



Management's Discussion and Analysis

For the three months ended March 31, 2009

Date of Report: May 28, 2009

Overview:

This Management's Discussion and Analysis of the financial condition and results of operation ("MD&A") of 49 North Resource Fund Inc. (the "Corporation") has been prepared based upon information available to the Corporation as at May 28, 2009 and should be read in conjunction with the interim, unaudited financial statements and the notes thereto as at and for the three months ended March 31, 2009 (the "current statements") and audited financial statements and related notes of the Corporation as at and for the year ended December 31, 2008. All financial data in this MD&A is reported in Canadian dollars and has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") unless otherwise indicated (see "Non-GAAP Measures").

Effective January 1, 2008, 49 North converted from its former, limited partnership structure into its current corporate structure in a series of transactions referred to herein collectively as the "Conversion Transaction" at which time all of the limited partnership units ("Units") of the Former Partnership that were outstanding as at December 31, 2007 were consolidated and exchanged for common shares of the Corporation on a one share for two Units basis. All references herein to "49 North" or the "Company", and personal pronouns such as "us", "we" or "our", mean the Corporation when used with reference to the period from and after January 1, 2008 and mean the Former Partnership when used with reference to the period prior to January 1, 2008. References herein to the "General Partner" mean the corporation which, under the name 49 North Resource Fund Inc., served as the general partner of the Former Partnership until its dissolution as part of the Conversion Transaction. Unless the context indicates otherwise, references to "shares" of the Company, mean common shares of the Corporation when used with reference to the period from and after January 1, 2008 and include Units of the Former Partnership when used with reference to the period prior to January 1, 2008. Additionally, unless otherwise indicated, all current and comparative figures in this MD&A have been adjusted to reflect the 2 Unit for 1 common share consolidation that occurred effective January 1, 2008 as part of the Conversion Transaction. References to the "TSXV" mean the TSX Venture Exchange.

Nature of the Business:

The Corporation is incorporated under the laws of Saskatchewan and its common shares are publicly traded on the TSXV under the symbol "FNR". 49 North is a resource investment, financial and managerial advisory, and merchant banking company which, currently, as its principal business, invests in a diversified portfolio of shares and other securities of resource issuers including, without limitation, resource issuers engaged in mineral (uranium, base metals, precious metals), oil and gas and potash exploration and development, with a view to achieving capital appreciation of the portfolio.

Overall Performance:

The economic climate during the first quarter of 2009 began to stabilize and capital markets began to show some signs of stability as commodity and stock prices increased from the lows experienced in late 2008. However, there still does remain continuing uncertainty and constrained access to capital which could result in a continued prolonged global recession. Commodity prices and stock prices ended the quarter for the most part at higher prices than December 2008 but nowhere near the peaks reached in mid 2008. At this time it is difficult to predict whether this commodity rebound is sustainable.

The Company continued to realize net losses on sale of investments but the amounts were much smaller than those realized for the full year 2008. The improvement in commodity prices and equities resulted in a significant unrealized gain in the quarter compared to a loss for full year 2008.

As at March 31, 2009, the fair value of the Company's investments was \$19,037,696 as compared to \$7,672,171 as at December 31, 2008 (a 148% increase) and shareholders' equity stood at \$13,066,668 as at March 31, 2009 as compared to \$3,719,302 as at December 31, 2008 (a 251% increase).

Despite the current state of the world market, 49 North remains committed to its investment strategy and long-term objectives. The Company believes that the current volatility in stock prices will remain in the near term and may result in 49 North incurring realized losses on sales of its investments in order to generate cash needed to fund its operations. Additionally, if there are further declines in the trading prices of securities which 49 North holds, the Company may incur additional unrealized losses on its investments.

Selected Financial Information:

Balance Sheet Information In \$ 000's except per share data	March 31, 2009		
	March 31, 2009	December 31, 2008	
Equity investments, at fair value	\$ 19,038	\$ 7,672	
Total assets	19,643	8,679	
Liabilities	6,576	4,960	
Shareholders Equity	13,067	3,719	
Per share, basic	\$ 3.93	\$ 2.05	
Per share, diluted	\$ 3.61	\$ 1.91	
Statement of Operations Information In \$ 000's except per share data	March 31, 2009		
	March 31, 2009	December 31, 2008	March 31, 2008
Net realized investment gains (losses)	(602)	(4,451)	137
Net unrealized investment gains (losses)	5,717	(18,961)	1,962
Dividend income	-	229	-
Interest income	-	2	3
	<u>\$5,115</u>	<u>\$(23,181)</u>	<u>\$2,102</u>
Expenses	509	2,847	362
Income (loss) before income taxes	4,606	(26,028)	1,740
Future income taxes	1,008	(4,062)	-
Net Income (loss)	3,598	(21,966)	1,740
Earnings (loss) per share, basic	\$1.08	\$(12.14)	\$1.06
Earnings (loss) per share, diluted	\$0.98	\$(12.14)	\$0.97

Significant Events:

Apart from the general economic factors and specific financial information mentioned above, the following events and developments occurred during and subsequent to the three months ended March 31, 2009 that changed or affected the organizational structure, capitalization, operations and/or result of operation of 49 North.

➤ **Stock Option Plan:** On April 2, 2009, the board of directors of the Company approved the grant of 295,000 stock options pursuant to the Company's 2008 Stock Option Plan. 140,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at \$2.00 per share and, if not exercised, expire April 2, 2019, subject to earlier expiration in accordance with the Plan and applicable policies of the TSX Venture Exchange. At the same time, options for 75,000 common shares that were originally granted in July 2008 were cancelled.

- **Normal Course Issuer Bids:** In July 2007 the Former Partnership announced that it was implementing a normal course issuer bid (the “2007 NCIB”) to acquire, between July 23, 2007 and July 23, 2008, up to 276,041 Units, representing approximately 9.86% of the total Units of the Former Partnership that were then outstanding (138,020 common shares of the Corporation after adjusting for the Conversion Transaction and 2 Units for 1 common share consolidation that occurred as part of that Conversion Transaction). On August 5, 2008, 49 North announced its intention to commence a new normal course issuer bid (the “2008 NCIB”) to acquire up to 180,865 common shares during the period from August 6, 2008 until the earlier of August 6, 2009 and the date by which 49 North has acquired the maximum 180,865 shares which may be purchased under that bid. Purchases under these NCIBs are made in open market transactions through the facilities and in accordance with the rules of the TSX Venture Exchange at market prices prevailing at the time of acquisition. All common shares purchased under the NCIBs are cancelled. During the fiscal year ended December 31, 2008, the Company repurchased 92,600 shares pursuant to these NCIBs at a cost of \$733,945 (on average, \$7.93 per share). An additional 50,100 shares were purchased under the 2008 NCIB between January 1 and March 31, 2009 at a cost of \$87,086 (on average \$1.74 per share).
- **Roll-over Transaction with 2008-I Fund:** Between February and May 2008, 49 North 2008 Resource Flow-Through Limited Partnership (the “2008-I Fund”) raised \$9,156,550 on the sale of 915,655 flow-through limited partnership units (the “2008-I Units”), at \$10 per 2008-I Unit, in an initial public offering that was carried out in all provinces and territories of Canada pursuant to a prospectus dated February 12, 2008. Pursuant to a transfer agreement made February 12, 2008, as amended and restated as of December 18, 2008, effective February 2, 2009, the 2008-I Fund transferred its assets – consisting of flow-through shares and warrants of 20 resource companies valued, after all adjustments, for the purposes of the transaction (the “2008-I Fund Roll-over Transaction”), at \$4,016,711 – to, and in exchange for 1,656,376 common shares of, the Company, which were valued for the purpose of the transaction at \$2.425 per share. Following this transfer, but also effective February 2, 2009, the 2008-I Fund was wound-up and dissolved and these 1,656,376 shares were distributed amongst the (former) partners of the 2008-I Fund with each (former) limited partner of the 2008-I Fund receiving approximately 1.809 FNR shares for each 2008-I Unit they previously held. Also as a consequence of the 2008-I Fund Roll-over Transaction 49 North became a reporting issuer in Québec and the three territories such that it is now a reporting issuer in all provinces and territories of Canada.
- **Roll-over Transaction with 2008-II Fund:** In December 2008, 49 North 2008-II Resource Flow-Through Limited Partnership (the “2008-II Fund”) raised \$2,191,100 in a brokered private placement of 219,110 flow-through limited partnership units (the “2008-II Units”), at \$10 per 2008-II Unit. Pursuant to a framework agreement made as of September 5, 2008, as amended and restated as of November 25, 2008, effective February 2, 2009, the 2008-II Fund transferred its assets – consisting of flow-through shares in 2 resource companies valued, after all adjustments, for the purposes of the transaction at \$1,820,069 – to, and in exchange for, 750,544 common shares of, the Company, which were valued for the purpose of the transaction at \$2.425 per share. Following this transfer, but also effective February 2, 2009, the 2008-II Fund was wound-up and dissolved and these 750,544 FNR shares were distributed amongst the (former) partners of the 2008-II Fund with each (former) limited partner of the 2008-II Fund received approximately 3.425 FNR shares for each 2008-II Unit they previously held.
- **Private Placement:** The Company has engaged MGI Securities Inc. as its lead agent in connection with a private placement of securities of the company to raise up to \$15,000,000. It is anticipated that the offering will be placed predominantly with institutional investors, and will be comprised of units, with each unit consisting of one common share at a price of \$2.75 and one warrant, exercisable at \$3.50 and expiring two years after closing.

Results of Operations:

Summary of Results:

The Company's operating results for its two most recently completed financial periods is stated below.

Results of Operation	March 31, 2009	December 31, 2008
Net investment gains (losses)	\$ 5,115,008	\$ (23,181,304)
Net income (loss) for the year	3,597,747	(21,965,982)
Earnings (loss) per share – basic	1.08	(12.14)
Earnings (loss) per share - diluted	0.98	(12.14)
Total assets	19,642,699	8,679,384
Total liabilities	6,576,031	4,960,082
Shareholders' equity	13,066,668	3,719,302

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows:

Quarterly Results of Operations (unaudited)				
In \$ 000's except per share data	Quarter ended			
	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008
Net investment gains (losses)	\$5,115	\$(10,979)	\$(29,998)	\$ 15,694
Net income (loss)	3,597	(9,844)	(25,699)	11,838
Earnings (loss) per share – basic	\$1.08	\$(5.38)	\$(14.06)	\$ 6.40
Earnings (loss) per share – diluted	\$0.98	\$(5.38)	\$(14.06)	\$ 6.01
	March 31, 2008	Dec 31, 2007	Sept. 30, 2007	June 30, 2007
Net investment gains (losses)	\$2,102	\$12,420	\$(779)	\$ 1,208
Net income (loss)	1,740	10,204	(1,006)	1,052
Earnings (loss) per share – basic	\$1.06	\$3.97	\$(0.36)	\$ 0.37
Earnings (loss) per share – diluted	\$0.97	\$3.68	\$(0.36)	\$ 0.37

Three Months Ended March 31, 2009 and 2008:

For the three months ended March 31, 2009, the Company recorded pre-tax income of \$4,605,846 and net income, after tax, of \$3,597,747 (\$1.08 per share), compared to income of \$1,739,839 (\$1.06 per share) in the three months ended March 31, 2008.

Prior to converting to its current corporate structure effective January 1, 2008, the Former Partnership computed its income as if it were a separate person resident in Canada, but was not itself a taxable entity and was not required to file income tax returns except for an annual information return. Rather, the income or loss of the Former Partnership was, generally, taxed in the hands of the partners of the Former Partnership, with the limited partners generally required to include (or entitled to deduct) their respective *pro rata* share of such income (or loss) in computing their own income for the taxation year that included the relevant fiscal year end of the Former Partnership. Consequently, the Former Partnership's financial statements did not provide for income tax (or recoveries).

The Company's pre-tax income in first quarter 2009 of \$4,605,846 was based on net investment gains of \$5,115,008 less recorded expenses of \$509,162; compared to income in first quarter 2008 of \$1,739,839 on net investment gains of \$2,102,322 and expenses of \$362,483. The increase year over year is primarily a result of a net change of \$3,755,140 between unrealized gains in 2009 versus 2008.

The \$5,115,008 of net investment gains in 2009 is comprised of \$602,421 of realized losses, \$5,717,381 of unrealized gains and \$48 of interest income. By comparison, in first quarter 2008, the Company had realized net investment gains of \$137,215, unrealized gains of \$1,962,241 and interest income of \$2,866. The Company's significant investment gains in first quarter 2009 were generally attributable to a recovery in prices of commodity related stocks from the sharp declines in the market values of securities in the Company's investment portfolio as at December 31, 2008. Fiscal 2008 was a difficult year due largely to the general world-wide economic climate throughout much of the year which was beyond the control of management. It appears a potential recovery has started in first quarter 2009 but it is still too early to determine if it will be sustainable. However, the Company benefited from this recovery by recording an unrealized gain in first quarter of \$5,717,381.

The realized investment losses of \$602,421 in the three months ended March 31, 2009 were attributable to both selling investments to fund operations and to continue the strategy of consistently reviewing and monitoring the investments the Company holds in the portfolio.

Expenses for the three months ended March 31, 2009 were \$509,162, compared to expenses of \$362,483 in the three months ended March 31, 2008. The following table provides a list of all expenses incurred by the Company for the quarters ended March 31, 2009 and 2008. Additional information about these expenses including the main reasons for year-over-year changes in expenses is provided in the notes to the table.

First Quarter Expenses	Three Months Ended March 31	
	2009	2008
Business development and investor relations ¹	85,946	97,322
Interest ²	187,134	115,235
Management fees ³	74,283	96,866
Management performance bonus ³	-	-
Office and administration ¹	22,819	1,258
Professional fees ⁴	71,348	12,000
Transaction costs ⁵	37,751	37,935
Wages and benefits ¹	29,881	1,867
	509,162	362,483

Notes:

1. Business development and investor relation costs, wages and benefits, and office and administration expenses totaled \$138,646 compared to \$100,447 for the three months ended March 31, 2008. In second quarter 2008 the Company hired its first permanent employees and staff, including a full time Manager of Investor Relations, and initiated several new investor relations activities as well as acquiring new office premises. These costs were not incurred in first quarter 2008.
2. Interest expense was \$187,134 for first quarter 2009 compared to \$115,235 for first quarter 2008. The increase is due primarily to the fact that in July 2008 the Company issued \$5,000,000 principal amount of convertible debentures at a 9% interest rate compared to a \$2,000,000 convertible debenture at a 9% interest rate that was issued in June 2007 and then converted into preferred shares as part of the January 2008 Conversion Transaction. In addition, the interest expense for first quarter 2009 includes the accretion of the liability component of the debentures in the amount of \$68,142.
3. The criteria for achieving the management performance bonus for both first quarter 2009 and 2008 has not been achieved resulting a nil balance being recorded. In that regard, management fees and, if applicable, the management performance bonus, consist of amounts payable by the Company to TMM Portfolio Management Inc. ("TMM" or the "Portfolio Manager") in accordance with a portfolio management agreement made between the Corporation and TMM as of January 1, 2008 (or, prior to 2008, in accordance with a substantially similar investment management agreement made between the General Partner of the Former Partnership and TMM as of September 30, 2005, as amended and restated effective October 26, 2008, which was terminated and replaced with the above referenced portfolio management agreement as part of the January 2008 Conversion Transaction). Pursuant to these agreements (collectively the "Management Agreement"), TMM provides advice to the Company and, subject to the overall power of the board of directors to supervise and manage the Company, manages 49 North's investment portfolio.

TMM is entitled under the Management Agreement to be paid a quarterly management fee equal to 0.5% of the Published NAV of the Company (see in this regard the discussions below under "Valuation of Assets", "Net Asset Values" and "Non-GAAP Measures") calculated as of the last business day of the relevant fiscal quarter, which management fee is payable on or prior to the end of the month next following the relevant fiscal quarter. Additionally, in each fiscal year of the Company, TMM is entitled to receive a performance bonus, calculated as of the last business day of the applicable fiscal year, in an amount equal to 20% of the amount, if any, by which the sum of the Published NAV per common share (or prior to 2008 the Published NAV per Unit) as of that date, plus all dividends or other distributions per common share (or Unit) during that fiscal year, exceeds the greater of a "benchmark value" as stipulated in Management Agreement and the Published NAV per common share (or Unit) as of the last business day of the preceding fiscal year. Any such performance bonus is payable within 30 days following the end of the fiscal year to which it relates. Management fees and, if applicable, any performance bonus not paid by the due dates bear interest at prime plus 2% until paid in full.

4. Professional fees for the three months ended March 31, 2009 were \$71,348, an increase of \$59,348 over first quarter 2008. The increase is attributable to the large number of significant transactions and other events involving the Company in first quarter 2009. See in this regard the discussion above under "Significant

Events”.

5. Transactions costs in first quarter 2009 and 2008 were approximately the same. Transaction costs arise from purchases and dispositions of investments through brokers, which are expensed immediately in accordance with the Company’s accounting policy for investments.

The Company also recorded an income tax expense in the three months ended March 31, 2009 of \$1,008,099 compared to nil in 2008.

Cash Flow:

Three Months Ended March 31, 2009 and 2008:

Net cash used in operating activities was \$434,457 for the three months ended March 31, 2009, compared to net cash used in operating activities of \$89,240 in the same period last year, an increase of \$345,217.

Net cash generated from investing activities during the quarter was \$424,240 compared to a use of cash in 2008 of \$673,999. This was largely a result of net proceeds from disposition of investments of \$425,698 in first quarter 2009 and net purchases in 2008 of \$1,135,074.

Net cash used in financing activities was \$131,672 in the three months ended March 31, 2009 compared to \$291,190 in the three months ended March 31, 2008. The 2009 activity consisted of the repurchase of common shares (\$87,161) and payments to related parties (\$44,511).

For the three months ended March 31, 2009 the Company had a net decrease in cash of \$141,889 compared to a decrease of \$1,054,429 a year ago.

Capital Resources:

Assets:

49 North’s principle business is to invest in and manage a diversified portfolio of securities of resource companies with the objective of achieving medium to long-term capital appreciation through the aggressive management of and growth in value of the portfolio. At March 31, 2009 we had total assets of \$19,642,699, approximately 97% of which - \$19,037,696- consisted of equity investments in a total of 67 resource companies.

49 North 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. However, our portfolio focuses on junior and intermediate resource companies, with funds invested predominately in resource companies that are listed on the TSXV or other junior exchanges; although a significant portion of the portfolio, by value, may also be invested in TSX listed companies. Additionally, a significant portion of our portfolio 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 “founder’s share” or “seed-capital shares”, securities that may otherwise be issued by a resource company prior to completing feasibility studies including, without limitation, a Form 43-101 Technical Report, or securities that may otherwise may be issued prior to a resource company becoming a “reporting issuer”.

There are no fixed restrictions or requirements as to the particular sectors of the resource industry in which we invest and no fixed restrictions or requirements as to the geographical locations in which investee resource companies conduct their exploration and/or development activities. However, we tend to focus predominantly on resource companies with activities in Saskatchewan and our portfolio has historically has been weighted more to mineral exploration companies than to oil and gas companies. We endeavour to diversify the portfolio based on commodity type. As described in more detail in the tables below, as of March 31, 2009, our portfolio included holdings in companies in the potash, oil and gas, coal, precious metals, base metals, uranium, diamond and other resource

sectors.

The resource equity investments held by the Company as of March 31, 2009 - valued at \$19,037,696- represents a significant – \$11,365,525 - increase compared to the equity investments of \$7,672,171 held at December 31, 2008. This significant increase in first quarter 2009 is attributable to the factors discussed above under “Results of Operations” and “Significant Events”.

The total number of investments held by the Company increased from 44 at December 31, 2008 to 67 at March 31, 2009. There were periods during 2008 when we held over 60 investments, but we reduced the number of holdings at year-end 2008 to take advantage of capital tax loss selling. The increase in the number of investments is mainly due to the rollover into the Company of the 2008-I Fund and 2008-II Fund this quarter.

At March 31, 2009 the Company’s equity investments consisted of the following:

Portfolio Holdings at March 31, 2009¹				
Name of Company²	Symbol	Number of Shares	Fair Value	Percentage of Portfolio
Mineral Exploration:				
<i>Shares</i>				
Athabasca Potash Inc. (TSX)	API	2,141,000	6,851,200	35.99%
Newsk Emergiing Resources Ltd. (private)		1,691,848	1,488,826	7.82%
Bending Lake Iron Group Ltd. (private)		1,200,000	1,078,570	5.67%
NuCoal Energy Corp. (private)		1,402,770	905,804	4.76%
Goldsources Mines Inc.	GXS	330,000	699,600	3.67%
Kimpar Resources Inc. (private)		600,000	669,643	3.52%
Panwestern Energy Inc.	PW	3,179,822	588,267	3.09%
Wecan Goldfields Inc. (1)	WGF	2,677,667	495,368	2.60%
Rockport Mining Corp. (private)		486,274	364,721	1.92%
Explor Resources Inc.	EXS	1,179,000	359,595	1.89%
Copper Canyon Resources Ltd.	CPY	2,210,035	353,606	1.86%
Great Western Minerals Group Ltd.	GWG	3,575,833	214,550	1.13%
Westcore Energy Inc. (1)	WTR	600,000	213,000	1.12%
Red Rock Energy Inc.	RRK	1,930,856	193,086	1.01%
Northern Freegold Resources	NFR	285,552	148,487	0.78%
Copper Reef Mines Ltd. (CNQ)	CZC	2,405,000	120,250	0.63%
Raytec Metals Corp.	RAY	650,000	117,000	0.61%
Sheltered Oak Resources Corp.	OAK	1,000,000	110,000	0.58%
Skeena Resources Ltd.	SKE	2,412,500	96,500	0.51%
Alix Resources Corp	AIX	766,000	95,750	0.50%
Kobex Resources Ltd.	KBX	200,000	74,000	0.39%
Gobimin Inc.	GMN	86,000	70,520	0.37%
Dumont Nickel Inc.	DNI	6,526,000	65,260	0.34%
Canalaska Uranium Ltd.	CVV	500,911	62,614	0.33%
Goldcliff Resource Corp.	GCN	1,000,000	60,000	0.32%
Uranium North Resources Corp. (1)	UNR	833,333	58,333	0.31%
Playfair Mining Ltd.	PLY	1,000,000	55,000	0.29%
Stikine Gold Corporation	SKY	1,336,667	53,467	0.28%
Halo Resources Ltd.	HLO	881,915	44,096	0.23%
Hathor Exploration Ltd.	HAT	18,000	34,560	0.18%

Virginia Uranium (3)		73,333	34,091	0.18%
J-Pacific Gold Inc.	JPN	391,000	33,235	0.17%
Laurion Mineral Exploration Inc.	LME	2,077,665	31,165	0.16%
Copper Mountain Mining Corp. (TSX)	CUM	53,000	25,970	0.14%
Blue Sky Uranium Corp.	BSK	200,000	24,000	0.13%
Eagle Plains Resources Ltd.	EPL	159,500	21,532	0.11%
Skygold Ventures Ltd.	SKV	119,000	20,825	0.11%
ESO Uranium Corp.	ESO	590,000	17,700	0.09%
Royal Roads Corp.	RRO	668,050	16,701	0.09%
Northern Continental Resources Inc.	NCR	220,000	16,500	0.09%
Horizons Betapro Bear Plus (TSX)	HDD	1,000	12,430	0.07%
Olivut Resources Ltd.	OLV	60,000	12,000	0.06%
Roxgold Inc.	ROG	740,000	11,100	0.06%
El Nino Ventures Inc.	ELN	165,540	10,760	0.06%
Troy Energy Corp. (1)	TEG.H	242,800	9,712	0.05%
Rochester Resources	RCT	34,000	7,140	0.04%
Kent Exploration Inc.	KEX	80,000	6,400	0.03%
Weststar Resources Corp. (1)	WER	36,500	4,745	0.02%
Barker Minerals Ltd.	BML	80,000	4,000	0.02%
Vaaldiam Resources (1)	VAA	191,000	3,820	0.02%
Angus Resources Inc.	GUS.P	30,000	3,300	0.02%
Valgold Resources Inc. (1)	VAL	334	7	0.00%
Lakota Resources Inc.	LAK	4,918,441	-	0.00%
Warrants				
Alix Resources-Warrants		700,000	-	0.00%
Copper Canyon Resources Ltd.- Warrants		294,117	-	0.00%
Copper Reef Mines Ltd.-Warrants		250,000	-	0.00%
Eagle Plains Resources Ltd.- Warrants		500,000	-	0.00%
Explor Resources Inc.-Warrants		527,500	-	0.00%
G2 Resources Inc.-Warrants		175,000	-	0.00%
Goldcliff Resource Corp.-Warrants		500,000	-	0.00%
Great Western Minerals Group Ltd.- Warrants		1,666,667	-	0.00%
Lakota Resources Inc-Warrants		588,235	-	0.00%
Laurion Mineral Exploration Inc.- Warrants		1,063,832	-	0.00%
Northern Continental Resources Inc.-Warrants		250,000	-	0.00%
Panwestern Energy Inc.-Warrants		1,250,000	-	0.00%
Raytec Metals Corp.-Warrants		454,500	-	0.00%
Roxgold Inc.-Warrants		360,000	-	0.00%
Skeena Resources Ltd.-Warrants		1,100,000	-	0.00%
Vena Resources Inc.-Warrants		430,000	-	0.00%
Weststar Resources Corp. -Warrants		250,000	-	0.00%
Western Potash Corporation- Warrants		100,000	-	0.00%
Xiterra Resources Limited-Warrants		35,000	-	0.00%
Oil & Gas:				

Prairie Hunter Energy Corp (private)		1,725,697	1,952,215	10.25%
Ruby Energy Inc. (private)		916,996	484,174	2.54%
Renegade Oil & Gas Ltd. (private)		88,000	200,000	1.05%
Blackdog Resources Ltd.	DOG	536,424	91,192	0.48%
Alberta Oilsands Inc.	AOS	263,500	64,558	0.34%
Wildcat Exploration Ltd.	WEL	1,772,000	62,020	0.33%
Nordic Oil & Gas Ltd.	NOG	1,028,870	56,588	0.30%
Kenosee Resources Ltd. (private)		8,547	44,643	0.23%
Pacific Rodera Energy Inc.	PRD	40,000	8,200	0.04%
Trivello Energy Corp.	TRV	44,167	5,300	0.03%
Cheyenne Energy Corp.	CHY	714,280	-	0.00%
Fair Sky Resources Inc.	FSK	65,570	-	0.00%
Ivory Energy Inc.	IV	230,117	-	0.00%
Welton Energy Corporation (TSX)	WLT	147,059	-	0.00%
Warrants				
Enhanced Oil Resources-Warrants		125,000		0.00%
Nordic Oil & Gas Ltd.-Warrants		815,435		0.00%
		\$19,037,696		

Notes:

¹ The information in the table is derived from the Company's current financial statements. See especially note 4 of the statements. See also the discussion below under the heading "Valuation of Investments"

²All investee companies are listed on the TSX Venture Exchange unless otherwise noted.

At March 31, 2009 49 North's portfolio included positions in 67 resource companies, diversified on the basis of what, if any, stock exchange such companies are listed upon and by commodity type as summarized in the tables below:

Exchange Listings of Portfolio Holdings						
Exchange	At March 31, 2009			At December 31, 2008		
	No. of Companies	Value (\$)	% of Portfolio	No. of Companies	Value (\$)	% of Portfolio
TSX Venture	52	4,805,159	75.78%	33	2,637,590	34.38%
Private	10	7,222,687	16.09%	6	2,318,681	30.22%
TSX	4	6,889,600	7.95%	4	2,619,700	34.15%
CNQ	1	120,250	0.18%	1	96,200	1.25%
TOTAL	67	\$19,037,696	100.00%	44	\$7,672,171	100.00%

Portfolio Holding by Commodity						
	At March 31, 2009			At December 31, 2008		
	No. of Companies	Value (\$)	% of Portfolio	No. of Companies	Value (\$)	% of Portfolio
Potash	2	6,968,200	36.60%	2	2,485,465	32.40%
Oil & Gas	14	2,968,890	15.59%	12	1,991,842	25.96%
Coal	7	2,420,667	12.72%	2	1,166,325	15.20%
Precious Metals	15	2,424,347	12.73%	11	742,868	9.68%
Base Metals	12	2,181,698	11.46%	8	598,518	7.80%
Uranium	8	440,884	2.32%	6	297,386	3.88%
Diamonds	2	15,820	0.08%	1	1,910	0.02%
Other	7	1,617,190	8.50%	2	387,857	5.06%
TOTAL	67	\$19,037,696	100.00%	44	\$7,672,171	100.00%

In addition to its equity portfolio investments, as at March 31, 2009 the Company had other recorded assets totaling \$605,003 (December 31, 2008 – \$1,007,213); including loans and advances receivable of \$300,000 from one of its investee companies, capital assets consisting of furniture and equipment and leasehold improvements of \$193,945. See notes 4, 5 and 6 of the current financial statements.

Valuation of Assets:

At March 31, 2009 the Company's assets included equity investments having a fair value of \$19,037,696, representing approximately 97% of the Company's total assets. These equity investments are classified as financial instruments held-for-trading and, in accordance with GAAP, are presented in the financial statements and measured at fair value, with changes in fair value recognized in net income. For this purpose, the fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or ask prices, as appropriate, in the most advantageous active market for that instrument to which the Company has immediate access. Where bid and ask prices are unavailable, the Company uses the closing price of the most recent transaction for that instrument. The fair value of securities in the Company's investment portfolio as at the end of a period are determined as follows:

Publicly traded companies. The fair value of any security which is listed or traded upon a stock exchange is estimated by taking the latest bid price. The quoted bid price value of securities that are subject to a hold period will be valued with an appropriate discount. The market values can be impacted by trading volumes, restrictions and market price fluctuations, and the quoted market price may not be indicative of what the Company could realize on the immediate sale as it may take an extended period of time to liquidate positions without causing a significant negative impact on the market price.

Privately held companies. The fair value of any shares which are not listed or traded upon a stock exchange are originally recorded at cost, unless the shares are flow-through shares, in which case they are originally recorded either on an assessment of the most recent price at which the investee company issued common equity without flow-through characteristics or the cost reduced by a typical premium being paid by the Company for similar flow-through securities. After the initial transaction, adjustments are made to reflect any changes in value as a result of an independent third party transaction. Downward adjustments to the carrying values are also made when there is evidence of a decline in value, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts and other developments.

Warrants. Warrants are valued at nil during the period in which they are not exercisable and valued based on either quoted market values if traded or the amount by which the warrant is in the money (less an appropriate risk discount) when they become exercisable. A warrant is in the money when the stock price is greater than the exercise price of the warrant.

Any difference between the estimated fair value and the cost of the investments is treated as unrealized gains or losses in the statement of operations.

Net Asset Values:

Until June of 2008 49 North was classified by securities legislation as an “investment fund” and its financial statements were presented in accordance with GAAP applicable to investment funds, which varies from the manner in which GAAP requires financial statements to be prepared for corporations that are not investment funds. Amongst other things, the financial statements of investment funds include a statement of the fund’s investment portfolio and a calculation of the fund’s net asset value (“NAV”) and NAV per security. Under GAAP applicable to corporations that are not investment funds, 49 North’s financial statements no longer include a statement of portfolio investments (although this information is included in note 4 of the Company’s current statements) nor a calculation of the Company’s NAV or NAV per share. Additionally, investment funds are required by securities legislation to publish their NAV and NAV per security on a quarterly or more frequent basis. The NAV and NAV per security, as historically published by 49 North when it was an investment fund (“Published NAV”), like that published by investment funds generally, varied from the NAV and NAV per security that is included in, or derived from, its financial statements. In particular, as mentioned above, under GAAP, the fair value of securities which are listed or traded upon a stock exchange, and the resulting calculation of NAV and NAV per security (“GAAP NAV”), are normally estimated by taking the latest bid prices for the securities. The Published NAV and NAV per security of an investment fund, on the other hand, normally estimates the fair value of publicly traded securities as of any particular date based on the closing price of such security on that date, unless the security did not trade, in which case it is valued at the average of the bid and ask price on that date; which was the general standard of measurement prior to the adoption, effective January 1, 2007, of new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”): Handbook Section 3855, Financial Instruments – Recognition and Measurement. See also the discussion in this MD&A under the heading “Non-GAAP Measures”.

Since 49 North has ceased to be an investment fund, it is no longer required by securities legislation to publish its NAV or NAV per share. However, because the management fees and, if applicable, performance bonuses, paid by the Company to TMM are based on Published NAV, the Company continues to calculate its NAV and NAV per common share on a quarterly basis. The following table reconciles 49 North’s Published NAV to its GAAP NAV as of March 31, 2009.

	Published NAV	GAAP NAV	Difference
Assets	\$19,926,970	\$19,642,699	\$284,271
Liabilities	\$6,576,031	\$6,576,031	-
Shareholder Equity (or Net Asset Value)	\$13,350,939	\$13,066,668	\$284,271
Common shares outstanding	4,160,897	4,160,897	-
Net Asset value per common share, basic	\$3.21	\$3.14	\$0.07
Net Asset value per common share, diluted	\$3.02	\$2.96	\$0.06

Liabilities:

At March 31, 2009 the Company had recorded liabilities of \$6,576,031 (December 31, 2008, \$4,960,082). These liabilities include the following:

- Accounts payable and accrued liabilities of \$580,744 consisting of accruals for normal operating expenses, professional fees and interest payable on convertible debentures.
- Management fees and expense reimbursements of \$177,633 payable to TMM as of March 31, 2009 pursuant to the Management Agreement (December 31, 2008 – \$160,288), with no contingent performance bonus payable to TMM. The President and CEO of the Company is the sole shareholder, director and an officer of TMM. See note 3 of the table of Expenses herein under the heading “Results of Operations” for a detailed description of the terms of the Management Agreement;
- \$4,280,223 representing the redemption price (less the equity component) as at the end of the current period on the \$5,000,000 aggregate principal amount of convertible debentures that were issued in July 2008. Refer to note 8 of the current financial statements for a detailed description of the terms of these debentures; and

Liquidity and Capital Management:

Management's objectives when managing the Company's capital are to:

- (a) ensure that the Company maintains the level of capital necessary to meet the requirements of its brokers and bank;
- (b) allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
- (c) give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- (d) maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. Traditionally, 49 North has relied on various sources of funds for its ongoing operational and investing activities, including:

- (a) proceeds from the disposition of its investments (and, in the current year, interest and dividend income from investments);
- (b) utilizing leverage in the form of margin (due from brokers) and the Company's bank credit line;
- (c) capital raising activities such as equity or convertible debt financings;
- (d) borrowing funds from the Company's bank, brokers (margin account) and/or related parties; and
- (e) purchasing the Company's own shares for cancellation pursuant to normal course issuer bids.

49 North is not subject to any capital requirements imposed by a regulator and, as at March 31, 2009, the Company had no material outstanding commitments for capital expenditures. Cash operating expenses in 2008 were approximately \$1,650,000 and management anticipates that the Company's cash operating expenses will be approximately the same in 2009. In addition, the first interest payment on the convertible debentures is due in July 2009 in the amount of \$450,000.

Management anticipates that the Company's current capital resources will be sufficient to discharge its liabilities over the course of 2009 and that it will be able to generate sufficient cash to fund its operations through the normal course of purchasing and selling existing investments.

During the first quarter of 2009, 49 North continued to reduce its reliance on margin borrowing as part of its ongoing capital management program and management expects to maintain a minimal margin borrowing balance in the near term future. In May 2009, the Company entered into a transaction to raise \$15,000,000 in a private placement with institutional investors. The transaction is expected to close in late May or early June.

See also the discussion herein concerning financial instruments and related risks under the heading "Financial Instruments" and see the disclosure herein under the heading "Risk Factors" for a detailed discussion of the main risk factors that may have a material effect on the Company's business and on an investment in the securities of 49 North.

Transactions with Related Parties:

During the three months ended March 31, 2009, management fees of \$74,283 (March 31, 2008, \$96,866) were accrued to TMM, a company controlled by the CEO of the Company. There was no management performance bonus payable in first quarter 2009.

These transactions are in the normal course of operations and are measured at the exchange amount, which

approximates fair value and is the amount of consideration established and agreed to by the related parties.

Critical Accounting Estimates:

The Company's financial statements have been prepared in accordance with GAAP. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of appreciation (depreciation) of investments and expenses during the reporting period. Actual results could differ from these estimates. The significant accounting policies used by the Company in this regard are discussed in detail in the notes to the 2008 annual audited financial statements. See especially note 2.

Non-GAAP Measures:

This MD&A contains references to "net asset value" and net asset value per share" (or "net asset value per Unit"). Net asset value, or "NAV", is a non-GAAP measure defined as total shareholders' equity divided by the total number of common shares of the Company outstanding, in the case of net asset value per share (basic), and total shareholders' equity divided by the total number of common shares of the Company outstanding, calculated based on the assumption that all outstanding securities that are convertible into common shares of the Company, including, if applicable, convertible preferred shares, convertible debentures, options or warrants of the Company have been exercised, in the case of NAV per share, diluted. 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. From its inception in 2005 until ceasing to be an "investment fund" for the purposes of applicable securities legislation, in June of 2008, the Company published its NAV in a consistent manner, and continues to calculate (and may occasionally publish) its NAV and/or NAV per share for the purpose of calculating management fees and, if applicable, any performance bonus payable to TMM pursuant to the Management Agreement. See also the discussion in this MD&A under the headings "Valuation of Investments" and "Net Asset Values".

Financial Statement Presentation and Change of Accounting Policies:

Until June of 2008 49 North was classified by securities legislation as an "investment fund" and its financial statements were presented in accordance with GAAP applicable to investment funds, which varies from the manner in which GAAP requires financial statements to be prepared for corporations that are not investment funds. Amongst other things, the financial statements of investment funds include a statement of the fund's investment portfolio and a calculation of the fund's NAV and NAV per security. Under GAAP applicable to corporations that are not investment funds, 49 North's financial statements no longer include a statement of portfolio investments (although this information is included in note 3 of the Company's current statements) nor a calculation the Company's NAV or NAV per share.

The comparative figures that are included in the current financial statements and/or in this MD&A but that relate to periods ending prior to January 1, 2008 are those of the Former Partnership which, throughout such periods was classified as an "investment fund". The manner of presentation of such comparative financial information and certain terminology used in the current statements and this MD&A has been changed to conform to the manner of presentation for the current period and the fact that 49 North is now a corporation rather than a partnership and is not an investment fund.

The Canadian Institute of Chartered Accountants ("CICA") issued a new accounting standard, Section 3064, Goodwill and Intangible Assets, which clarifies that costs can be deferred only when they relate to an item that meets the definition of an asset. As a result, start-up costs must be expensed as incurred. Section 1000, Financial Statement Concepts, was also amended to provide consistency with this new standard. These new standards are effective for years beginning on or after October 1, 2008. The Company believes the impact of these standards is minimal on its financial statements.

The CICA issued a new accounting standard, CICA Handbook Section 1582, Business Combinations ("Section 1582"), which improves the relevance, reliability and comparability of the information that a reporting entity

provides in its financial statements about a business combination and its effects; CICA Handbook Section 1601 ("1601"), Consolidated Financial Statements, which establishes standards for the preparation of consolidated financial statements; and CICA Handbook Section 1602 ("1602"), Non –Controlling Interests, which establishes accounting for non –controlling interests in consolidated financial statements subsequent to a business combination. These new standards are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of the plan, accounting standards in Canada for public companies are to converge with International Financial Reporting Standards ("IFRS") effective for fiscal periods beginning on or after January 1, 2011. The Corporation continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS. On February 13, 2008, the AcSB confirmed January 1, 2011 as the official changeover date for publicly listed Canadian companies to start using IFRS.

Financial Instruments:

The investment operations of Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including liquidity, market, interest and credit risks. A discussion of the Company's use of financial instruments and their associated risks is provided below.

Liquidity Risk:

Liquidity risk is the risk that the Company will have insufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its financing activities and proceeds from the disposition of its investments, in addition to interest and dividend income earned on its investments. The Company has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

The Company uses financial leverage (or "margin") when purchasing investments. Trading on margin allows the Company to borrow part of the purchase price of the investments (using marginable investments as collateral), rather than pay for them in full. Buying on margin allows the Company to increase its portfolio size by increasing the number and amount of investments through leverage. However, if the market moves against the Company's positions and the Company's investments decline in value, the Company may be required to provide additional funds to its brokers. Given the nature of the Company's business, the Company may not have sufficient cash on hand to meet margin calls and may be required to liquidate investments pre-maturely and/or at a loss, in order to generate funds needed to satisfy the Company's obligations.

The Company has at times borrowed funds from other sources to meet its obligations, but there can be no assurances that such funds will be available in the future, or available on reasonable terms, and the absence of available funding and/or the sale of the Company's investments in order to meet margin calls could have a materially adverse impact on the Company's operating results.

The Company manages liquidity risk by reviewing the amount of margin available, and managing its cash flow. The Company holds investments which can be converted into cash when required. During first quarter 2009, the Company continued to reduce its reliance on margin relative to prior years and management expects to maintain a minimal margin borrowing balance in the near term future.

Market Risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, equity and commodity prices. The Company is exposed to market risk in trading its

investments and unfavorable market conditions could result in dispositions of investments at less than favorable prices.

The Company manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily across several sectors in the natural resource industry, including potash, oil and gas, coal, precious metals, base metals, uranium, diamonds and other commodities.

Interest Rate Risk:

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and liabilities. As at March 31, 2009, the Company had liabilities payable (collectively "interest risk liabilities"), which bear interest at rates fluctuating with the prime rate. All of the interest risk liabilities can be repaid by the Company at any time, without notice or penalty, which provides the Company with some ability to manage and mitigate its interest rate risk.

Credit Risk:

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money or securities (in connection with its loans receivable, for example) will not perform their underlying obligations.

At March 31, 2009 the Company had loans and advances receivable from one company, totaling \$300,000 which represents approximately 1.5% of the Company's total assets. The Company is working with the third party company to convert the loans receivable to an equity positions in the Company.

Fair Value:

The fair value of the Corporation's financial assets and liabilities approximate their carrying values unless otherwise disclosed in the accounting policies.

Disclosure Controls and Procedures:

There have been no significant changes to the Company's internal controls over financial reporting for the most recent period that would have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. Internal controls are continually being reviewed and assessed.

Risk Factors:

An investment in 49 North involves various risks. The following is a brief discussion of the main risk factors that may have a material effect on our business and on your investment in our common shares. Additional risks not currently known to us or that we currently deem immaterial may also impair our business operations.

Reliance on Management:

Shareholders must rely on the discretion, knowledge and expertise of management of the Company and the Portfolio Manager in determining the composition of our 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.

Risks Associated with Resource Issuers:

In general, our business is to invest 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 we invest will prove to be profitable or viable over the short or long term. The resource industries are highly competitive and resource issuers in which we invest must compete with many 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 the resource issuers that we invest 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 our investments in such issuers' securities and/or on an investor's investment in 49 North. 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 we invest 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 our 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 may have property interests that are 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 our shares fluctuates as a result of numerous factors, including fluctuations resulting from changes in the value of the securities in our investment portfolio. The value of securities in our portfolio are affected by numerous factors such as investor demand, resale restrictions, general market trends or regulatory restrictions. Our investment portfolio generally focuses on junior and intermediate resource companies, with investments made predominantly in resource companies that are listed on the TSXV. However, we 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 our portfolio may at any time be comprised of 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 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 TSX. 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 fewer 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. Investments in illiquid securities may be difficult to value accurately and/or may trade at prices significantly lower than their value. In general, the less liquid an investment, the more its market value tends to fluctuate. As a result, we may have difficulty in converting some of our portfolio investments to cash at a fair market price when funds are required or we may incur additional costs in doing so.

(c) The securities of non-reporting issuers that we hold may not be sold unless an exemption is available under applicable securities laws.

More generally, many of the securities held in our investment portfolio, 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.

Conflicts of Interest:

Each director and officer of the Corporation also is or has been a director and/or officer of the general partners of one or more of the 49 North Flow-Through Funds¹; the Portfolio Manager, TMM, has also been the portfolio manager of each 49 North Flow-Through Fund; and Mr. Tom MacNeill, the President and Chief Executive Officer and a director of the Corporation, is also the President, sole director and sole shareholder of TMM. Potential conflicts of interest may arise or be perceived between the officers and directors of the Corporation, and especially Mr. MacNeill, acting on the one hand in their capacity as an officer and/or director of the Corporation and, on the

¹ 49 North has been involved in the establishment of "flow-through limited partnerships" on an annual, or more frequent basis, in each year from 2006 to 2008 inclusive, including, without limitation, the 2007 Fund, 2008-I Fund and 2008-II Fund, as discussed above herein under "Significant Events". These flow-through funds are sometimes referred to herein, collectively, as the "49 North Flow-Through Funds" and, individually, as a "49 North Flow-Through Fund" and such Funds, together with the Company, are sometimes referred to herein collectively as the "49 North Group".

other hand, as an officer, director and/or shareholder of the general partner of a 49 North Flow-Through Fund and, in the case of Mr. MacNeill, as an officer, director and shareholder of TMM, and potential conflicts of interest may arise or be perceived between the Corporation and other funds or entities, outside of the 49 North Group¹, of which the directors and officers of the Corporation may also be directors, officers, or otherwise involved. Investors must appreciate that they are relying on the expertise, good faith and integrity of the officers and directors of the Corporation 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 shares of the Corporation. Persons who are unwilling to accept this risk should not invest in our securities. More generally, the services of the officers and directors of the Corporation and of TMM are not exclusive to the Corporation. The officers and directors of the Corporation and their affiliates may engage in activities for their own account which compete with the Corporation. 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 companies in which the Corporation and/or the officers and directors of the Corporation and/or their affiliates invest. Conflicts of interest may also arise in the enforcement of the terms and conditions of the Management Agreement and other agreements to which the Corporation is now or may in the future become a party, whether such agreements are being enforced by or against the Corporation.

Market for Shares and Net Asset Value:

As an investment fund, and in accordance with securities legislation applicable to investment funds, we calculated and published our net asset value and net asset value per share on a regular basis. Although since ceasing to be an investment fund we are no longer required to do so, we continue to calculate (and may publish) our net asset value and net asset value per share from time to time. However, our shares are not redeemable by shareholders. Rather, a person desiring to buy or sell our common shares may do so through the facilities of the TSXV by contacting his or her broker or investment advisor. The prices at which our common shares are traded are generally 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.

Future Roll-over Transactions:

We have 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 2008; 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 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 our 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.

Concentration Risk:

We invest predominantly in securities of junior and intermediate resource companies engaged in mineral or oil and gas exploration in Canada, with a focus on resource companies with exploration programs in Saskatchewan.

Concentrating our investments in the resource sector in this manner may result in the value of our shares fluctuating to a greater degree than if we invested in a broader spectrum of issuers or a broader geographical area.

Segmented Information:

The Company has a single reportable geographic segment – Canada, and all of the Company’s assets are located in Canada.

Outstanding Share Data:

The Corporation is authorized to issue an unlimited number of common shares; an unlimited number of first preferred shares, issuable in series; and an unlimited number of second preferred shares, issuable in series, including second preferred series 1 shares. A detailed description of the rights, privileges, restrictions and conditions attached to the authorized shares of the Corporation is included in the Company’s annual information form for the year ended December 31, 2008, a copy of which may be found on SEDAR at www.sedar.com. No series of first preferred shares has been created and, as at the date of this MD&A, no first preferred shares are outstanding. No series of second preferred shares, other than the second preferred series 1 share, has been created and, as at the date of this MD&A no second preferred shares are outstanding.

As of May 26, 2009, the number of common shares of the Corporation outstanding, or reserved for issue under convertible securities, is as follows:

Common Shares	Number
Outstanding ¹	4,160,897
Issuable upon conversion of convertible debentures ²	454,545
Issuable under options ³	295,000
Total diluted common shares	4,910,442
Notes:	
<p>1. Takes into account the common shares that have been purchased by the Company pursuant to the 2008 NCIB that are to be cancelled. See discussion herein under “Significant Events – Normal Course Issuer Bids”.</p> <p>2. Assumes all \$5,000,000 principal amount of convertible debentures are converted into common shares at the lowest possible conversion price of \$11.00 per share. See the discussion in the Annual Information Form for the fiscal year ended December 31st, 2008 “General Development of the Business – Three Year History – Convertible Debentures” which can be found on the SEDAR website at www.sedar.com.</p> <p>3. Effective December 31st, 2008, there were 75,000 common shares issuable under options. Of those options, 15,000 were options granted to Ronald (“Bud”) Walker which expired effective February 21, 2009 as a consequence of Mr. Walker’s retirement as a director and officer as of November 21, 2008. As such, effective March 31st, 2009, there were 60,000 common shares issuable under options. All of the 60,000 options as at March 31st, 2009 were cancelled or otherwise expired on or prior to April 6, 2009, at which time the Company issued a total of 295,000 new options pursuant to the 2008 Stock Option Plan, discussed above under “Significant Events – Stock Option Plan”, all of which are exercisable at \$2.00 per share and, subject to earlier termination in accordance with that Plan, expire April 2, 2019.</p>	

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information 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 negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results and financing activities, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

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 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 MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to investment performance, market fluctuations, fluctuations in prices of commodities underlying the Company’s interests and equity investments, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, political and economic conditions in the countries in which the interests of the Company’s portfolio investments are located and other risks discussed elsewhere in this MD&A and/or the Company’s current annual information form and other public disclosure documents filed with Canadian securities regulatory authorities and available at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A is provided as of 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 in this MD&A is expressly qualified by this cautionary statement.

Additional Information:

Additional information about 49 North, including its annual information form for the Company’s most recently completed financial year, is available under the Company’s profile on SEDAR at www.sedar.com.