

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See *Item 8, "Risk Factors"*.

OFFERING MEMORANDUM

July 6, 2010



602, 224 – 4th Avenue South, Saskatoon, SK S7K 5M5
Telephone: (306) 653-2692 Facsimile: (306) 664-4483
Website address: www.fnr.ca Email: ir@fnr.ca

The common shares of 49 North Resources Inc. (the "Company" or "49 North") are listed for trading on the TSX Venture Exchange (the "Exchange" or "TSXV") under the symbol "FNR". The Company is a reporting issuer in each of the provinces and territories of Canada.

THE OFFERING

- Securities offered:** Up to \$10,000,000 8% convertible unsecured subordinated debentures (the "Debentures"). The Debentures are not listed or posted for trading on any recognized exchange or over-the-counter market, however, the common shares of the Company are listed on the Exchange and the Exchange has conditionally approved the listing of any common shares issuable upon conversion of the Debentures. Listing is subject to the Company fulfilling all of the requirements of the Exchange on or before August 30, 2010, or such later date permitted by the Exchange. See *Item 5, "Securities Offered"*.
- Price per security:** The Debentures will be issued in denominations of \$100 and integral multiples thereof with a minimum subscription amount (and minimum face value per Debenture) of \$5,000.
- Minimum and maximum offering:** A minimum of \$2,000,000 aggregate principal amount of Debentures and maximum of \$10,000,000 aggregate principal amount of Debentures.
- Minimum subscription amount:** \$5,000.
- Payment terms:** A certified cheque or bank draft payable to a Selling Agent for the aggregate subscription price of the Debentures or payment of the same amount in such other manner as is acceptable to the Selling Agent.
- Proposed closing date(s):** July 28, 2010 or such other date as the Company and the Agents may agree.
- Selling Agents:** MGI Securities Inc. as lead agent, together with Canaccord Genuity Corp. and Wellington West Capital Inc. as co-agents, and such other registered dealers, if any, as may be retained by them will act as selling agents for the Offering.

RESALE RESTRICTIONS

You will be restricted from selling your securities for 4 months and a day. See *Item 10, "Resale Restrictions"*.

PURCHASERS RIGHTS

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See *Item 11, "Purchasers' Rights"*.

FORWARD LOOKING STATEMENTS

Certain information in this Offering Memorandum constitutes forward-looking information, including, without limitation, information that may constitute a “financial outlook” and/or “future orientated financial information” or “FOFI” for the purposes of applicable securities legislation. Forward-looking information is information regarding possible future results or events. More specifically, a “financial outlook” means forward-looking information about prospective results of operation, financial position or cash flows that is based on assumptions about future economic conditions and courses of actions and that is not presented in the form of a historical balance sheet, income statement or cash flow statement, whereas “FOFI” means forward-looking information about prospective results of operations, financial position or cash flows that is based on assumptions about future economic conditions and courses of action and is presented in the form of a historical balance sheet, income statement or cash flow statement events. All information in this Offering Memorandum other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words or phrases (including grammatical variations) suggesting future outcomes or statements regarding an outlook. The forward-looking information in this Offering Memorandum reflects the current expectation of the Company regarding future results or events and is based on information currently available to the Company.

Forward-looking information has been included in this Offering Memorandum to assist prospective investors in understanding the Offering and determining whether or not to subscribe for the securities offered hereunder and may not be appropriate for other purposes. Such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this Offering Memorandum. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information are set forth in this Offering Memorandum. *Item 8, “Risk Factors”*. Readers are further cautioned that the risk factors identified herein may not be exhaustive. Although the Company has attempted to identify important factors that could cause actual results and events to differ materially from those described in the forward-looking information, there may be other factors that cause results or events to differ from those intended, anticipated or estimated. The forward-looking information contained in this Offering Memorandum is provided as the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained herein is expressly qualified by this cautionary statement.

GLOSSARY AND EXPLANATORY NOTES

49 North Resources Inc. was formed effective as of January 1, 2008 as the result of a series of transactions (sometimes referred to in this Offering Memorandum as the “2008 Conversion Transaction” or the “Conversion Transaction”) pursuant to which the investment fund formerly known as 49 North Resource Fund Limited Partnership (the “Partnership”) converted from its former limited partnership structure into a corporate structure under the name “49 North Resource Fund Inc.” and at which time all of the then outstanding limited partnership units of the Partnership were consolidated on a one for two basis into, and exchanged for, shares in the capital stock of the Company. Effective August 14, 2009 the corporate name was change from “49 North Resource Fund Inc.” to “49 North Resources Inc.”

For convenience of reference, when used in this Offering Memorandum, the terms “49 North” or the “Company”, when used with reference to the period from and after January 1, 2008, mean 49 North Resources Inc. and, when used with reference to the period prior to January 1, 2008, mean the Partnership. See *Item 2, “Information About 49 North”*

Additionally, when used in this Offering Memorandum, the following terms have the following meanings:

“Agency Agreement” means a written agreement made or to be made between the Company and the Agents, as amended from time to time, pursuant to which the Company engages the Agents as its financial advisor and pursuant to which, amongst other things, the Agents agree to offer Debentures under the Offering, on behalf of the Company, on a commercially reasonable, private placement basis as more particularly described in *Item 5.3, “Subscription Procedure”*.

“Agents” means MGI Securities Inc. as lead agent, together with Canaccord Genuity Corp. and Wellington West Capital Inc. as co-agents.

“Allstar” means Allstar Energy Limited, a Saskatchewan subsidiary corporation of 49 North.

“Board”, when used with reference to the period from and after January 1, 2008, means the board of directors of 49 North Resources Inc. and, when used with reference to the period prior to January 1, 2008, means the board of directors of the general partner of the Partnership.

“Book-Entry System” means the system operated by or on behalf of the Depository for recording holdings of securities by CDS Participants.

“CDS” or “Depository” means CDS Clearing and Depository Services Inc., or its nominee, which as at the date of this Offering Memorandum is CDS & Co.; or its successors in or through whose name common shares of the Company are registered pursuant to the Book-Entry System.

“CDS Participant” means a registered dealer or other financial intermediary participating in the Book-Entry System.

“Closing” means the completion of the purchase and sale of Debentures under the Offering, and the terms “Closing Date”, “Initial Closing Date”, “Subsequent Closing”, “Final Closing Date” and “Conditions of Closing” have the respective meanings given such terms in *Item 5.3, “Subscription Procedure”*.

“Debentures” mean the 8% convertible unsecured subordinated debentures offered under this Offering Memorandum as more particularly defined and described in *Item 5, “Securities Offered”*.

“Exchange” or “TSXV” means the TSX Venture Exchange.

“Indenture” means a trust indenture in respect of the Debentures to be entered into between the Company and Equity Transfer & Trust Company, as trustee, as more particularly described and defined in *Item 5.1, “Terms of the Securities”*.

“Investor” or “Subscriber” means a person who subscribes for Debentures pursuant to the Offering.

“Kindersley Land Holdings” means the approximately 6,200 acres of land in the Kindersley area of Saskatchewan for which Allstar currently has the rights to explore for, and develop, petroleum and/or natural gas and as more particularly defined and described in *Item 2.1, “Business Summary”*.

“Offering” means the offering and distribution of Debentures pursuant to this Offering Memorandum and the Agency Agreement, “minimum offering” means the distribution of Debentures for gross proceeds of \$2,000,000 and “maximum offering” means the distribution of Debentures for gross proceeds of up to \$10,000,000; all of which Debentures are to be issued in denominations of \$100 and integral multiples thereof with a minimum subscription amount (and minimum face value per Debenture) of \$5,000 and otherwise on and subject to the terms and conditions described in *Item 5, “Securities Offered”*.

“Offering Memorandum” means this Offering Memorandum, as amended from time to time, including, for greater certainty, the face pages, together with the “Subscription Agreement” as that term is defined in *Item 5.3, “Subscription Procedure”*.

“Person” or “person” means an individual, corporation, body corporate, partnership, limited partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

“Petroleum” a naturally occurring mixture consisting predominantly of hydrocarbons in the gaseous, liquid or solid phase.

“Reserves” are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

“SBCA” means *The Business Corporations Act* (Saskatchewan), as amended from time to time.

“Selling Agents” means, collectively, the Agents and any other registered dealers authorized by it as sub-agents to offer the Debentures for sale pursuant to the Offering; and “Selling Agent” means any one of such Selling Agents.

“Tax Act” means the *Income Tax Act* (Canada) and/or the Regulations thereunder, as amended from time to time, and words and phrases that are defined in the Tax Act, and are not otherwise defined herein, have the same meanings herein as therein.

“TMM” or the “Portfolio Manager” means TMM Portfolio Management Inc., a corporation pursuant to the SBCA.

“Trustee” means Equity Transfer & Trust Company, in its capacity as trustee under the Indenture, or its successors or any other company that may be succeed or replace Equity Transfer & Trust Company as trustee under the Indenture.

“49 North Flow-Through Funds” means the series of flow-through investment funds established from time to time since 2006 that at any time in the past were or at present or in the future are under substantially common management with the Company, including, collectively, the 49 North 2006 Resource Flow-Through Limited Partnership, the 49 North 2007 Resource Flow-Through Limited Partnership, the 49 North 2008 Resource Flow-Through Limited Partnership, the 49 North 2008-II Resource Flow-Through Limited Partnership and the 2009 Fund, together with similar flow-through partnerships that may be created in the future, and “49 North Flow-Through Fund” means any one of such 49 North Flow-Through Funds.

“49 North Group” means, collectively, the Company together with the 49 North Flow-Through Funds.

“2009 Fund” means 49 North 2009 Resource Flow-Through Limited Partnership, a limited partnership that was formed pursuant to the laws of Saskatchewan in September 2009 and that raised approximately \$8.32 million in a public offering of limited partnership units that was completed in November and December of 2009.

Unless otherwise indicated, all reference in this Offering Memorandum to dollar amounts or currency mean Canadian dollars.

This Offering Memorandum contains references to “net asset value” and “net asset value per common share”. Net asset value or “NAV”, is a non-GAAP measure defined as total shareholder’s equity minus the aggregate amount of the Company’s liabilities on a particular date. In the case of NAV per share, the net asset value is divided by the total number of common shares of the Company outstanding on a non-diluted basis. The terms net asset value and net asset value per share do not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies.

TABLE OF CONTENTS

ITEM 1 - USE OF AVAILABLE FUNDS	1
ITEM 2 - INFORMATION ABOUT 49 NORTH	2
ITEM 3 - DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND PRINCIPAL HOLDERS	6
ITEM 4 - CAPITAL STRUCTURE	6
ITEM 5 - SECURITIES OFFERED	8
ITEM 6 - INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY	14
ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS	16
ITEM 8 - RISK FACTORS	16
ITEM 9 - REPORTING OBLIGATIONS	21
ITEM 10 - RESALE RESTRICTIONS	21
ITEM 11 - PURCHASERS' RIGHTS	22
ITEM 12 - DATE AND CERTIFICATE	24

The following documentation is annexed to and forms part of this Offering Memorandum:

Schedule 1 – Form of Subscription Agreement

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the funds available as a result of the Offering:

	Assuming Minimum Offering	Assuming Maximum Offering
Amount to be raised by the Offering	\$ 2,000,000	\$ 10,000,000
Selling commissions and fees	(\$ 100,000) ¹	(\$ 500,000) ¹
Estimated Offering costs (e.g. legal, accounting, audit, Exchange fees, Trustee fees, etc.)	(\$ 78,000)	(\$ 112,000)
Available funds from the Offering	\$ 1,822,000	\$ 9,388,000
Additional sources of funding required	\$3,928,000 ²	Not applicable
Total available funds	\$ 5,750,000	\$ 9,388,000
<p>¹ The Selling Agents will be paid commissions based on the gross proceeds of the Offering and will be entitled to be reimbursed for certain expenses as described in <i>Item 5.3, "Subscription Procedure"</i> and <i>Item 7, "Compensation Paid to Sellers and Finders"</i>.</p> <p>² In the event of the minimum offering, any deficiency respecting the intended uses set out in the "Assuming Minimum Offering" column of the table in <i>Item 1.2, "Use of Available Funds"</i> below will be paid from the general funds of the Company.</p>		

1.2 Use of Available Funds

The following table discloses the intended uses of the available funds:

Description of Intended Use of Available Funds in Order of Priority	Assuming Minimum Offering	Assuming Maximum Offering
Kindersley Land Holdings light oil and gas drill program ¹	\$ 4,000,000	\$ 4,000,000
Oil and natural gas processing facility ²	\$ 1,750,000	\$ 1,750,000
Acquisition of additional interests, including but not limited to property rights and/or royalties, in resource properties	Not applicable	\$ 2,750,000
General working capital	Not applicable	\$ 888,000
Total	\$ 5,750,000	\$ 9,388,000
<p>¹ The Company intends to fund the drilling of five horizontal oil and gas wells in the summer of 2010. The horizontal wells will be located on the Kindersley Land Holdings, and are estimated to cost \$800,000 each to drill and complete. The Company will receive a 70% working interest over the Kindersley Land Holdings in consideration for funding the drill program. Allstar, a subsidiary of the Company, will retain the remaining 30% and will also receive operating and processing fees respecting the horizontal wells.</p> <p>² The Company intends to finance the acquisition of a new oil and natural gas processing facility by Allstar. The facility will be used to process and compress the natural gas produced from the wells on the Kindersley Land Holdings, as well as to clean any oil produced from the property. Allstar will also attempt to use the facility to process oil and natural gas production of third parties. The financing facilities for the oil and natural gas processing facility will be available to Allstar on current market terms between arms-length parties.</p>		

1.3 Reallocation

The Company intends to spend the net proceeds as stated. The Company will reallocate funds only for sound business reasons.

ITEM 2 - INFORMATION ABOUT 49 NORTH

2.1 Business Summary

The Company was continued under the laws of Saskatchewan as a corporation with the name 49 North Resource Fund Inc. pursuant to articles of amalgamation, as amended by articles of amendment, registered under the SBCA on January 1, 2008 and restated as of January 17, 2008. By articles of amendment dated August 14, 2009 the corporate name was change from "49 North Resource Fund Inc." to "49 North Resources Inc.". It is the successor by reorganization to 49 North Resource Fund Limited Partnership which was formed as a limited partnership pursuant to the laws of Saskatchewan in July, 2005, originally under the name 49 North Resource Flow-Through Limited Partnership.

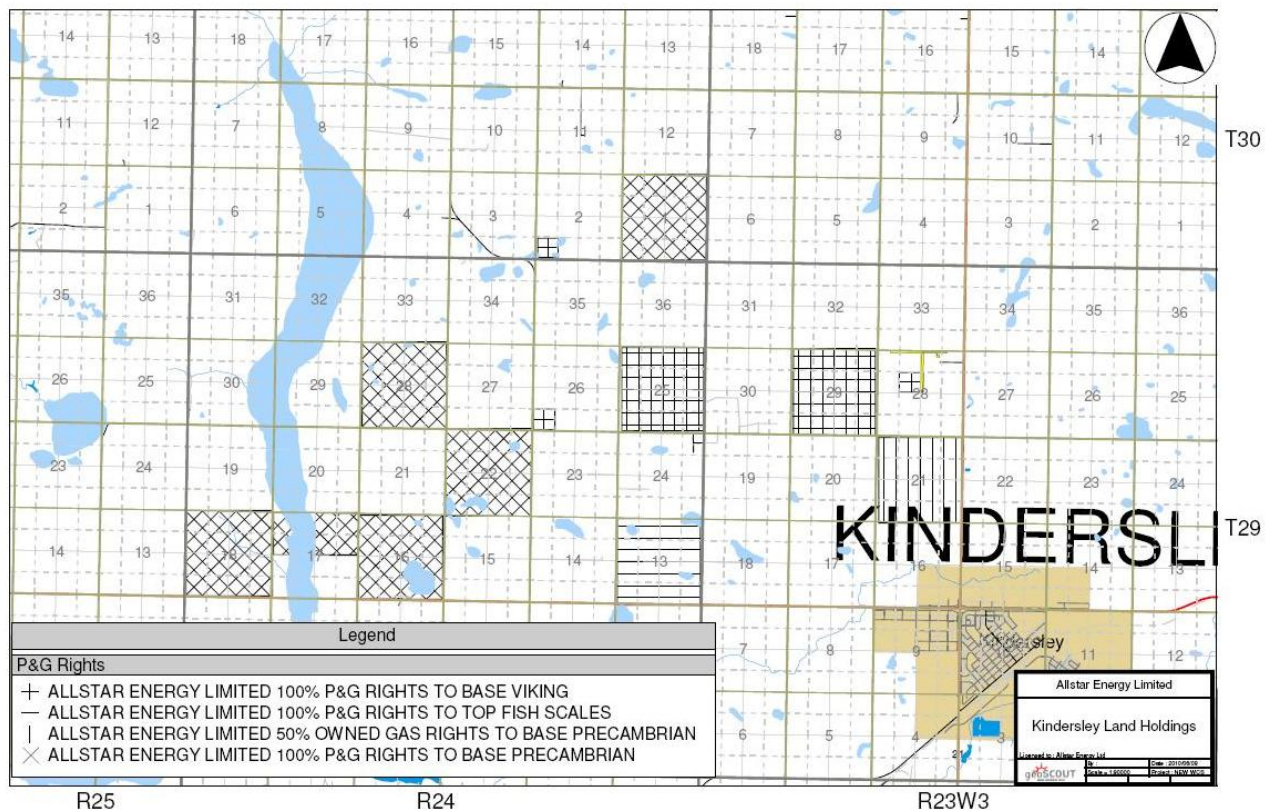
49 North is a resource investment, financial and managerial advisory, and merchant banking company. The Company's subsidiary, North Rim Exploration Ltd., provides independent geological consulting services. Currently, 49 North's principal business is to acquire and aggressively manage a diversified portfolio of shares and other securities of resource companies including, without limitation, resource companies engaged in mineral or oil and gas exploration and development, with a view to achieving capital appreciation of the portfolio. In addition, 49 North is expanding its business into a broader range of activities, including but not limited to an increased role in the management of and larger positions (including, potentially, control positions) in selected resource issuers and/or becoming directly or indirectly (through one or more subsidiaries, joint ventures, farm-in or other arrangements that may be established for that purpose) involved in the acquisition, development and/or commercialization of resource properties. 49 North increasingly provides managerial, administrative, property development and other advice and/or assistance to individuals and companies at the very early, start-up stages and/or in some cases acquire a controlling interest in certain investee companies or direct interests in resource properties, all with a view to developing resource properties, creating the appropriate corporate vehicle for that development, raising exploration funds and, more generally, moving a resource property from a concept to a properly capitalized operating entity. The overall business strategy of the Company is to enhance shareholder value by positioning 49 North to take advantage of early stage and/or undervalued opportunities that exist in the resource sector, with a focus predominantly on Saskatchewan's relatively untapped resource exploration and development opportunities.

Investment Portfolio: The Company's investment portfolio provides diversified exposure to oil and gas, potash, uranium, diamonds, coal, base and precious metals, and rare earth elements. Investments are made in accordance with investment policies and guidelines adopted by the Board (the "Investment Guidelines") and, subject to the overall supervision and direction of the Board, the portfolio is selected and managed by TMM Portfolio Management Inc. ("TMM" or the "Portfolio Manager") with the objective of achieving capital appreciation of the portfolio for the benefit of 49 North's security holders. The Company's investment portfolio is now, and is expected in the future to continue to be, focused on junior and intermediate resource companies, with funds invested predominantly in resource companies with exploration programs in Saskatchewan that are listed on the TSXV. However, the Company may invest in securities of any resource company, public or private, and regardless of which stock exchange such securities are listed (if any), regardless of the status or stage of development of the investee company's exploration, development or other business activities, and regardless of the size or market capitalization of the investee company. A significant portion of the Company's available funds may at any time or from time to time be invested in unlisted securities, including securities acquired under private placements of what are commonly referred to as "founders shares" or "seed-capital shares", securities that may otherwise be issued by a resource company prior to completing feasibility studies including, without limitation, a Form 43-101F1 Technical Report or a Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information, or securities that may otherwise be issued prior to a resource company becoming a "reporting issuer". Accordingly, certain of the securities in 49 North's portfolio may be subject to continuing re-sale and other trading restrictions under applicable securities law and/or, regardless of such restrictions, may be illiquid. Investing in relatively smaller companies that are listed on a junior exchange (or are not listed) may be considered to be riskier than investing in securities of relatively larger companies whose securities are listed on a senior exchange such as the TSX. On the other hand, the potential returns on investment in smaller, relatively early stage companies may be greater.

Resource Properties: 49 North has interests, either directly or indirectly through subsidiary companies, in coal, gold and oil and gas properties. The Company’s investments in resource properties target undervalued, over-looked or orphaned assets with potential for growth through exploration, development and/or commercialization activities. The Company’s current focus is on early stage opportunities located in western Canada. However, there are no fixed restrictions on the stage of development, geographic location or sector of the resource industry respecting properties in which 49 North may invest. A significant portion of the Company’s available funds may at any time or from time to time be invested in resource properties prior to completing feasibility studies including, without limitation, a Form 43-101F1 Technical Report or a Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information. Accordingly, the Company may not hold, discover or successfully exploit commercial quantities of minerals, petroleum or natural gas. Despite the risks, the potential returns on investments in early stage properties that are subsequently proved up may be greater.

The Company’s resource properties include approximately 5,560 acres of lands where the Company, indirectly through its subsidiary, Allstar Energy Limited, holds 100% of the rights to explore for, and develop petroleum and natural gas, as well as approximately 640 acres of land where the Company owns 50% of the natural gas rights (collectively, the “Kindersley Land Holdings”). The Kindersley Land Holdings were acquired by the Company effective April 12, 2010 when 49 North purchased 89.5% of the issued and outstanding common shares of Allstar, a private company with oil and gas assets in the Kindersley area of Saskatchewan. The 10.5% residual interest in Allstar is owned by its founders and operators.

The lands comprising the Kindersley Land Holdings are all located North West of Kindersley, Saskatchewan. No Reserves have been specifically attributed to any of the properties and the Company has not completed an estimate of the quantity of Petroleum that is estimated to exist on the Kindersley Land Holdings. The drilling locations for the horizontal oil and gas wells to be drilled by the Company will be selected using log results from 11 traditional vertical oil and gas wells located on the Kindersley Land Holdings which were completed prior to the April, 2010 acquisition of Allstar by 49 North. The Company has also reviewed data from approximately 80 oil and gas wells located on adjacent properties. Although the existing vertical wells on the Kindersley Land Holdings are producing wells, they have not had material production. However, 49 North views the Kindersley Land Holdings as a prime opportunity for enhanced production capabilities using horizontal drilling and newly developed multi-stage fracture technology. The following is a map of the Kindersley Land Holdings.



The main prospective zone underlying the Kindersley Land Holdings is the Viking Formation which produces oil and gas at depths ranging from 675-725 meters below the Kelly bushing. The Viking Formation was deposited during the Lower Cretaceous period and occurs within the Colorado Group. Within the area of the Kindersley Land Holdings, the Viking Formation is relatively consistent in thickness and log response. The oil and gas zones occur in the top of the Viking sandstone interval, which displays typical porosity values of 15-25% and water saturations of 35-50%. The Viking Formation is relatively consistent through the Kindersley area and hydrocarbon accumulations are fairly constant throughout. This is apparent from the 100 plus vertical drill holes that have penetrated the Viking Formation in the past. Generally characterized by high quality, economically successful light oil production, oil and gas activity in the area dates back to the 1950's with most oil being recovered using traditional vertical well technology.

Geological Consulting Services: 49 North's 50% owned subsidiary, North Rim Exploration Ltd., is Saskatchewan's premier independent geological consulting company specializing in the field of subsurface geology pertaining to petroleum, potash and industrial mineral resources. North Rim Exploration Ltd. provides consulting services to petroleum and mineral resource exploration and development companies, engineering firms and First Nations.

2.2 Existing Documents Incorporated by Reference

Information has been incorporated by reference into this Offering Memorandum from documents listed in the table below, which have been filed with securities regulatory authorities or regulators in Canada. The documents incorporated by reference are available for viewing on the SEDAR website at www.sedar.com. In addition, copies of the documents may be obtained on request without charge from 49 North at 602, 224 – 4th Avenue South, Saskatoon, Saskatchewan S7K 5M5, (Tel: (306) 653-2692).

Documents listed in the table and information provided in those documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement in this Offering Memorandum or in any other subsequently filed document that is also incorporated by reference in this Offering Memorandum.

Description and Date of Document	Date Document Filed
Material Change Report dated June 29, 2010 respecting the engagement of MGI Securities Inc. to act as agent for the Offering and Interim Chief Financial Officer.	June 29, 2010
Material Change Report dated June 15, 2010 announcing the results of the Company's Annual and Special Shareholders Meeting.	June 15, 2010
Management's Discussion and Analysis dated May 28, 2010 for the three month period ended March 31, 2010.	May 28, 2010
Unaudited Interim Consolidated Financial Statements as at and for the three month period ended March 31, 2009 and 2008 and related notes contained therein.	May 28, 2010
Management Information Circular dated May 13, 2010 in connection with the annual and special meeting of shareholders held June 15, 2010.	May 20, 2010
Annual Information Form dated April 27, 2010 for the financial year ended December 31, 2009.	April 30, 2010
Management's Discussion and Analysis dated April 27, 2010 for the financial year ended December 31, 2009.	April 30, 2010
Audited Annual Consolidated Financial Statements as at December 31, 2009 and 2008, together with Auditor's Report thereon dated April 22, 2010.	April 30, 2010

Material Change Report dated April 23, 2010 respecting the Company's agreement with Westcore for the sale of an interest in 49 North's coal exploration permits in Manitoba.	April 23, 2010
Material Change Report dated April 15, 2010 respecting the Company's completion of its purchase of 89.5% of the common shares of Allstar.	April 15, 2010
Material Change Report dated March 25, 20+10 respecting the Company's agreement to purchase 89.5% of the common shares of Allstar.	March 25, 2010
Material Change Report dated March 25, 2010 respecting 49 North divesting its 2,254,000 common shares of Athabasca Potash Inc. for \$18,820,900 in cash.	March 25, 2010
Material Change Report dated February 2, 2010 respecting completion of the Roll-over Transaction with 49North 2009 Resource Flow-Through Limited Partnership.	February 2, 2010
Material Change Report dated January 19, 2010 respecting receipt of conditional acceptance from the TSXV respecting the Roll-over Transaction with 49North 2009 Resource Flow-Through Limited Partnership.	January 19, 2010
Business Acquisition Report dated June 2, 2009 respecting the completion of the Roll-over Transaction with 49 North 2008-II Resource Flow-Through Limited Partnership.	June 2, 2009
Business Acquisition Report dated June 2, 2009 respecting the completion of the Roll-over Transaction with 49 North 2008 Resource Flow-Through Limited Partnership.	June 2, 2009

2.3 Existing Documents Not Incorporated by Reference

Other documents available on the SEDAR website (for example, most press releases, take-over bid circulars, prospectuses, and rights offering circulars) are not incorporated by reference into this Offering Memorandum unless they are specifically referenced in the table above. Your rights as described in *Item 11, "Purchasers' Rights"* of this Offering Memorandum apply only in respect of information contained in this Offering Memorandum and documents or information incorporated by reference.

2.4 Future Documents Not Incorporated by Reference

Documents filed after the date of this Offering Memorandum are not deemed to be incorporated into this Offering Memorandum. However, if you subscribe for securities and an event occurs, or there is a change in our business or affairs, that makes the certificate to this Offering Memorandum no longer true, we will provide you with an update of this Offering Memorandum, including a newly dated and signed certificate, and will not accept your subscription unless you have re-signed the agreement to purchase the securities.

ITEM 3 - DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND PRINCIPAL HOLDERS

The following table sets forth information about each director, executive officer, promoter and person who, directly or indirectly, beneficially owns or controls 10% or more of the common shares of the Company (a "Principal Holder") as at the date of this Offering Memorandum.

Name and Municipality of Residence	Office or Position
Tom MacNeill, Saskatoon, SK	Chairman of the Board, President, Chief Executive Officer and Principal Holder
Robert Guist, Saskatoon, SK	Chief Financial Officer and Secretary
Bradley R. Munro ¹ , Saskatoon, SK	Director
Stephen Halabura ¹ , Saskatoon, SK	Director
Jeffrey N. Green, Toronto, ON	Director
C. Michael Ryer ¹ , Calgary, AB	Director
¹ . Member of Audit Committee.	

You can obtain further information about directors and executive officers from the Company's Management Information Circular dated May 13, 2010, and, with respect to Chief Financial Officer and Secretary Robert Guist, the Company's Material Change Report dated June 29, 2010, copies of which are available on the SEDAR website at www.sedar.com.

Current information regarding the securities held by directors, executive officers and Principal Holders can be obtained from the SEDI website at www.sedi.ca. 49 North cannot guarantee the accuracy of this information.

ITEM 4 - CAPITAL STRUCTURE

The following table provides information about the outstanding securities of the Company (including options, warrants and other securities convertible into common shares) as of May 28, 2010 (unless otherwise noted) and what it will be upon the conclusion of the Offering.

Description of Security	Number Authorized	Number Outstanding as at May 28, 2010	Number Outstanding Assuming Minimum Offering	Number Outstanding Assuming Maximum Offering
Common shares ¹	Unlimited	12,651,383 ²	12,651,383	12,651,383
2008 Debentures ³		\$5,000,000	\$5,000,000	\$5,000,000
Warrants ⁴		3,942,041	3,942,041	3,942,041
Broker Warrants ⁵		312,992	312,992	312,992
Options ⁶	See note 6	575,000	575,000	575,000
Debentures ⁷		Nil	\$2,000,000	\$10,000,000

¹. Each common share entitles its holder to receive notice of and attend all annual and special meetings of shareholders of the Company, 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.

2. Takes into account the common shares purchased by the Company pursuant to its normal course issuer bid that are to be cancelled.
3. In July of 2008 the Company raised gross proceeds of \$5,000,000 in a brokered private placement of 9% convertible, unsecured, subordinated debentures (the "2008 Debentures") which was carried out under the "offering memorandum exemption" in part 2.9 of National Instrument 45-106 *Prospectus and Registration Exemptions* pursuant to an offering memorandum dated July 4, 2008. The 2008 Debentures were issued pursuant to a trust indenture dated July 24, 2008 between the Issuer and Equity Transfer & Trust Company, as trustee. Subject to the detailed terms and conditions of that trust indenture, the 2008 Debentures have a three-year term maturing July 24, 2011 and bear interest from July 24, 2008 at 9% per annum which, unless the debentures are earlier converted or redeemed in accordance with their terms, is to be paid on July 24 in each of 2009 and 2010 and on maturity. The 2008 Debentures are convertible, at the option of the respective holders, at any time or from time to time prior to 5 p.m. (Toronto time) on July 23, 2011, into fully paid, non-assessable common shares at a conversion price of (i) \$11.00 per share if converted prior to July 24, 2009, (ii) \$11.75 per share if converted on or after July 24, 2009 and before July 24, 2010, and (iii) \$12.50 per share if converted on or after July 24, 2010 and prior to the conversion expiry time. Where debentures are converted, interest accruing due but otherwise unpaid to the date preceding the date of conversion will be paid promptly following such date.

Subject to certain conditions precedent, the Company may redeem the 2008 Debentures prior to maturity at a redemption price equal to their principal amount plus interest accruing to but otherwise unpaid to the date preceding the redemption date plus a premium equal to 6% of the outstanding principal amount if redeemed prior to July 24, 2009, 4% of the outstanding principal amount if redeemed on or after July 24, 2009 but before July 24, 2010, or 2% of the outstanding principal amount if redeemed on or after July 24, 2010 and prior to maturity. These conditions precedent include the requirement that (i) the Company send notice of its intent to redeem the debentures and of the proposed redemption date to all 2008 Debenture holders at least 60 days and not more than 90 days prior to such redemption date, (ii) at the time of sending such notice, the weighted average trading price of our common shares for the 60 days preceding the date of the notice is equal to or exceeds the then applicable conversion price, and (iii) on the redemption date, the Company must redeem all of the outstanding 2008 Debentures that have not been converted into common shares in accordance with the terms of the trust indenture. The 2008 Debentures are unsecured and are subordinated to substantially all of the Company's other present and future indebtedness. As at the date of this Offering Memorandum all of the 2008 Debentures remain outstanding.

4. In June and July of 2009 the Company raised aggregate gross proceeds in an amount equal to \$11,840,614.75 in two closings of a private placement offering (the "2009 Private Placement") carried out under the "accredited investor exemption" in part 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions*. A portion of the private placement was comprised of the sale of 3,942,041 units at an issue price of \$2.75 per unit for proceeds of \$10,840,612.75. Each unit was comprised of one common share and one common share purchase warrant ("Warrant"), exercisable at \$3.50 within two years of the date of issue of the Warrant. 3,670,479 of such Warrants are exercisable on or before June 18, 2011 and the remaining 271,562 Warrants are exercisable on or before July 14, 2011. As at the date of this Offering Memorandum all of the Warrants remain outstanding.
5. As part of the consideration paid to the agents for the 2009 Private Placement the Company issued 312,992 broker warrants (each a "Broker Warrant"), exercisable at \$2.75 within two years of the date of issue of the Broker Warrant (the "Expiry Date"). Upon the exercise of each Broker Warrant the holder is issued one common share of the Company and one Warrant exercisable on or before the Expiry Date. 285,836 of such Broker Warrants are exercisable on or before June 18, 2011 and the remaining 27,156 Broker Warrants are exercisable on or before July 14, 2011. As at the date of this Offering Memorandum all of the Broker Warrants remain outstanding.
6. Effective June 4, 2008 the Company adopted and its shareholders approved an incentive stock option plan (the "Stock Option Plan") pursuant to which the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company (or corporations controlled by such persons) (collectively, "Participants") non-transferable options to purchase common shares. Under the Stock Option Plan, the number of common shares reserved for issuance upon the exercise of options shall not exceed 10% of the issued and outstanding common shares with the number of shares subject to each option determined by the Board provided that: (a) the number of shares reserved for issuance to any one individual in a 12 month period shall not exceed 5% of the issued and outstanding shares of the Company at the time of grant; (b) the number of options granted to any one Consultant (as defined in the Stock Option Plan) in a 12 month period shall not exceed 2% of the issued and outstanding shares of the Company at the time of grant; and (c) the aggregate number of options granted to

any person conducting investor relations activities (as defined in the Stock Option Plan) in any 12 month period shall not exceed 2% of the issued and outstanding shares at the time of grant. The exercise price of an option may not be less than the “Discounted Market Price” (as defined by the policies of the Exchange) which for these purposes means the last closing price of the common shares before the date of the stock option grant, less any discount allowed by the Exchange. However, if options are granted within 90 days of a public distribution of shares by a prospectus, then the minimum exercise price shall be the greater of the Discounted Market Price as aforesaid and the per share price paid by public investors for shares acquired in the prospectus distribution. Options granted pursuant to the plan are non-assignable and non-transferable. Options may be exercisable for a maximum of 10 years from the date of grant, or such shorter period as may be determined by Board in connection with any particular options granted pursuant to the Stock Option Plan, provided that options can only be exercised while the optionee is, or within 90 days of ceasing to be, a Participant or, if the optionee dies, within one year of the optionee’s death. As an exception to the foregoing, options that expire either during a blackout period imposed by the Company or within 10 business days following such blackout period shall be deemed to expire on the date that is the 10th business day following such blackout period. The Stock Option Plan includes conventional anti-dilution adjustment provisions and provisions where, in the event of a take-over bid or certain reorganization or merger or acquisition transactions, all unexercised options will immediately become vested (regardless of the vesting conditions, if any, otherwise applicable to such options) and/or the Board may accelerate the expiry date of options.

⁷ For details regarding the Debentures, see *Item 5, “Securities Offered”*.

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

The Company is offering to sell 8% convertible unsecured subordinated debentures (the “Debentures”) having an aggregate face value and subscription price of up to \$10,000,000, which Debentures will be issued in denominations of \$100 and integral multiples thereof with a minimum subscription amount (and minimum face value per Debenture) of \$5,000. The Debentures will be created and issued pursuant to a trust indenture to be entered into between the Company and Equity Transfer & Trust Company, as trustee, on or prior to the Closing Date (the “Indenture”), which Indenture will set forth the specific attributes of the Debentures. The following is a summary of certain provisions of the Indenture and of the Debentures to be issued thereunder. This summary does not purport to be complete and is subject to and qualified in its entirety by all of the express terms and conditions of the Indenture and the Debentures. A copy of the Indenture (in draft form until executed) may be inspected during normal business hours during the course of the Offering at the head office of the Company at 602, 224 – 4th Avenue South, Saskatoon, SK S7K 5M5.

The terms of the Debentures are different from the terms of other debentures sold by the Company in the past. Amongst other changes, the Company may redeem the Debentures following the Closing Date regardless of the trading price of the Company’s common shares.

Material terms of the Indenture and the Debentures include the following:

- (a) The Debentures will have a three-year term to maturity, with the principal sum and any accrued but unpaid interest to mature and come due on the third anniversary of the Initial Closing Date (the “Maturity Date”) (i.e. July 28, 2013 assuming an Initial Closing Date of July 28, 2010).
- (b) The Debentures will bear interest at the rate of 8% per annum, which interest will be paid in arrears in annual instalments on each of the first and second anniversaries of the Initial Closing Date and on the Maturity Date (or earlier in the event of conversion or redemption of the Debentures in accordance with the terms of the Indenture as summarized below). Every Debenture shall bear interest at the rate aforesaid from its date of issue or from the last preceding date on which interest was paid to the day preceding the next applicable interest payment date, and any interest not paid on an applicable interest payment date will be compounded with the principal amount of the Debenture, with such compounded interest to bear interest as aforesaid until paid in full.
- (c) All Debenture holders will have the right (the “Conversion Right”) to convert the whole or any part of the

principal amount of their Debentures into common shares of the Company in accordance with the terms of the Indenture at any time prior to 5:00 pm (Toronto time) on the business day immediately preceding the Maturity Date or the business day immediately preceding the date the Debentures are redeemed. The Indenture provides in this regard that a Conversion Right may be exercised by delivering to the Trustee's Toronto office the 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 Debenture (collectively the "Conversion Notice") in which case the principal amount of the Debenture that is to be converted shall be converted into fully-paid, non-assessable common shares of the Company at a price (the "Conversion Price") of:

- (i) \$4.00 per common share, if the Conversion Notice is received by the Trustee prior to the first anniversary of the Initial Closing Date;
- (ii) \$4.25 per common share, if the Conversion Notice is received by the Trustee on or after the first anniversary of the Initial Closing Date but prior to the second anniversary of the Initial Closing Date; or
- (iii) \$4.50 per common share, if the Conversion Notice is received by the Trustee on or after the second anniversary of the Initial Closing Date.

Notwithstanding the foregoing:

- (i) If any anniversary date as aforesaid is not a business day in the City of Toronto, the time on or by which a Conversion Notice must be received shall be extended to the same time of day on the next following day that is a business day in the City of Toronto.
- (ii) Only the principal amount of the 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 Debenture is converted, but is otherwise not yet paid, shall be paid to or to the order of the Debenture holder on or as soon as reasonably possible following the effective time of conversion.
- (iii) No fractional common shares will be issued on any conversion. In lieu of fractional shares the Company shall satisfy fractional interests by a cash payment (computed to the nearest cent) equal to the appropriate fraction of the last reported sale price of common shares on the business day preceding the conversion.
- (iv) The aforesaid conversion price and/or the number of common shares (or other securities or property) to be issued to a holder who converts a Debenture shall be subject to conventional anti-dilution adjustments as described in the Indenture.

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

Common shares that are issued upon the conversion of Debentures will be issued in registered form in the name of CDS (or another Depository) in accordance with the Book-Entry System. Accordingly, Debenture holders who convert their Debentures into common shares will not receive certificates in respect of such common shares and will not be entitled to any receipt or other instrument from the Company or from CDS in respect of their investment, and will not be shown in the records of CDS as the holder of any common shares. They will however receive a customer confirmation from the applicable Selling Agent (or other CDS Participant) through whom their respective Debentures (and shares acquired upon the conversion of the Debentures) are held in accordance with the Book Entry System and the applicable reporting policies and procedures of such intermediaries.

- (d) The Indenture contains provisions pursuant to which Debentures that have not been converted in accordance with the terms of the Indenture as summarized above may be redeemed at the option of the Company at any time subject, however, to certain conditions including the following:
- (i) The Company shall not redeem any Debentures unless it redeems all Debentures that are outstanding at the time that it sends the Redemption Notice described in paragraph (iii) below (other than Debentures that are thereafter converted by the holders as described in paragraph (iv) below).
 - (ii) The Company shall not redeem any Debentures if at the date of the Redemption Notice an event of default has occurred and is continuing.
 - (iii) The Company shall provide or cause the Trustee to provide to each Debenture holder at written notice (a "Redemption Notice"), which Notice of Redemption shall indicate that the Company intends to redeem all Debentures that are then outstanding effective as of a date, as determined by the Company (the "Redemption Date"), specified in such Redemption Notice, which Redemption Date shall not be earlier than 60 days and not be later than 90 days following the date of such Redemption Notice.
 - (iv) Where a Redemption Notice is given in accordance with the foregoing provisions, any Debenture holder may exercise his Conversion Right to convert the whole or any part of the principal sum of his Debentures in accordance with the provisions of the Indenture (as summarized in paragraph (c) above) at any time prior to the Redemption Date provided that, in such case, in order to be effective against the Company and/or Trustee, the Conversion Notice must be delivered to and received by the Trustee prior to 5:00 pm (Toronto time) on the business day immediately preceding the Redemption Date. Where this is done the provisions of the Indenture as summarized in paragraph (c) above shall apply *mutatis mutandis* in respect of such conversion.
 - (v) All Debentures that are called for redemption and not converted in accordance with the foregoing provisions, shall be redeemed by the Company effective as of the Redemption Date, at or as soon as reasonably possible thereafter, at which time the Company shall pay to or to the order of the respective holders of such Debentures an amount (the "Redemption Amount") equal to the sum of the following:
 - A. the outstanding principal amount of the Debenture;
 - B. an early redemption premium equal to:
 - 1. 6% of the outstanding principal amount of the Debenture if the Redemption Date is prior to the first anniversary of the Initial Closing Date;
 - 2. 4% of the outstanding principal amount of the Debenture if the Redemption Date is on or after the first but prior to the second anniversary of the Initial Closing Date; or
 - 3. 2% of the outstanding principal amount of the Debenture if the Redemption Date is on or after the second anniversary of the Initial Closing Date.
 - C. all interest due or accruing due to (but not including) the Redemption Date.

The holders of the Debentures may not force the Company to redeem Debentures (except upon the occurrence of certain event of default as stipulated in, and then subject to the enforcement provisions of, the Indenture as summarized below) and the Debentures do not confer any rights as shareholders upon the Debenture holders or entitle the holders to any voting privileges or to receive notice of or attend at any meetings of the shareholders of the Company. Moreover, the Debentures and all obligations of the Company under or in respect thereof are unsecured obligations of the Company and will be subordinated in right of payment to all existing and future indebtedness of the Company or any affiliate or subsidiary of the Company. Neither the Indenture nor the 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; mortgage, charge or otherwise grant security on or encumber all or any of its present or future property of whatsoever kind or nature; 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 or arrangement under the SBCA or otherwise. Further, neither the Indenture nor any of the 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 Indenture and the Debentures. See also *Item 8, "Risk Factors"*.

The Indenture will provide that an event of default (an "Event of Default") will occur if any one or more of the following described events has occurred and is continuing with respect to the Debentures:

- (a) Default in payment of the principal of any Debentures when same becomes due;
- (b) Default in payment of any Premium and interest due on the Debentures, unrectified after a period of 5 business days following receipt of notice provided by the Trustee;
- (c) Certain events of bankruptcy, insolvency or reorganization of the Company under bankruptcy or insolvency laws;
- (d) Default in the observance or performance of any material covenant or condition of the 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;
- (e) Failure to deliver common shares (or cash in lieu of fractional shares) upon conversion of a Debenture and continuance of such default for 10 days;
- (f) Default in observance or performing any secured indebtedness and the failure by the Company to remedy a default within any period provided for and such default is a material adverse change for the Company and its subsidiaries, taken as a whole.

If an Event of Default has occurred and is continuing, the Trustee may in its discretion, and shall upon request of holders of not less than 25% of the principal amount of Debentures then outstanding, declare the principal and interest on all outstanding Debentures and any other monies payable pursuant to the Indenture to be immediately due and payable. In certain cases, the holders of more than 50% of the principal amount of the Debentures then outstanding may, on behalf of the holders of 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 Debentures, which default may only be waived by an extraordinary resolution passed at a meeting of Debenture holders at which the holders of at least 25% of the principal amount of the 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 Debentures 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 Debenture holders as authorized or permitted by the Indenture or by law or equity. No holder of any Debenture shall have any right to institute any action, suit or proceeding or to exercise any other right authorized or permitted by the 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.

The Indenture will be in a form approved by, respectively, the Company and the Agents (and their respective legal counsel) and by the Trustee and will contain conventional anti-dilution provisions pursuant to which the Conversion Price for the common shares into which the Debentures may be converted and/or the number or type of securities or other property that may be issued upon a conversion of the Debentures may be adjusted upon the occurrence of

certain adjustment events such as a subdivision, consolidation or reclassification of the Company's common shares or if the Company makes certain rights offerings, enters into certain reorganization transactions or makes certain distributions to all or substantially all of its common shareholders (other than the payment of cash dividends in the ordinary course). The Indenture will also contain provisions for the payment of fees to the Trustee, the substitution of the Trustee with a replacement of or successor to Equity Transfer & Trust Company and for the protection of the Trustee.

The Debentures are not listed on any stock exchange and there is no plan to list the Debentures on any stock exchange. As a result, trading of the Debentures will not be available through the facilities of a stock exchange and there is no assurance that any over-the-counter or other market will develop for the Debentures. See also, *Item 10, "Resale Restrictions"*.

The Company's common shares are currently listed and trade on the Exchange under the symbol FNR and the Exchange has conditionally approved the listing of any common shares issued upon conversion of the Debentures subject to the Company fulfilling all of the requirements of the Exchange on or before August 30, 2010, or such later date permitted by the Exchange.

5.2 Who May Subscribe for Debentures

The Debentures are being offered for sale in, and to residents of, British Columbia, Alberta, Saskatchewan and Manitoba in reliance on the "offering memorandum" exemption in Part 2.9 of National Instrument 45-106 - *Prospectus and Registration Exemptions* ("NI 45-106" or the "Instrument"), as well as in, and to residents of, Ontario in reliance on the "accredited investor" exemption in Part 2.3 of NI 45-106. The Instrument has been adopted by the securities regulatory authorities in all provinces and territories of Canada, and exempts certain distributions of securities carried out in compliance with the Instrument from the registration and prospectus requirements that may otherwise apply pursuant to applicable securities legislation.

In accordance with NI 45-106, a subscriber for Debentures must purchase the Debentures as principal and, if a resident of Alberta, Saskatchewan or Manitoba and subscribing for Debentures with an aggregate subscription price exceeding \$10,000, the subscriber must be an "eligible investor" as defined in the Instrument. This requirement that subscribers be "eligible investors" does not apply to purchasers resident in British Columbia. A subscriber for Debentures who is a resident of Ontario must be an "accredited investor" as defined in the Instrument.

Prospective subscribers are urged to contact the Company or a Selling Agent and/or consult with their own professional advisors to determine and confirm that they are "eligible investors" or "accredited investors" as defined by the Instrument.

As discussed below in *Item 5.3, "Subscription Procedure"*, pursuant to the Agency Agreement, the Selling Agents will agree to offer the Debentures on behalf of the Company only in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and therein only to investors to whom such Debentures may be lawfully sold in reliance on the "offering memorandum" exemption in Part 2.9 of NI 45-106 or, respecting Ontario, the "accredited investor" exemption in Part 2.3 of NI 45-106, as described above. Additionally, however, with the agreement of both the Agents and the Company, Debentures may also be sold to investors resident in any other jurisdiction of Canada pursuant to the "offering memorandum" or "accredited investor" exemptions and/or may additionally be offered and sold in such other jurisdictions if such offering and sale is otherwise exempt from the registration and prospectus requirements of the securities legislation in such jurisdictions. Notwithstanding the foregoing, this Offering Memorandum is not intended as an offer to sell nor a solicitation of an offer to purchase any of the securities described herein in any jurisdiction and/or to any person in contravention of applicable securities legislation or other laws.

5.3 Subscription Procedure

Pursuant to the Agency Agreement, MGI Securities Inc., Canaccord Genuity Corp. and Wellington West Capital Inc. have been retained as Agents of the Company for the purposes of the Offering and have agreed to offer the Debentures for sale on a "commercially reasonable efforts basis", subject to prior sale, if, as and when issued and delivered by the Company in accordance with the conditions contained in the Agency Agreement and this Offering Memorandum, including, without limitation the "Conditions of Closing" described below. The Agency Agreement also authorizes, but does not require, the Agents to retain, as sub-agents, one or more other registered dealers who

may also offer the Debentures in accordance with the terms of the Agency Agreement (the Agents, together with any such sub-agents retained by them, being herein referred to, collectively, as the “Selling Agents” and, individually, as a “Selling Agent”). Although the Selling Agents will offer the Debentures for sale on a “commercially reasonable efforts basis”, they are not obliged to purchase any Debentures which are not sold and the obligations of the Selling Agents under the Agency Agreement may be terminated, and all subscriptions for on behalf of investors which have not then been accepted by the Company, may be withdrawn, at any time prior to the Closing of the Offering, at the Agents’ discretion, on the basis of the Agents’ assessment of the state of the financial markets or upon the occurrence of certain stated events, including any material adverse change in the business, personnel or financial condition of the Company. Pursuant to the Agency Agreement, the Selling Agents will receive fees and be reimbursed for certain expenses as described below in *Item 7, “Compensation Paid to Sellers and Finders”*.

Investors who meet the criteria identified above in *Item 5.2, “Who May Subscribe for Debentures”* and who wish to subscribe for Debentures must deliver to the Selling Agents (and as applicable complete and sign), by not later than 2 days before closing (or such later date as may be permitted by the Agents and the Company) the following:

- (a) a subscription agreement in substantially the form attached to this Offering Memorandum (the “Subscription Agreement”) or in such other form as may be approved by the Company and Agents;
- (b) for all subscribers except subscribers in and resident of Ontario, a “Risk Acknowledgement” in the form attached as Appendix A to the Subscription Agreement;
- (c) unless waived by the Company, if the subscriber is subscribing for the Debentures in, and is a resident of, Alberta, Saskatchewan or Manitoba, an “Eligible Investor Certificate” in the form attached as Appendix B to the Subscription Agreement (or in such other form as may be accepted by the Company) to confirm that the subscriber qualifies for the “offering memorandum” exemption in NI 45-106;
- (d) unless waived by the Company, if the subscriber is subscribing for the Debentures in, and is a resident of, Ontario, an “Accredited Investor Certificate” in the form attached as Appendix C to the Subscription Agreement (or in such other form as may be accepted by the Company) to confirm that the subscriber is an “accredited investor” as defined in NI 45-106;
- (e) unless waived by the Company, if the subscriber is subscribing for the Debentures in, and is resident outside of Canada, an “Additional Representations, Warranties and Covenants for Non-Canadian Subscribers Certificate” in the form attached as Appendix D to the Subscription Agreement (or in such other form as may be accepted by the Company) to confirm that the subscriber is eligible to participate in a private placement under the laws of the subscriber’s home jurisdiction;
- (f) if the subscriber is not an individual, a TSX Venture Exchange Form 4C - Corporate Placee Registration Form - in the form attached as Appendix E to the Subscription Agreement (unless such form has previously been filed and the information thereon is still current and correct, in which case the Company may waive the requirement for such form);
- (g) such additional or alternative acknowledgements, declarations, certificates and other forms and filings as may be requested by the Company and/or as may reasonably be necessary or desirable pursuant to the securities legislation of any jurisdiction to permit the distribution and sale of the Debentures subscribed for to be made in reliance on a statutory exemption from the registration and prospectus requirements of any applicable securities legislation and/or to confirm the status of the subscriber as a person to whom the Debentures subscribed for may be issued in reliance on such statutory exemption from the registration and prospectus requirements of any applicable securities legislation; and
- (h) payment of the subscription price for the Debentures subscribed for, by certified cheque, bank draft or solicitor’s trust cheque payable to the appropriate Selling Agent, or such other form of payment as such Selling Agent may accept.

Subscription funds and related subscription documents (collectively “Subscriptions”) will be held in trust by the respective Selling Agents until such time as the “Conditions of Closing” described below have been satisfied, at which time the Offering will close and such Subscriptions as are accepted by the Company will be paid and delivered to the Company by the respective Selling Agents who received such Subscriptions. Pending such Closing, all Subscription will be held in trust by the respective Selling Agents and, without limiting the generality of the

foregoing, all subscription funds shall be held in trust for at least 2 days after receipt of such funds and related subscription documents by the Selling Agents pending the exercise of a subscriber's cancellation rights as described below in *Item 11, "Purchasers' Rights"*.

The following are conditions of closing the Offering (the "Conditions of Closing"):

1. all material agreements, including the Indenture discussed in *Item 5.1, "Terms of the Securities"* and the Agency Agreement as discussed above in this *Item 5.3, "Subscription Procedure"* shall have been executed and delivered by the respective parties;
2. the Company shall have received and accepted the subscriptions for the minimum offering of \$2,000,000; and
3. the approval of certain legal matters as described in the Agency Agreement on behalf of the Company by McKercher LLP and on behalf of the Selling Agents by McDougall Gauley LLP.

Subject to these Conditions of Closing and subject to the right of the Company, in consultation with the Agents but otherwise in its sole discretion, to reject any particular Subscription in whole or in part or to terminate the Offering at any time, Closing of the Offering is expected to occur on or about July 28, 2010 or such other date as may be mutually agreed to by the Company and Agents (the "Closing Date" or "Initial Closing Date"), at which time all Subscriptions that have been validly accepted by the Company shall be delivered by the Selling Agents to the Company and the Company shall issue and cause the Trustee to issue the Debentures to the subscribers whose Subscriptions are then accepted. Notwithstanding the foregoing, provided that all of the Conditions of Closing have been satisfied, an "Initial Closing" may be held at the Initial Closing Date and one or more subsequent Closings (a "Subsequent Closing") may thereafter be held at which time Subscriptions for any of the Debentures that were not issued at the Initial Closing Date or at a preceding Subsequent Closing may be issued until such time as the maximum offering of \$10,000,000 is achieved and further provided that no Subsequent Closing shall be held after September 30, 2010 (the "Final Closing Date").

Should all Conditions of Closing not be achieved on or before the Final Closing Date this Offering will not close and all subscription funds received by the Selling Agents and/or by the Company shall be returned to the respective investors by the respective Selling Agent who received such funds (or by the Company where such funds were paid over by a Selling Agent to the Company) within not more than 60 days of the Final Closing Date. Additionally, if for any other reason a Subscription is rejected, all monies paid on account of such unaccepted Subscription will be promptly returned to the relevant subscriber. There will be no deductions from and no interest paid on these refunds.

All Debentures issued at any particular Closing shall be issued, effective as of the Closing Date on which they are issued, in registered form in the name of the respective subscribers or their nominees as indicated in their respective Subscription Agreement and in the form prescribed by the Indenture, which Debentures, executed by the Company and counter-signed by the Trustee, are expected to be available for delivery on or within a reasonable time following such Closing Date.

ITEM 6 - INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisors to obtain advice on the income tax consequences that apply to you. Subject to the foregoing, in the opinion of McKercher LLP, counsel to the Company, and McDougall Gauley LLP, counsel to the Selling Agents, the following is a general summary of the principal Canadian federal income tax considerations generally applicable to a holder of Debentures (a "Holder") who acquires Debentures under this Offering Memorandum and who, at all relevant times, for the purpose of the *Income Tax Act* (Canada) (the "Tax Act") holds the Debentures and common shares acquired under the terms of the Debentures as capital property, is or is deemed to be a resident of Canada, is not affiliated with the Company and deals with the Company at arms length. Generally, Debentures and common shares will be considered to be capital property to a Holder provided that the Holder does not hold the Debentures or common shares in the course of carrying on business or trading or dealing in securities and has not acquired them as an adventure in the nature of trade. Holders which are financial institutions for the purpose of the Tax Act or which otherwise do not hold their Debentures or common shares as capital property should consult their own tax advisors. This summary is not applicable to any Holder, an interest in which would be a "tax shelter investment".

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publically announced by the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the administrative practices and policies of the Canada Revenue Agency (the "CRA"). This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not anticipate any changes in law whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder and no representation with respect to the income tax consequences of any particular Holder is made. Consequently, prospective purchasers of Debentures should consult their own tax advisors for advice with respect to the tax consequences to them of holding and disposing of Debentures and common shares acquired under the terms of the Debentures, including the application and affect of the income and other tax laws of any country, province, state or local tax authority.

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is beneficiary will be required to include in computing its income for a taxation year all interest on a Debenture that accrues to the Holder to the end of the taxation year or becomes receivable or is received by it before the end of the taxation year, except to the extent that such amount was included in the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing income for a taxation year any interest on a Debenture received or receivable by such Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income) except to the extent that such amount was included in the Holder's income for a preceding taxation year.

A Holder that is a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable for a refundable tax of 6 $\frac{2}{3}$ % on certain investment income, including interest.

Any amount paid by the Company as a penalty or bonus because of early repayment of all or part of the principal amount of a Debenture will be deemed to be interest received at the time by the Holder to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at the time of the payment of, the interest that would have been paid or payable by the Company on the Debentures for the period ending after the payment of such amount.

On a disposition or deemed disposition of a Debenture, including a payment on maturity, or redemption, a Holder will generally also be required to include in computing income the amount of interest accrued on the Debenture from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in computing the Holder's income for the taxation year or a previous taxation year. In the event of a conversion of a Debenture into common shares pursuant to a Holder's right of conversion, any interest accrued on the Debenture from the date of the last interest payment to the date of conversion and paid to the Holder will be included in the Holder's income as described above.

In general, a disposition or deemed disposition of a Debenture, including a redemption or payment on maturity (but not including a conversion of a Debenture into common shares pursuant to a Holder's Conversion Right) will give rise to a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition, net of any accrued interest or other amount included in computing the Holder's income as interest or any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Debentures of the Holder immediately before the disposition.

One half of the amount of any capital gain (a "Taxable Capital Gain") realized by a Holder in a taxation year generally must be included in computing the Holder's income in that year, and one half of the amount of any capital loss (an "Allowable Capital Loss") realized by a Holder in a taxation year generally may be deducted from taxable capital gains realized by the Holder in that year. Allowable Capital Losses in excess of Taxable Capital Gains may be carried back and deducted in any of the three preceding taxation years or may be carried forward and deducted in any following taxation year against Taxable Capital Gains realized in the such years to the extent and under the circumstances described in the Tax Act. A capital gain realized by an individual may give rise to a liability for alternative minimum tax.

A Holder that is “Canadian controlled private corporation” (as defined in the Tax Act) may be liable for a refundable tax of 6²/₃% on certain investment income, including Taxable Capital Gains.

Pursuant to section 51 of the Tax Act, a Holder that converts a Debenture into common shares pursuant to the Holder’s Conversion Right will generally be deemed not to have disposed of the Debenture and accordingly will not be considered to realize a capital gain or capital loss on such conversion. The cost to such Holder of the common shares acquired on the conversion generally will be equal to the Holder’s adjusted cost base of the Debenture immediately before the conversion. The adjusted cost base of the Holder of the common shares acquired on the conversion will be averaged with the adjusted cost base of all other common shares held by the Holder as capital property. Under the current administrative practice of the CRA, a Holder who, upon conversion of a Debenture, receives an amount not in excess of \$200 in lieu of a fraction of a common share may either treat this amount as proceeds of a disposition of a portion of a Debenture, thereby realizing a capital gain or capital loss, or alternatively may reduce the adjusted cost base of the common shares that the Holder receives on the conversion by the amount of the cash received.

Dividends declared and paid on a Holder’s common shares will be included in the Holder’s income as taxable dividends received from a taxable Canadian corporation. The normal gross up and dividend tax credit rules will apply to dividends received by a Holder who is an individual and dividends received by a Holder which is a corporation will normally be deductible in computing its taxable income. Certain corporations may be liable to pay a refundable tax under Part IV of the Tax Act on such dividends.

A disposition or deemed disposition of a common shares will generally result in the Holder realizing a capital gain (or capital loss) to the extent that the proceeds of disposition of the common shares exceed (or are less than) the aggregate of the Holder’s adjusted cost base of the common shares and any reasonable costs related to the disposition. The general tax treatment of capital gains and capital losses is discussed above. In the case of a Holder that is a corporation, the amount of any capital loss otherwise determined resulting from the disposition or deemed disposition of a common share may be reduced by the amount of dividends previously received or deemed to have been received thereon in accordance with detailed rules contained in the Tax Act in this regard. Analogous rules apply where a corporation is a member of a partnership or a beneficiary of a trust that owns common shares or where a partnership or trust, of which a corporation is a member or beneficiary, itself is a member of a partnership or a beneficiary of a trust that owns common shares. Holders to whom these rules may be relevant should consult their own tax advisors.

In the opinion of McKercher LLP, counsel to the Company, and McDougall Gauley LLP, counsel to the Selling Agents, provided the common shares of the Company are listed on a designated stock exchange as designated for the purposes of the Tax Act, which includes the Exchange, the Debentures would, if issued on the date hereof, be qualified investments under the Tax Act and the regulations thereunder for trust governed by registered retirements savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans (other than a deferred profit sharing plan to which the Company has made a contribution), registered education savings plans and tax free savings accounts.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

In accordance with and subject to the terms of the Agency Agreement, the Company shall pay the Agents, on behalf of the Selling Agents, a cash commission equal to 5% of the gross proceeds from Debentures sold pursuant to the Offering. The Agency Agreement also provides the Agents will be reimbursed by the Company for all reasonable expenses incurred by them in connection with the Offering, including legal fees.

ITEM 8 - RISK FACTORS

There are many risks associated with an investment in 49 North, some of which are outlined below.

Investment Risks

Market for Debentures: The Debentures are not listed on any stock exchange and there is no plan to list the Debentures on any stock exchange. As a result, trading of the Debentures will not be available through the facilities of a stock exchange and there is no assurance that any over-the-counter or other market will develop for the Debentures. See also *Item 10, “Resale Restrictions”*.

Conversion Price Risk: The Company's common shares are currently listed and trade on the Exchange under the symbol FNR and the Exchange has conditionally approved the listing of any common shares issued upon conversion of the Debentures subject to the Company fulfilling all of the requirements of the Exchange on or before August 30, 2010, or such later date permitted by the Exchange. As at the date of this Offering Memorandum, the common shares are trading on the Exchange at prices below the Conversion Prices of the Debentures, and there is no assurance that such shares will ever trade at prices above the Conversion Prices and therefore no assurance that a Debenture holder will be able to profitably convert his Debentures into common shares and/or sell the shares into which the Debentures are so converted.

Subordination and Other Terms of the Debentures and Related Risks: The holders of the Debentures may not force the Company to redeem Debentures prior to the dates described herein under *Item 5.1, "Terms of Securities"* and the Debentures do not confer any rights as shareholders upon the Debenture holders or entitle the holders to any voting privileges or to receive notice of or attend at any meetings of the shareholders of the Company. Moreover, the Debentures and all obligations of the Company under or in respect thereof are unsecured obligations of the Company and will be subordinated in right of payment to all existing and future indebtedness of the Company or any affiliate or subsidiary of the Company. Neither the Indenture nor the 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; mortgage, charge or otherwise grant security on or encumber all or any of its present or future property of whatsoever kind or nature; 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 or arrangement under the SBCA 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 Indenture, including its ability to pay interest and/or repay the principal of the Debenture at the times and in the amounts contemplated by the Indenture and the Debentures. Further, neither the Indenture nor any of the 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 Indenture and the Debentures.

Risk of Default: Although the Company has no reason to believe that it will be unable to perform its obligations under the Indenture and the Debentures, and it has sufficient financial resources to perform all of such obligations, including, without limitation, from time to time liquidating certain of its portfolio securities in order to provide it with all funds necessary to pay interest and/or repay the principal of the Debentures at the times and in the amounts contemplated by the Indenture and the Debentures, the risk of default by the Company cannot be entirely eliminated. If a default occurs under the Indenture and the Debentures, the Indenture contains provisions governing the ability of the Trustee and Debenture holders to undertake enforcement proceedings. The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding. The Indenture provides the trustee shall be provided with sufficient funds and an indemnity from the holders of Debentures before undertaking enforcement proceedings. See also *Item 5.1, "Terms of Securities"*.

Company and Industry Risks

Reliance on Management: Securityholders must rely substantially on the discretion, knowledge and expertise of management of the Company in conducting the business operations of the Company and, in particular, must rely on the discretion, knowledge and expertise of such management and the Portfolio Manager in determining the composition of the 49 North's investment portfolio, negotiating the pricing of resource securities purchased for or sold from the portfolio and in determining if, when and on what terms to acquire or dispose of portfolio securities.

Conflicts of Interest: The officers and directors of 49 North have been, are or will be the officers and directors of the general partner of the 49 North Flow-Through Funds and TMM has been, is or will be the portfolio manager of the 49 North Flow-Through Funds. Mr. Tom MacNeill is a director and the President and Chief Executive Officer of the Company, and has been, is or will be the sole shareholder, a director and officer of each of the general

partners of the 49 North Flow-Through Funds and TMM. Potential conflicts of interest may arise or be perceived between Mr. MacNeill acting on the one hand in his capacity as a director and officer of the Portfolio Manager and, on the other hand, as a director and officer of the Company, and potential conflicts of interest may arise or be perceived between the Company and other funds or entities of which the directors and officers of the Company may also be directors, officers, or otherwise involved in the management, including but not limited to other members and future members of the 49 North Group. Investors must appreciate that they are relying on the expertise, good faith and integrity of the officers and directors of the Company and the Portfolio Manager, and especially on the expertise, good faith and integrity of Mr. Tom MacNeill, for the success of their investment in the securities of the Company. More generally, the services of the officers and directors of the Company and of TMM are not exclusive to the Company. The officers and directors of the Company and their affiliates may engage in activities for their own account which compete with the Company. Conflicts may arise from time to time in allocating investment opportunities, timing investment decisions and exercising rights in respect of and otherwise dealing with securities and issuers in which the Company and/or the officers and directors of the Company and/or their affiliates invest. Potential conflicts of interest may arise in the enforcement of the terms and conditions of agreement between the Company on the one hand and the Portfolio Manager (or other persons with whom one or more directors or officers of the Company may be associated) on the other hand, whether such agreements are being enforced by or against the Company.

Risks Associated with Resource Issuers: In general, the business of the Company includes investing in resource issuers with such investments made predominantly in junior or intermediate resource issuers. There is no assurance that any of the resource issuers in which the Company invests will prove to be profitable or viable over the short or long term. The resource industries are highly competitive and resource issuers in which the Company may invest must compete with many other companies, many of which have far greater financial strength, experience and technical resources. Generally, there is intense competition for the acquisition of resource properties considered to have commercial potential as well as for equipment and personnel necessary to exploit such properties. The business activities of resource issuers that the Company invests in are typically speculative and may be adversely affected by sector specific risk factors, outside the control of the resource issuers, which may ultimately have an impact on the Company's investments in such issuers' securities and/ or on an investor's investment in 49 North. Furthermore, as the Company holds some resource properties directly, the Company faces some of these risks directly as well as through its exposure from investments in issuers facing these risks. Other risks associated with the resource sector include, without limitation, the following:

- (a) The business of exploring for minerals and/or oil and gas involves a high degree of risk, many of which risks are beyond the control of the relevant resource issuer. Many of the resource issuers that the Company invests in may not hold, discover or successfully exploit commercial quantities of minerals, petroleum or natural gas and/or may not have a history of earnings or payment of dividends.
- (b) The marketability of natural resources which may be acquired or discovered by a resource issuer will be affected by numerous factors which are beyond the control of such resource issuer. These factors include market fluctuations in the price of minerals, petroleum and/or natural gas, as applicable, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of materials and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in a resource issuer not receiving an adequate return for its shareholders.
- (c) There are certain risks inherent in the mineral exploration, mining and oil and gas industries, including potential claims arising from operational activities, which may or may not be insurable, or against which a resource issuer may elect not to insure. Such liabilities may have a material, adverse effect on such resource issuer's financial position and on the value of the securities of such resource issuer held as part of the Company's investment portfolio.
- (d) Mining and oil and gas operations and the resource industries in general are subject to extensive controls and regulations imposed by various levels of government. In addition to federal regulation, each province has legislation and regulations which govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of resource production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee. Crown royalties are determined by government regulation and are generally calculated as a percentage of the value of the gross production, and the rate of

royalty's payable generally depends in part on prescribed reference prices, productivity, geographical location, discovery date and the type or quality of the commodity produced. Operations may be effected from time to time in varying degrees due to political and environmental developments such as tax increases, expropriation of property and changes in conditions under which resources may be developed, produced, generated and/or exported. Additionally, a resource issuer's property interests may be located in foreign jurisdictions, and its operations in such jurisdictions may be affected in varying degrees by the extent of political and economic stability, and by changes in regulations or shifts in political or economic conditions that are beyond the control of the resource issuer. Such factors may adversely affect the resource issuer's business and/or its property holdings. Although a resource issuer's activities may be carried out in accordance with all applicable rules and regulations at any point in time, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the resource issuer's operations. Amendments to current laws and regulations governing the operations of a resource issuer or more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the resource issuer.

- (e) The mineral exploration, mining and oil and gas industries are subject to various environmental regulations set by federal and provincial governments. Environmental legislation prescribes restrictions and prohibitions on releases or emissions of various substances produced or utilized in association with certain mining and oil and natural gas operations. Such legislation also prescribes certain requirements for the abandonment and reclamation of mines, wells and other facility sites. A breach of such legislation may result in the imposition on a resource issuer of fines and penalties and/or liability to third parties and may require a resource issuer to incur costs to remedy such breach. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which has led to stricter standards and enforcement and greater fines and penalties for non-compliance. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the resource issuer's financial condition, results of operations or prospects.

Marketability of Underlying Securities and Related Risks: The value of the Company's shares will vary in accordance with the value of the securities in the Company's investment portfolio and the value of securities owned by the Company may be affected by such factors as investor demand, resale restrictions, general market trends or regulatory restrictions. The Company's investment portfolio generally focuses on junior and intermediate resource companies, with available funds invested predominantly in resource companies that are listed on the TSXV. However, the Company may invest in securities of any resource company regardless of if or on what stock exchange such securities are listed, regardless of the status or stage of development of the investee company's exploration, development or other business activities, and regardless of the size or market capitalization of the investee company. A significant portion of available funds may at any time or from time to time be invested in unlisted securities, including securities acquired under private placements of what are commonly referred to as "founders shares" or "seed-capital shares", securities that may otherwise be issued by a company prior to completing feasibility studies including, without limitation, a Form 43-101F1 Technical Report or a Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information, or securities that may otherwise be issued prior to a resource company becoming a "reporting issuer". Investing in relatively smaller companies that are listed on a junior exchange (or are not listed) may be considered to be riskier than investing in securities of relatively larger companies whose securities are listed on a senior exchange such as the Toronto Stock Exchange. These risks include, without limitation, the following:

- (a) The share price of smaller companies is usually more volatile than that of larger, more established companies. Smaller companies may have limited resources, including limited access to funds, and their shares may trade less frequently and in smaller volume than shares of larger companies. They may have few shares outstanding, so a sale or purchase of shares will have a greater impact on the share price. The value of these investments may rise and fall substantially.
- (b) In general, investments in smaller companies tend to be less liquid than other types of investments. The Company's investments in illiquid securities and in certain other small resource issuers may be difficult to value accurately or to sell and may trade at a price significantly lower than their value. In general, the less liquid an investment, the more its market value tends to fluctuate. As a result, the Company may not be able to convert its investments to cash at a fair market price when it needs to or it may bear additional costs in doing so.

- (c) The securities of non-reporting issuers may not be sold by the Company unless an exemption is available under applicable securities laws.

More generally, many of the securities held by the Company, regardless of the industry sector in which the issuer conducts business and including those listed and not subject to resale restrictions, may be relatively illiquid and may decline in price if a significant number of shares are offered for sale.

On the other hand, the potential returns on investment in smaller, relatively early stage companies may be greater than the returns experienced from investment in larger, more established companies.

Concentration Risk: The Company invests predominantly in securities of junior and intermediate resource companies engaged in mineral or oil and gas exploration in Canada. Concentrating its investment in the resource sector may result in the value of the Company's shares fluctuating to a greater degree than if the Company invested in a broader spectrum of issuers.

Future Roll-over Transactions: The Company has been involved in the establishment of new 49 North Flow-Through Funds, on an annual or more frequent basis, in each year from 2006 to 2009; and each of the 49 North Flow-Through Funds that has been established to date has subsequently completed a transaction (herein referred to as a "Roll-over Transaction") with 49 North pursuant to which the flow-through units acquired in the 49 North Flow-Through Fund's own offering were subsequently exchanged for common shares of 49 North (or, prior to the January 2008 Conversion Transaction, for Units of the former Partnership). Each of these prior Roll-over Transactions has been completed in February of the year following the year that the respective Funds completed their own offerings of flow-through units, with this timing designed, in part, to allow individual investors who so choose to contribute the securities they acquire in 49 North through the Roll-over Transaction to a self-directed RRSP by the end of February deadline for making contributions that may be claimed in the preceding year. We anticipate that new 49 North Flow-Through Funds may be established in the future and, at about the time that any particular new 49 North Flow-Through Fund is established, we may enter into agreements to acquire the portfolios of such funds in a proposed Roll-over Transaction. Such agreements are typically subject to various conditions, including, without limitation, the receipt of all necessary regulatory approvals. Accordingly, there is no assurance that a proposed Roll-over Transaction with any particular 49 North Flow-Through Fund will be completed within the time frames contemplated by the relevant agreements, or at all. Further, depending on the methodology used to value the Company's shares and/or the assets of a new 49 North Flow-Through Fund, respectively, for the purpose of a proposed Roll-over Transaction; the size and timing of the new Fund's own offering and the length of time between such offering and the completion of a proposed Roll-over Transaction; the requirements of stock exchanges on which 49 North's shares may then be listed; and other factors which may not be known at this time and/or which may be outside of the control of management, the completion of any particular Roll-over Transaction may be dilutive to the persons who then hold shares of 49 North.

Market for Shares and Net Asset Value: A person desiring to buy or sell common shares must do so through the facilities of the Exchange by contacting his broker or investment advisor. The prices at which common shares are traded on the Exchange are established through the "bid" and "ask" mechanisms of the Exchange and will typically be something less (but may be more) than the net asset value of the shares.

Distributions and Dividends: The Company has never paid dividends on its common shares and, although subject to applicable solvency test provisions of the SBCA and the preferential rights of the holders of the Company's first or second preferred shares, if any, it is not precluded from paying dividends, the Board has not yet adopted a dividend policy and there is no assurance that a dividend policy will be adopted. Further, regardless of whether or not a dividend policy is adopted, there is no assurance that dividends will be paid in accordance with such policies as may be adopted or at all.

Changes to Tax Laws: Potential changes to, or interpretations of, tax laws, may negatively impact the Company's business.

Reliance on Key Persons for Advisory Services: The Company's performance providing advisory services in merchant banking and geological consulting is strongly correlated to the performance of certain key individuals, and, accordingly, the retention of these individuals is crucial to the Company's revenue from these business

segments. Certain of the key individuals have entered into employment agreements or services agreements, however, there is no guarantee that these individuals will not resign or otherwise terminate their agreements.

Reduced Revenues from Advisory Services During Periods of Declining Resource Prices: The Company's revenues from providing advisory services in merchant banking and geological consulting are likely to be lower during a period of declining natural resource markets and commodity prices. The Company's advisory services are particularly dependant on companies in the natural resource sector and as a result a prolonged period of declining natural resource prices could cause a reduction in fee revenue from advisory services.

ITEM 9 - REPORTING OBLIGATIONS

The Company's public reporting requirements and "continuous disclosure obligations" are the same as those requirements and obligations that apply to most other public companies that are not investment funds, including the requirement that the Company comply with the provisions of National Instrument 51-102 - *Continuous Disclosure Obligations* and related rules. As a result, amongst other things, 49 North must promptly issue press releases and file such press release and related material change reports whenever there is a material change in the business or affairs of the Company, and provide shareholders with quarterly unaudited financial statements and annual audited financial statements (together with related quarterly and annual MD&A) as well as management information circulars and related proxy and other meeting materials respecting shareholder meetings. 49 North's public documents are filed on SEDAR and are available for viewing on the SEDAR website at www.sedar.com and these documents and other information about 49 North may also be obtained from the Company's web site at www.fnr.ca. The Company's common shares are listed and posted for trading on the Exchange and, as a result, certain corporate and securities information about the Company, including information as to the trading prices and volumes of its common shares, is available on the Exchange's website at www.tmx.com.

Additionally, pursuant to the terms of the Indenture, the Company will provide or cause to be provided to all Debenture holders by not later than March 31 of each year following each fiscal year of the Company during which any Debentures were outstanding, a copy of its annual financial statements for such year together T5 reports in respect of any income allocated to a Debenture holder in that fiscal year.

ITEM 10 - RESALE RESTRICTIONS

10.1 General

These securities (including the common shares underlying the Debentures) will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

The Debentures are not listed on any stock exchange and there is no plan to list the Debentures on any stock exchange. As a result, trading of the Debentures will not be available through the facilities of a stock exchange and there is no assurance that any over-the-counter or other market will develop for the Debentures.

10.2 Restriction Period

Unless permitted under securities legislation, or unless you are a resident of Manitoba and then subject to the restrictions discussed below, you cannot trade the securities (including the common shares underlying the Debentures) before the date that is four months and a day after the distribution date.

10.3 Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the securities in Manitoba without the prior written consent of the regulator in Manitoba unless:

- (a) the Company has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- (b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 - PURCHASERS' RIGHTS

If you purchase these securities, you will have certain rights, some of which are described below. These rights are in addition to and without derogation from any other right or remedy which you may have at law. For information about your rights you should consult a lawyer.

Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Company by midnight on the second business day after you sign the agreement to buy the securities.

Statutory Rights of Action

In the event of a misrepresentation:

British Columbia and Alberta:

If you are a resident of British Columbia or Alberta, and there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy these securities; or
- (b) for damages against the Company, every director of the Company at the time this Offering Memorandum was sent or delivered to you and every other person who signed this Offering Memorandum.

Ontario

If you are a resident of Ontario and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue the Company:

- (a) to cancel your agreement to buy these securities; or
- (b) for damages, the amount of which can be limited to the depreciation in the value of the securities resulting from the misrepresentation, and in no case will damages exceed the subscription price.

Saskatchewan:

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy these securities; or
- (b) for damages against the Company, every promoter and director of the Company at the time this Offering Memorandum was sent or delivered to you, every person whose consent has been filed respecting the Offering (but only with to reports, opinions or statements that have been made by them), every other person who signed this Offering Memorandum and every person who sells the securities on behalf of the Company under this Offering Memorandum.

Furthermore, if you are a resident of Saskatchewan and there is a misrepresentation in any "advertising or sales literature" distributed, or verbal misrepresentation made, in connection with this Offering you have a statutory right of action to sue. There are also statutory rights of action for Saskatchewan residents where a copy of this Offering Memorandum is not delivered prior to the execution of the agreement to purchase or if the securities are otherwise sold in contravention of applicable Saskatchewan securities laws.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased these securities.

If you intend to rely on the rights described above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. In British Columbia, Alberta and Ontario you must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date which you purchased the securities. In Saskatchewan you must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Contractual Rights of Action in the Event of Misrepresentation

If you are a resident of Manitoba, and if there has been a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Company:

- (a) to cancel your agreement to buy these securities; or
- (b) for damages, the amount of which can be limited to the depreciation in the value of the securities resulting from the misrepresentation, and in no case will damages exceed the subscription price.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. The Company has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the securities.

ITEM 12 - DATE AND CERTIFICATE

DATED July 6, 2010

This Offering Memorandum does not contain a misrepresentation.

49 North Resources Inc.

Per: signed "Tom MacNeill",
President and Chief Executive Officer

Per: signed "Robert Guist",
Chief Financial Officer and Secretary

On Behalf of the Board of Directors of 49 North Resources Inc.

Per: signed "C. Michael Ryer",
Director

Per: signed "Jeffrey Green",
Director

AUDITOR'S CONSENT

We have read the offering memorandum of 49 North Resources Inc. (the "Company") dated July 6, 2010 relating to the issues and sale of up to \$10,000,000 8% convertible unsecured subordinated debentures of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the offering memorandum of our report dated April 22, 2010 to the shareholders of the Company on the consolidated balance sheet of the Company as at December 30, 2009 and 2008 and the consolidated statements of operations and deficit and cash flows for the years then ended

SASKATOON, SASKATCHEWAN
July 6, 2010

(signed) "HERGOTT DUVAL STACK LLP"
Chartered Accountants

