Redemption Notice and prior to the Redemption Date shall be for the use of the Corporation in its sole discretion.”

ARTICLE 3 - CONDITIONS PRECEDENT TO AMENDMENTS

3.1 Conditions Precedent

The amendments in Article 2 of this First Supplemental Trust Indenture are subject to the condition precedent that the trust indenture dated May 27, 2015 between the Corporation and the Trustee, as supplemented by a first supplemental trust indenture dated December 18, 2015 between the Corporation and the Trustee, providing for the creation and issue of the Senior Debentures, is contemporaneously amended as contemplated in the management information circular of the Corporation dated February 11, 2021.

ARTICLE 4 - CONFIRMATION

4.1 Confirmation

This First Supplemental Trust Indenture is supplemental to the Subordinated Indenture and the Subordinated Indenture and this First Supplemental Trust Indenture shall hereafter be read together and shall have effect, so far as practicable, with respect to the Debentures as if all the provisions of the Subordinated Indenture and this First Supplemental Trust Indenture were contained in one instrument. The Subordinated Indenture is and shall remain in full force and effect with regards to all matters governing the Debentures, except as the Subordinated Indenture is amended, superseded, modified or supplemented by this First Supplemental Trust Indenture. Subject to the terms hereof, the Subordinated Indenture, as amended and supplemented by this First Supplemental Trust Indenture, is in all respects confirmed.

On and after the date hereof, each reference in the Subordinated Indenture to “this Indenture”, “hereunder”, “hereof”, “herein”, or words of like import, and each reference to the Subordinated Indenture in any and all agreements, documents and instruments delivered by all or any one of more of the Corporation, the Trustee or any other person shall mean and refer to the Subordinated Indenture as amended hereby.

ARTICLE 5 - GENERAL

5.1 Governing Law

This First Supplemental Trust Indenture shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall be treated in all respects as a Saskatchewan contract.

5.2 Further Assurances

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to carry out the provisions of this First Supplemental Trust Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this First Supplemental Trust Indenture and carry out its provisions.

5.3 Counterparts

This First Supplemental Trust Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear date as of the [●] day of [●], 2021.

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IN WITNESS WHEREOF the parties hereto have executed this First Supplemental Trust Indenture under the hands of their proper officers duly authorized in that behalf.

49 NORTH RESOURCES INC.

ALLIANCE TRUST COMPANY

by: _____
Name: Andrew Davidson
Title: Chief Financial Officer and Secretary

by: _____
Name: Zinat H. Damji
Title: President and Chief Executive Officer

by: _____
Name: Miguel Lahud
Title: Account Manager, Client Services

Alliance Trust Company
1010-407 Second Street SW
Calgary, Alberta T2P 2Y3
Phone: (403) 237-6111