



ANNUAL INFORMATION FORM
For the Fiscal Year ended December 31, 2008

April 24, 2009

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information in this annual information form constitutes forward-looking information. Forward-looking information is information regarding possible future events, conditions or results of operation of the Issuer that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. We believe the expectations reflected in the forward-looking information in this annual information form are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on such forward-looking information. 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 annual information form include, but are not limited to, those risks discussed in Item 4, “Risk Factors” of this annual information as well as risks disclosed in other public disclosure documents filed with Canadian securities regulatory authorities and available at www.sedar.com. The forward-looking information contained in this annual information form is provided as of the date hereof. We do not intend and undertake no obligation to update or revise any forward-looking information. All of the forward-looking information contained in this annual information form is expressly qualified by this cautionary statement.

DATE OF INFORMATION

All information in this annual information form is given as of April 24, 2009 unless otherwise indicated. Certain financial information is current as of December 31, 2008, being the date of our most recently completed financial year.

EXPLANATORY NOTE CONCERNING THE ISSUER AND THE 49 NORTH GROUP

Effective January 1, 2008, we undertook a series of transactions which are collectively referred to in this annual information form as the “January 2008 Conversion Transaction” or the “Conversion Transaction”. Amongst other things, as part of this January 2008 Conversion Transaction: (a) we converted from a limited partnership structure under the name 49 North Resource Fund Limited Partnership to a corporate structure under the name 49 North Resource Fund Inc.; and (b) all of the limited partnership units of 49 North Resource Fund Limited Partnership that were outstanding immediately prior to the Conversion Transaction were consolidated on a one for two basis into, and exchanged for, common shares in the capital stock of 49 North Resource Fund Inc. On January 2, 2008, the common shares that were issued as part of the Conversion Transaction were listed for trading on the TSX Venture Exchange under the trading symbol FNR, in substitution for the previously listed limited partnership units of 49 North Resource Fund Limited Partnership which units, prior to the Conversion Transaction, had traded on the TSX Venture Exchange under the symbol FNR.UN and which were cancelled as a result of the Conversion Transaction.

Unless the context otherwise indicates, when used in this annual information form:

“AcquisitionCo” means 101110207 Saskatchewan Ltd., a corporation incorporated under the laws of Saskatchewan in October 2007 to facilitate the Conversion Transaction, and which, as part of the Conversion Transaction, acquired substantially all of the assets of the Former Partnership and then amalgamated with the General Partner to form the Corporation.

“Corporation” means 49 North Resource Fund Inc., from and after January 1, 2008.

“Partnership” or “Former Partnership”, means 49 North Resource Fund Limited Partnership, a limited partnership that existed under the laws of Saskatchewan from July 20, 2005 until it was wound-up and dissolved effective January 1, 2008 as part of the Conversion Transaction.

“49 North”, “Issuer” and “FNR”, together with personal pronouns such as “we”, “us” or “our”, when used with reference to the period from and after January 1, 2008, mean the Corporation and, when used with reference to the period prior to January 1, 2008, mean the Former Partnership.

“General Partner” means the corporation which, under the name 49 North Resource Fund Inc., but prior to its amalgamation with AcquisitionCo as part of the Conversion Transaction, was the general partner of the Partnership.

The terms “Board”, “director” and “officer”, respectively, when used with reference to the Issuer during the period from and after January 1, 2008, mean the board of directors, a director or an officer, as applicable, of the Corporation and, when used with reference to the period prior to January 1, 2008, mean the board of directors, a director or an officer, as applicable, of the General Partner.

The term “shares” and “Units, when used with reference to the Issuer, mean, respectively, common shares (or where indicated preferred shares) in the capital of the Corporation or limited partnership units in the Former Partnership.

“49 North Flow-Through Funds” means, collectively, the “2006 Fund”, the “2007 Fund”, the “2008-I Fund” and the “2008-II Fund”, as more particularly described and defined in Item 2.1 of this annual information form, “Three Year History - Roll-over Transactions with 49 North Flow-Through Funds” 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 Issuer and the 49 North Flow-Through Funds.

GLOSSARY OF TERMS

In addition to the terms used to describe the Issuer and other members of the 49 North Group discussed in the above explanatory note and certain terms defined elsewhere in this annual information form, as used herein, unless the context indicates otherwise, the following terms have the following meanings:

“flow-through partnership” or “flow-through fund” is meant as a reference to an investment fund (whether or not a member of the 49 North Group) such as a limited partnership or other entity that invests in flow-through shares of resource issuers with the intent that, subject to the Tax Act and/or Canadian provincial or territorial legislation, the holders of the securities of the flow-through fund (such securities being sometimes referred to herein as “flow-through units”) will be able to claim deductions and/or, in certain cases, Investment Tax Credits, in computing their taxable income as a result of CEE renounced to the fund by such resource issuers.

“Investment Tax Credits” or “ITCs” means non-refundable investment tax credits as described in paragraph (a.2) of the definition of “investment tax credits” in subsection 127(9) of the Tax Act in respect of certain surface grass-roots mining exploration expenses, or similar provincial or territorial tax credits or benefits under the taxation or other legislation of a Canadian province or territory.

“Limited Partner” means a person who was as a limited partner in the Former Partnership.

“Portfolio Management Agreement” means the portfolio management agreement made January 1, 2008 between the Issuer and TMM, as discussed herein in greater detail under Item 8.3, “The Portfolio Manager”.

“reporting issuer” means an issuer that is a “reporting issuer” under and as defined in the securities legislation of any Canadian province or territory or that has a status under the securities legislation of any Canadian province or territory substantially similar to that of a reporting issuer.

“Roll-over Transaction” means a transaction between a 49 North Flow-Through Fund and the Issuer whereby the 49 North Flow-Through Fund transfers its assets to, and in exchange for securities of, the Issuer, following which the 49 North Flow-Through Fund is then wound-up and dissolved and the securities of the Issuer received in the transaction by the 49 North Flow-Through Fund are distributed to the Fund’s (former) partners.

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

“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, including without limitation, the terms “flow-through share” and “Canadian exploration expense” (and its abbreviated form “CEE” as used herein), have the same meanings herein as therein.

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

“TSXV” means the TSX Venture Exchange.

Unless otherwise indicated, all reference in this annual information form to dollar amounts or currency mean Canadian dollars.

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1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

49 North Resource Fund Inc. was continued as a corporation under the laws of Saskatchewan pursuant to articles of amalgamation, as amended by article of amendment, registered under the SBCA on January 1, 2008 and restated as of January 17, 2008. It is the successor by reorganization to 49 North Resource Fund Limited Partnership, which was constituted as a limited partnership under the laws of Saskatchewan, originally under the name 49 North Resource Flow-Through Limited Partnership, pursuant to a declaration of limited partnership registered under *The Business Names Registration Act* (Saskatchewan) and *The Partnership Act* (Saskatchewan) on July 20, 2005, which declaration was amended November 8, 2006 to, amongst other things, change the name of the Former Partnership to 49 North Resource Fund Limited Partnership.

The companies that amalgamated to form 49 North Resource Fund Inc. included another company also named 49 North Resource Fund Inc., which was incorporated pursuant to the SBCA on October 13, 2004 under the name 101062093 Saskatchewan Ltd. and amended its articles effective May 11, 2005 to change its name to 49 North Resource Fund Inc. and which, prior to the Conversion Transaction, was the general partner of the Former Partnership; and 101110207 Saskatchewan Ltd. which was incorporated pursuant to the SBCA on October 30, 2007 for the sole purpose of facilitating the reorganization of the Issuer from its former structure as a limited partnership to its current structure as a corporation pursuant to the Conversion Transaction.

Our head office is located at 602 - 224 - 4th Avenue South, Saskatoon, Saskatchewan, S7K 5M5 and our registered office is 374 - 3rd Avenue South, Saskatoon, Saskatchewan, S7K 1M5.

2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Three Year History

The following summarizes the main events and transactions that have shaped our development over the last three completed financial years and to date in the financial year ending December 31, 2009:

General

We were formed in July 2005, originally as a flow-through partnership, under the name 49 North Resource Flow-Through Limited Partnership, pursuant to a partnership agreement originally made July 19, 2005 (the "Partnership Agreement"). In December of 2005 we raised \$6,000,000 on the sale of 1,200,000 Units at \$5.00 per Unit in an initial public offering in Saskatchewan pursuant to a prospectus dated September 30, 2005 and in related private placements outside of Saskatchewan (the "2005 Offering"). In September of 2006 our Partnership Agreement was significantly amended and effective November 8, 2006 we registered an amendment to our declaration of limited partnership to, amongst other things: change our name to 49 North Resource Fund Limited Partnership; increase our authorized capital; change our investment objective, strategy and guidelines; and extend the term of the Partnership.

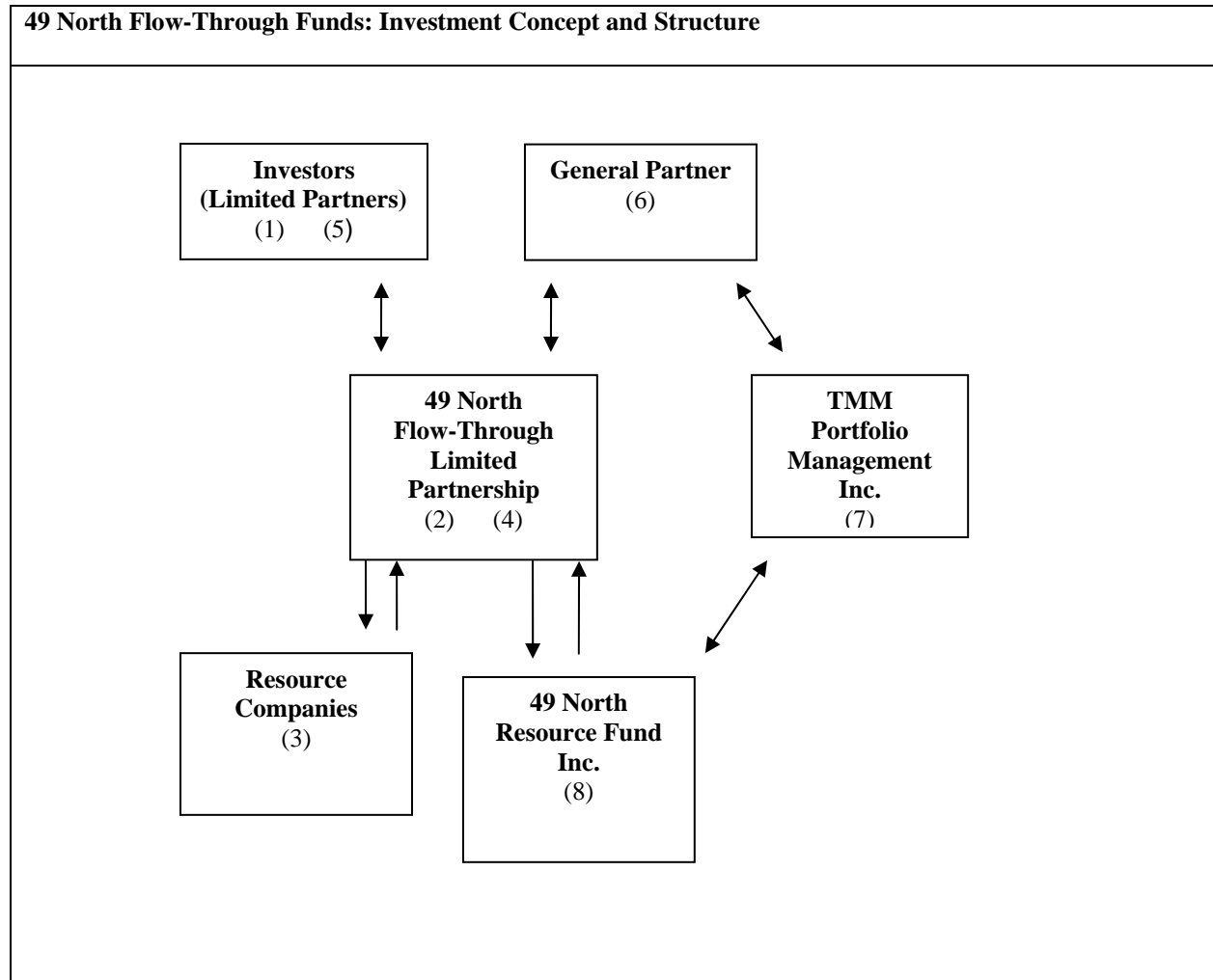
Effective December 28, 2006 the Former Partnership's Units were listed on the TSXV (trading symbol FNR.UN).

Effective January 1, 2008, we completed a series of transactions (collectively the "Conversion Transaction"), pursuant to which we converted from our former limited partnership structure under the name 49 North Resource Fund Limited Partnership. into our current corporate structure under the name 49 North Resource Fund Inc. At that time, the 2,798,314 limited partnership Units of the Former Partnership that were outstanding as of December 31, 2007 were consolidated and exchanged for common shares of the Corporation on a one common share for every two Units basis, resulting in a total of 1,399,157 common shares being issued to our (former) Limited Partners. These common shares began trading on the TSXV (trading symbol FNR) on January 2, 2008 in substitution for the previously listed Units which were cancelled as a result of that transaction. Also, as part of the Conversion Transaction, a \$2,000,000 debenture that was issued in June 2007 was converted into limited partnership Units and then exchanged for a total of 200,000 second preferred series 1 shares. These second preferred series 1 shares were, in turn, subsequently redeemed in July of 2008 as discussed below under "Convertible Debentures".

Roll-over Transactions with 49 North Flow-Through Funds

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 inclusive and we anticipate that new 49 North Flow-Through Funds may be established in the future. Each 49 North Flow-Through Fund that has been established to date has raised funds pursuant to a public offering and/or private placement of its own flow-through units and, in February of the year following the year of its flow-through offering, the Flow-Through Fund has then effectively been merged into the Issuer pursuant to a so-called “Roll-over Transaction”. As such, each 49 North Flow-Through Fund serves as a window for investing in the listed securities of the Issuer in a manner that permits investors to take advantage of risk reducing tax incentives associated with investments in flow-through shares while also obtaining liquidity for their investment by subsequently exchanging their flow-through units for RRSP eligible, listed securities of the Issuer.

The table below illustrates the underlying investment concept and organizational structure of the various 49 North Flow-Through Funds and their relationship with the Issuer. This information is provided for illustration purposes only and is qualified by the information set forth in the prospectuses and other statutory filings of the different members of the 49 North Group, copies of which are available on SEDAR at www.sedar.com.



Notes:

1. Investors subscribe for flow-through units of a 49 North Flow-Through Fund.
2. The 49 North Flow-Through Fund invests the proceeds of its offering in a portfolio of flow-through shares of resource companies.
3. The investee resource companies renounce CEE to the 49 North Flow-Through Fund.
4. The 49 North Flow-Through Fund allocates the CEE renounced to it by its investee resource companies, *pro rata*, to its investors / limited partners.
5. Investors claim CEE allocated to them by the 49 North Flow-Through Fund (and, if applicable, related Investment Tax Credits) in calculating their taxable income for the year of their investment, thereby potentially significantly reducing their after tax cost of investment.
6. The general partner manages the 49 North Flow-Through Fund and supervises and directs the Portfolio Manager in the management of the Fund's portfolio of flow-through shares.
7. The Portfolio Manager provides advice to the general partner and manages the 49 North Flow-Through Fund's investment portfolio, as well as managing the investment portfolio of the Issuer.
8. In the year following the investors' investment in the flow-through units, the 49 North Flow-Through Fund transfers its investment portfolio to, and in exchange for securities of, the Issuer. The 49 North Flow-Through Fund is then wound-up, its flow-through units are cancelled and the common shares of 49 North Resource Fund Inc. (or, prior to 2008, Units of the Former Partnership) issued to the 49 North Flow-Through Fund are distributed to the (former) partners of the 49 North Flow-Through Fund.

The table below provides additional information concerning the flow-through unit offerings of the 49 North Group and the Roll-over Transactions between the Issuer and the respective 49 North Flow-Through Funds.

| 49 North Group: Offerings, Conversion Transaction and Roll-over Transactions | | | | | | |
|--|-------------------------------------|---------------------|-----------------------|------------------------------|------------------------------|-----------------------|
| Fund | Offering | | | Roll-over Transaction | | |
| | Closing Date | Units Issued | Gross Proceeds | Closing Date | FNR securities Issued | Exchange Ratio |
| FNR (2005) ¹ | December, 2005 | 1,200,000 | \$ 6,000,000 | NA | NA | NA |
| 2006 Fund ² | July – Dec, 2006 | 1,623,006 | \$ 8,115,030 | Feb 21, 2007 | 1,598,314 | 0.985 |
| | Conversion Transaction ³ | | | Jan 1, 2008 | 1,399,157 | NA |
| 2007 Fund ⁴ | Aug -Oct, 2007 | 932,770 | \$ 9,327,700 | Feb 14, 2008 | 497,520 | 0.533 |
| 2008-I Fund ⁵ | Feb- May, 2008 | 915,655 | \$ 9,156,550 | Feb 2, 2009 | 1,656,376 | 1.809 |
| 2008-II Fund ⁶ | December, 2008 | 219,110 | \$ 2,191,110 | Feb 2, 2009 | 750,544 | 3.425 |
| Notes: | | | | | | |
| 1. FNR, which was originally established in July 2005 as a flow-through fund under the name 49 North Resource Flow-Through Limited Partnership, in December of 2005 raised \$6,000,000 on the sale of 1,200,000 flow-through limited partnership Units, at \$5.00 per Unit, in an initial public offering pursuant to a prospectus dated September 30, 2005 that was filed only in Saskatchewan and in related private placements outside of Saskatchewan (the "2005 Offering"). | | | | | | |
| 2. 49 North 2006 Resource Flow-Through Limited Partnership (the "2006 Fund") was established in January 2006 and, between July and December 2006, raised \$8,115,030 on the sale of 1,623,006 flow-through units (the "2006 Units"), at \$5.00 per 2006 Unit, in an initial | | | | | | |

public offering pursuant to a prospectus dated May 18, 2006, as amended August 17, 2006, that was filed in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and in related private placements in other provinces. Effective February 21, 2007, the 2006 Fund transferred its assets to FNR in a Roll-over Transaction in exchange for a 1,598,314 FNR Units. Immediately following this transfer, the 2006 Fund was wound-up and these FNR Units were distributed amongst the partners of the 2006 Fund, with each investor / (former) limited partner in the 2006 Fund receiving approximately 0.985 FNR Units for each 2006 Unit they previously held (i.e. the Exchange Ratio was approximately 0.985 to 1).

3. Effective January 1, 2008 FNR converted from its former structure as a limited partnership to its current corporate structure. As part of this Conversion Transaction, the 2,798,314 Units of the Former Partnership, including the 1,200,000 Units issued in the 2005 Offering and the 1,598,314 Units issued in the Roll-over Transaction with the 2006 Fund, were consolidated on a one share for every two Units basis and exchanged for a total of 1,397,157 common shares of the Corporation.
4. 49 North 2007 Resource Flow-Through Limited Partnership (the “2007 Fund”) was established in January 2007 and filed a prospectus dated July 19, 2007 in all provinces of Canada, other than Quebec. The 2007 Fund raised \$9,327,700 on the sale of 932,770 flow-through units (the “2007 Units”), at \$10.00 per 2007 Unit, under that prospectus offering (and a small related private placement in Quebec) in two closings, held August 8 and October 10, 2007, respectively. Pursuant to a transfer agreement dated February 14, 2008, effective February 14, 2008, the 2007 Fund transferred its assets to FNR in a Roll-over Transaction in exchange for 497,520 common shares of FNR. Following this transfer, effective February 15, 2008, the 2007 Fund was wound-up and dissolved and these 497,520 FNR shares were distributed amongst the (former) partners of the 2007 Fund, as to 99.99%, *pro rata*, to the (former) limited partners (497,470 shares) and as to 0.01% (50 shares) to the general partner. Accordingly, each (former) limited partner of the 2007 Fund received approximately 0.533 FNR shares for each 2008-I Unit they previously held.
5. 49 North 2008 Resource Flow-Through Limited Partnership (the “2008-I Fund”) was established effective December 11, 2007 and, at an initial closing held February 29, 2008 and a final closing held May 12, 2008, raised \$9,156,550 on the sale of 915,655 flow-through 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, at \$4,016,711 – to FNR in a Roll-over Transaction in exchange for 1,656,376 common shares of FNR, 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 FNR shares were distributed amongst the (former) partners of the 2008-I Fund, as to 99.99%, *pro rata*, to the (former) limited partners (1,656,211 shares) and as to 0.01% (165 shares) to the general partner. Accordingly, each (former) limited partner of the 2008-I Fund received approximately 1.809 FNR shares for each 2008-I Unit they previously held.
6. 49 North 2008-II Flow-Through Limited Partnership (the “2008-II Fund”) was established effective September 3, 2008 and, at an initial closing effective December 18, 2008 and a final closing effective December 30, 2008, raised \$2,191,100 on the sale of 219,110 flow-through units (the “2008-II Units”), at \$10 per 2008-II Unit. The 2008-II Fund’s offering was carried out in B.C., Alberta, Saskatchewan and Manitoba on a brokered private placement basis pursuant to an offering memorandum dated September 12, 2008, as amended November 25, 2008, and under the “offering memorandum exemption” in National Instrument 45-106; and in Ontario on a brokered private placement basis pursuant to the “accredited investor” exemption in National Instrument 45-106. 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 FNR in a Roll-over Transaction in exchange 750,544 common shares of FNR, 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, as to 99.99%, *pro rata*, to the (former) limited partners (750,469 shares) and as to 0.01% (75 shares) to the general partner. Accordingly, each (former) limited partner of the 2008-II Fund received approximately 3.425 FNR shares for each 2008-II Unit they previously held.

Convertible Debentures

Effective June 25, 2007, we issued a \$2,000,000 convertible secured debenture (the “2007 Debenture”) on a private placement basis. When issued, the 2007 Debenture was to bear interest at 9%, payable annually on December 31 each year; was to mature May 1, 2012 with the full principal amount payable in a single payment on maturity; was secured by a general security interest in all of our present and after acquired property; and was convertible in whole or in part at any time at the option of the holder into Units of the Former Partnership at a conversion price of \$5.00 per Unit. Effective January 1, 2008, as part of the Conversion Transaction, the 2007 Debenture was converted in accordance with its terms into 400,000 Units of the Former Partnership and then exchanged for 200,000 second preferred series 1 shares of the Corporation.

In July of 2008 we 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, we 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) we send notice of our 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, we 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 Issuer's other present and future indebtedness. As at the date of this annual information form all of the 2008 Debentures remain outstanding.

\$2,000,000 aggregate principal amount of the 2008 Debentures were issued to the holder of the 200,000 second preferred series 1 shares that, as described above, were issued to the former holder of the 2007 Debenture as part of the January 2008 Conversion Transaction. All of these second preferred series 1 shares were repurchased and redeemed concurrent with the closing of the private placement of the 2008 Debentures, at a price of approximately \$2,100,000, representing the \$2,000,000 issue price of such shares in the Conversion Transaction plus dividends that accrued thereon from January 1, 2008 to June 23, 2008. As a result of this transaction, since July 24, 2008 we have not had any preferred shares outstanding.

Change in Status and Nature of Business

Since the January 2008 Conversion Transaction, our portfolio investment activities have been carried out in accordance with Board policies and guidelines, as discussed in more detail in Item 3 of this annual information form, "Description of the Business". Prior to January 1, 2008, similar guidelines were included as part of the Partnership Agreement of the Former Partnership. These investment guidelines included so-called "non-control provisions" which generally prevented us from investing for the purpose of exercising control of or being actively involved in the management of the resource companies in which we invest. Because of these "non-control provisions", 49 North had, since its inception in July of 2005, been classified as an "investment fund" as defined in, and for the purposes of, applicable securities legislation. Effective June 4, 2008 our Board amended the investment guidelines to remove these "non-control provisions". Because of this, we ceased to be classified as an "investment fund" for the purposes of securities legislation and, as a result, our continuous disclosure obligations under securities legislation changed. In that regard, as an "investment fund", our continuous disclosure obligations were generally governed by National Instrument 81-106, *Investment Fund Continuous Disclosure*, which differ in some respects from the continuous disclosure obligations under National Instrument 51-102, *Continuous Disclosure Obligations* that generally apply to reporting issuers that are not investment funds and that have applied to us since June 4, 2008. For example, as an investment fund, we publicly filed and distributed our annual audited and bi-annual unaudited interim financial statements but, unlike most reporting issuers that are not investment funds, we were not required to publish or distribute quarterly financial statements. Also, as an investment fund, our annual and interim financial statements were accompanied by a management report on fund performance ("MFRP"), whereas the financial statements of non-investment fund reporting issuers are typically accompanied by a Management's Discussion and Analysis report ("MD&A"). Since ceasing to be an investment fund, starting with our financial quarter ending June 30, 2008, we have publicly filed and distributed financial statements and MD&A on a quarterly basis in accordance with the requirements of National Instrument 51-102.,

3. DESCRIPTION OF THE BUSINESS

General

We are a resource investment, financial and managerial advisory, and merchant banking company. Since our inception in 2005, our core business has been to acquire and aggressively manage a portfolio of resource securities, focusing predominantly on junior and intermediate resource companies with exploration programs in Saskatchewan and with the objective of providing investors with the opportunity to participate in a professionally managed, diversified portfolio with a view to achieving capital appreciation. 49 North also promotes and provides advisory, administrative and merchant-banking services to other members of the 49 North Group, as discussed above under “Roll-over Transactions with 49 North Flow-Through Funds” in Item 2.1 of this annual information form, “Three Year History”.

Investment Guidelines

Substantially all of our funds - other than reasonable reserves that are set aside for working capital purposes such as the payment of ongoing operating and administrative costs, debt service, management fees and expenses and similar costs, or funds that are used in connection with advisory, administrative and merchant banking activities related to 49 North Flow-Through Funds - are invested in “resource securities”. In investing funds and managing our portfolio, we are guided by the following policies and guidelines (all of which are sometimes referred to herein, collectively, as the “Investment Guidelines”)¹.

- *Resource Securities:* Our portfolio is comprised primarily of common shares or other equity or equity-linked securities in the capital of “resource companies”. The portfolio may also include special warrants, warrants, options, rights and/or other convertible securities entitling the holder to acquire equity securities in the capital of resource companies; as well as debt instruments of resource companies, including without limitation, convertible debentures and/or other debentures, bonds, commercial paper or other evidence of indebtedness, whether or not convertible into equity securities; and may also include derivative instruments. We may invest in flow-through shares of resource companies but we are not in any way restricted to investing in flow-through shares.
- *Resource Companies:* Generally, for the purposes of our Investment Guidelines, a “resource company” or “resource issuer” means any company or other entity that, directly or indirectly, is engaged or intends to engage in mining or exploring for minerals (a “mining issuer” or “mining company”) and/or exploring or drilling for petroleum or natural gas (an “oil and gas issuer” or “oil and gas company”). Resource companies may also be issuers that are engaged, or that intend to engage, in the generation of electricity or other energy forms through alternative means or the development of projects for alternative energy generation such as “clean-coal” power production, wind power or solar power, or for the production of alternative fuels (“alternative energy companies”). Also, although we primarily invest directly in resource companies, we may also invest indirectly, such as by investing in the securities of other resource based investment companies or funds.
- *Resource Sectors:* At present, we invest predominantly in resource companies with exploration or development programs in Saskatchewan and our portfolio tends to be weighted to mining companies more-so than oil and gas companies. However, there are no fixed restrictions or requirements as to the amount or percentage of funds that must be invested in any particular sector of the resource industry and no fixed restrictions or requirements as to the geographical locations in which investee resource companies conduct their exploration and/or development activities. The geographic and sectoral mix of our portfolio changes over time as a result of changes in the market prices or values of portfolio securities and/or as a result of trading activity in response to evolving conditions and market opportunities in different areas of the world and in the different resource sectors.
- *Size and Types of Resource Companies:* Our portfolio focuses on junior and intermediate resource companies, with funds invested predominantly in resource companies that are listed on the TSXV. However, we

¹ The Investment Guidelines have been adopted as Board policies and may be supplemented, amended or terminated by the Board at any time in its discretion.

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 resource 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". Accordingly, certain of the securities in our portfolio may be subject to continuing re-sale and other trading restrictions under applicable securities legislation 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.

➤ *Diversification and Control:* Generally, we limit investment in any single resource issuer to a maximum of 10% of our available funds and generally do not invest for the purpose of exercising or seeking to exercise control of an issuer. However, there are no fixed limits or restrictions on the amount or percentage of available funds that may be invested in any one company and no fixed limits or restrictions as to the amount or percentage of shares or other securities that 49 North may acquire in any one company. Management is aware that many companies could often use more than just 49 North's investment dollars. They sometimes also need advice and assistance in developing their 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. We anticipate that, over time, 49 North may take a greater role in the management of and larger positions (including, potentially, control positions) in selected resource issuers and/or may become 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.

➤ *Investment Considerations:* When considering investing in any particular resource company, we consider, without limitation, the experience of management on a general, overall basis and with specific consideration given to the number of directors and officers who have experience or expertise in the relevant resource sector and the depth of such experience or expertise; past production, exploration results and the financial condition of the applicable resource company; pricing of the securities and the relative value, liquidity and potential for growth in value of the securities of the resource company. Also, to the extent available, 49 North and/or the Portfolio Manager may consider engineering reports and other information regarding the exploration program to be conducted by the resource company. However, the existence and/or review of an engineering report is not necessarily a condition or requirement of 49 North's investment in the securities of any particular resource company.

➤ *Derivatives:* In addition to investing in resource securities as described above, we may invest in derivative instruments that are consistent with our overall investment objective. We may use derivatives with the intention of offsetting or reducing risks associated with an investment or group of investments in resource securities; may use derivatives rather than direct investments in resource companies to reduce transaction costs, achieve greater liquidity, create effective exposure to broader markets or increase speed and flexibility in making portfolio changes; and may invest in derivatives for speculative purposes rather than investing directly in the underlying securities on which such derivatives are based. 49 North may seek to enhance the return to its portfolio through the use of derivatives by seeking to reduce the potential for loss or by accepting a more certain lower return rather than seeking a less certain higher potential return and/or derivatives may be used to position our portfolio so that it may profit from declines in financial markets. Subject to applicable laws, the derivatives that 49 North may invest in or use may include, without limitation, clearing corporation options, stock exchange indexes or index funds, future contracts, options on futures, over-the-counter put or call options, forward contracts, debt-like securities and listed or unlisted warrants and we may invest in or use such derivatives for hedging purposes and for non-hedging purposes.

Principal Holdings

The following is a list of our principal holdings as of December 31, 2008:

| Holdings ¹ | Symbol | Number of Shares | Fair Value ² | Percentage of Portfolio |
|---|--------|------------------|-------------------------|-------------------------|
| Mineral Exploration: | | | | |
| Athabasca Potash Inc. (TSX) | API | 2,231,500 | 2,476,965 | 32.29% |
| Goldsource Mines Inc. | GSX | 552,500 | 1,066,325 | 13.90% |
| Rockport Mining Corp. (private) | - | 486,274 | 364,720 | 4.75% |
| Wescan Goldfields Inc. | WGK | 2,000,500 | 330,083 | 4.30% |
| Panwestern Energy Inc. | PW | 1,779,322 | 266,898 | 3.48% |
| Northern Freegold Resources Ltd. | NFR | 1,416,552 | 226,648 | 2.95% |
| Red Rock Energy Inc. | RRK | 1,965,856 | 137,610 | 1.79% |
| Great Western Minerals Group Ltd. | GWG | 2,688,000 | 120,960 | 1.58% |
| Bending Lake Iron Group. Ltd. (private) | - | 100,000 | 100,000 | 1.30% |
| NuCoal Energy Corp. (private) | - | 400,000 | 100,000 | 1.30% |
| Copper Reef Mines Ltd. (CNQ) | CZC | 2,405,000 | 96,200 | 1.25% |
| Canalaska Uranium Ltd. | CVV | 500,911 | 57,605 | 0.75% |
| Claude Resources Inc. (TSX) | CRJ | 100,000 | 42,000 | 0.55% |
| Stikine Gold Corporation | SKY | 1,336,667 | 40,100 | 0.52% |
| Virginia Uranium Ltd. (private) | - | 73,333 | 34,091 | 0.44% |
| Northern Continental Resources Inc. | NCR | 415,500 | 33,240 | 0.43% |
| Laurion Mineral Exploration Inc. | LME | 2,077,665 | 31,165 | 0.41% |
| J-Pacific Gold Inc. | JPN | 391,000 | 27,370 | 0.35% |
| Titan Uranium Ltd. | TUE | 98,000 | 20,090 | 0.26% |
| Other | | | 115,543 | 1.51% |
| Oil & Gas: | | | | |
| Prairie Hunter Energy Corp. (private) | - | 1,135,697 | 1,135,697 | 14.80% |
| Ruby Energy Inc. (private) | - | 916,996 | 484,174 | 6.31% |
| Renegade Oil & Gas Ltd. (private) | - | 80,000 | 200,000 | 2.61% |
| Blackdog Resources Ltd. | DOG | 250,710 | 67,692 | 0.88% |
| Wildcat Exploration Ltd. (private) | - | 1,852,000 | 55,560 | 0.72% |
| Nordic Oil and Gas Ltd. | NOG | 423,000 | 16,920 | 0.22% |
| Other | | | 24,515 | 0.32% |
| Total | | | \$ 7,672,171 | |

Notes:

- All investee companies are listed on the TSXV unless otherwise noted.
- Portfolio investments are classified as financial instruments held-for-trading and, in accordance with generally accepted accounting principles, are presented in the Issuer's financial statements and measured at fair value as at the end of the relevant period, 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 Issuer has immediate access. Where bid and ask prices are unavailable, the Issuer uses the closing price of the most recent transaction for that instrument. The fair value of securities in the Issuer's investment portfolio as at the end of a period are determined as follows:

Public 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 are 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 Issuer 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 Issuer 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.

4. 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 Issuer 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 be 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 Issuer also is or has been a director and/or officer of the general partners of one or more of the 49 North Flow-Through Funds; 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 Issuer, 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 Issuer, and especially Mr. MacNeill, acting on the one hand in their capacity as an officer and/or director of the Issuer and, on the 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 Issuer and other funds or entities, outside of the 49 North Group, of which the directors and officers of the Issuer 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 Issuer 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 Issuer. 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 Issuer and of TMM are not exclusive to the Issuer. The officers and directors of the Issuer and their affiliates may engage in activities for their own account which compete with the Issuer. 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 Issuer and/or the officers and directors of the Issuer and/or their affiliates invest. Conflicts of interest may also arise in the enforcement of the terms and conditions of the Portfolio Management Agreement and other agreements to which the Issuer is now or may in the future become a party, whether such agreements are being enforced by or against the Issuer.

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

As discussed under “Roll-over Transactions with 49 North Flow-Through Funds” in Item 2.1 of this annual information form, 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 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 have 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.

5. DIVIDENDS

49 North has never paid dividends on its common shares. The Board has not adopted a dividend policy and there is no assurance that a dividend policy will be adopted in the future. Subject to applicable solvency test provisions of the SBCA and the preferential rights of the holders of first or second preferred shares that may be issued in the future, if any, 49 North is not precluded from paying dividends on its common shares.

6. DESCRIPTION OF SECURITIES

6.1 Share Capital

Our authorized capital consists of 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. As of December 31, 2008, 1,804,677 common shares were issued and outstanding; and, as of March 31, 2009, 4,162,197 common shares were issued and outstanding, after accounting for common shares issued in the Roll-over Transactions with the 2008-I and 2008-II Funds that were completed in February of 2008 and after accounting for shares that have been purchased and are to be cancelled under the normal course issuer bids described in Item 6.3 below. There are no outstanding first preferred or second preferred shares.

➤ *Common Shares:* Each common share entitles its holder to receive notice of and attend all annual and special meetings of shareholders of the Issuer, 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 Issuer upon the liquidation, dissolution or winding up of the Issuer 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 Issuer are subject to the prior rights, privileges, restrictions and conditions attached to any issued and outstanding first preferred shares or second preferred shares.

➤ *First Preferred Shares:* First preferred shares may be issued from time to time in one or more series, with the terms of each series, including the number of shares, the designation, rights, including voting rights, preferences, privileges, priorities, restrictions, conditions and limitations to be determined at the time of creation of each such series by the Board without shareholder approval, provided that all first preferred shares will rank, with respect to dividends and return of capital in the event of liquidation, dissolution, winding up or other distribution of assets of the Corporation for the purposes of winding up its affairs, *pari passu* among themselves and in priority to all outstanding common shares and any outstanding second preferred shares.

➤ *Second Preferred Shares:* Second preferred shares may be issued from time to time in one or more series, with the terms of each series, including the number of shares, the designation, rights, including voting rights, preferences, privileges, priorities, restrictions, conditions and limitations to be determined at the time of creation of each such series by the Board without shareholder approval, provided that all second preferred shares will rank, with respect to dividends and return of capital in the event of liquidation, dissolution, winding up or other distribution of assets of the Issuer for the purposes of winding up its affairs, *pari passu* among themselves, subject to the rights, privileges, restrictions and conditions attached to any issued and outstanding first preferred shares and in priority to all common shares.

Our articles include a series of second preferred share designated second preferred series 1 shares; 200,000 of which were issued as part of and to facilitate the January 2008 Conversion Transaction. All of these share were redeemed in connection with our issuance of \$5,000,000 principal amount of debentures effective July 24, 2008 and, as at the date of this annual information form, no second preferred series 1 shares are outstanding and management does not expect that any series 1 shares will be issued in the future. See also the discussion under “Convertible Debentures” in Item 2.1 of this annual information form, “Three Year History”.

6.2 Plans

2008 Stock Option Plan

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

- (a) the total number of shares that may be reserved pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Issuer as at the date of the grant.
- (b) the number of shares subject to each option is determined by the Board provided that:
 - (i) the number of shares reserved for issuance to any one individual in a 12-month period must not exceed 5% of the issued and outstanding shares of the Issuer at the time of the grant;
 - (ii) the number of options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding shares of the Issuer at the time of the grant; and
 - (iii) the total number of options granted to any person conducting Investor Relations Activities (as defined in the Plan in accordance with applicable policies of the TSXV) in any 12-month period must not exceed 2% of the issued and outstanding shares at the time of the grant.
- (c) subject to the minimum price of \$0.10, the exercise price of an option may not be less than the “Discounted Market Price” (as defined by the policies of the TSXV) which, for these purposes means, the last closing price of the shares before the date of the stock option grant, less any discount allowed by the TSXV. However, if options are granted within 90 days of a public distribution of shares by a prospectus, then the minimum exercise price must be

the greater of the Discounted Market Price and the per share price paid by public investors for shares acquired in the prospectus distribution.

(d) options may be exercisable for a maximum of 10 years from the date of grant, or such shorter period as may be determined by the Board in connection with any particular options granted pursuant to the Plan, provided that options can only be exercised while the optionee is, or within 90 days of ceasing to be, a Director, Employee or Consultant or, if the optionee dies, within one year of the optionee's death. As an exception to the foregoing, options that expire either during a blackout period imposed by the Issuer or within 10 business days following such blackout period shall be deemed to expire on the date that is the 10th business day following such blackout period. For these purposes, "blackout period" means the period during which trading in the securities of the Issuer by insiders is restricted in accordance with the policies of the Issuer.

(e) Options granted pursuant to the Plan are non-assignable and non-transferable (subject to certain provisions of the Plan which, in the event of an optionee's death or incapacity, allow options to be exercised by the optionee's estate or other personal representatives as applicable); and

(f) the Plan includes conventional anti-dilution adjustment provisions pursuant to which if the shares of the Corporation are subdivided or consolidated or, subject to the Board's discretion, if a stock dividend is paid on the shares, then the number of shares reserved for option and the price payable for shares that are subject to option will be adjusted accordingly; as well as conventional anti-dilution adjustments that may apply upon or as a result of certain stated events, such as a reclassification of common shares, certain types of rights offerings or other distributions (excluding cash dividends paid in the ordinary course), corporate reorganizations, or an amalgamation (or certain other types of merger or acquisition transactions) where the Issuer combines with or is acquired by another company or entity. Additionally, the Plan includes provisions where, in the event of a take-over bid or certain reorganization or merger or acquisition transactions, all unexercised options will immediately become vested (regardless of the vesting conditions, if any, otherwise applicable to such options) and/or the Board may accelerate the expiry date of options.

Effective July 16, 2008, 75,000 stock options were granted pursuant to the 2008 Stock Option Plan, all of which were exercisable at \$10 per share and, if not exercised, were to expire July 16, 2018, subject to earlier expiration and/or price adjustments in accordance with the Plan and applicable policies of the TSXV. These 75,000 options were cancelled or otherwise expired on or prior to April 6, 2009, at which time 295,000 new options were issued, all of which are exercisable at \$2.00 per share and, subject to earlier termination in accordance with the Plan, expire April 2, 2019.

Shareholder Rights Plan

At our June 4, 2008 annual and special meeting, our shareholders approved a shareholder rights plan, the principal objectives of which are to provide adequate time for our directors and shareholders to assess an unsolicited take-over bid for the Issuer, to provide the directors with sufficient time to explore and develop alternatives for maximizing shareholder value if a take-over bid is made, and to provide shareholders with an equal opportunity to participate in a take-over bid. The Shareholders Rights Plan was established pursuant to a shareholder rights plan agreement made as of June 4, 2008 with Equity Transfer & Trust Company, as rights' agent. A copy of this shareholders rights plan agreement is available at www.sedar.com and is incorporated by reference in this annual information form.

6.3 Normal Course Issuer Bids

On July 17, 2007 the Former Partnership announced that it was commencing a normal course issuer bid to acquire, through the facilities and in accordance with the requirements of the TSXV, over the period July 23, 2007 to not later than July 23, 2008, up to 276,041 of its Units (138,020 common shares after giving effect to the January 2008 Conversion Transaction) representing approximately 9.86% of the outstanding Units and 10% of the Former Partnership's "public float" as of such date. Effective August 5, 2008, we announced our intention to commence a new normal course issuer bid 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 we acquire the maximum 180,865 shares which may be purchased under that bid. In the financial year ended December 31, 2008, we purchased for cancellation pursuant to these normal course issuer bids a total of 92,600 common shares at an aggregate price of \$ 733,945 and an average

price of \$ 7.925 per share. Between January 1 and March 31, 2009 we purchased an additional 49,000 shares at an aggregate price of \$ 84,612 and an average price of \$ 1.73 per share.

7. MARKET FOR SECURITIES

Our common shares are listed on the TSXV (trading symbol FNR). The following table includes the high and low prices and the volume of common shares traded on the TSXV for each month in our financial year ended December 31, 2008 and in the first three months of 2009.

| | High | Low | Monthly Volume |
|-----------------|-------------|------------|-----------------------|
| January, 2008 | \$ 12.50 | \$ 8.50 | 19,320 |
| February, 2008 | 10.00 | 8.00 | 43,050 |
| March, 2008 | 9.40 | 7.55 | 31,925 |
| April, 2008 | 10.15 | 7.50 | 97,231 |
| May, 2008 | 11.80 | 9.50 | 118,621 |
| June, 2008 | 13.35 | 10.80 | 82,396 |
| July, 2008 | 12.75 | 9.29 | 74,742 |
| August, 2008 | 10.00 | 7.50 | 18,282 |
| September, 2008 | 8.80 | 5.50 | 27,064 |
| October, 2008 | 6.50 | 3.05 | 19,742 |
| November, 2008 | 4.25 | 2.00 | 28,836 |
| December, 2008 | 2.45 | 1.50 | 78,394 |
| January, 2009 | 2.50 | 1.95 | 25,387 |
| February, 2009 | 2.45 | 1.55 | 86,075 |
| March, 2009 | 2.35 | 1.35 | 157,808 |

8. MANAGEMENT

8.1 Directors and Officers

The following table sets forth, as of the date of this annual information form, the names and municipalities of residence of each of our directors and executive officers; the number of common shares beneficially owned, or controlled or directed, directly or indirectly, by such directors and officers and the percentage of the total number of outstanding common shares that such shares represent; the respective positions and offices of such individuals with 49 North and the date they each first became a director; and their respective principal occupations during the past five years. Generally, unless a director resigns or becomes disqualified, each director holds office until the next annual meeting of the Issuer, which is expected to be held in June of 2009.

| Name and Municipality of Residence¹ | Common Shares held and % of total outstanding | Office or Position² | Principal Occupation |
|---|--|---|---|
| Tom MacNeill ³ Saskatoon, SK | 20,288 0.005 % | President, Chief Executive Officer and Director, since July, 2005 | General Manager of BEC International Corporation. |

| | | | |
|---|-----|---|--|
| Sandip Rana Brampton, ON | Nil | Chief Financial Officer, Secretary and Director, since November, 2008 | Various positions with Four Seasons Holdings Inc. since March 2003, including V.P. Corporate Finance since September 2006. |
| Harvey J. Bay ³ Saskatoon, SK | Nil | Director, since July 2005 | Chief Financial Officer of Shore Gold Inc. since November 2002 and President, Baywatch Industries Inc. since 1993. CFO of Wescan Goldfields Inc. from June 2004 to April 2007. |
| Bradley R. Munro ³ Saskatoon, SK | Nil | Director, since January 2008 | President & CEO of Bittercreek Capital Corporation since May 2006. Vice President, Investments of Growthworks Capital WV Ltd. or predecessor companies and affiliates since September, 1991. |
| Notes: | | | |
| <ol style="list-style-type: none"> Each director is independent with the exception of Tom MacNeill and Sandip Rana who are, respectively, the President and Chief Executive Officer and the Chief Financial Officer and Secretary of the Issuer. Includes, where applicable, serving as director and officer of the General Partner of the Former Partnership prior to the Issuer's conversion to its current corporate structure in the January 2008 Conversion Transaction. Member of Audit Committee. | | | |

8.2 Penalties, Sanctions and Bankruptcy

Except as discussed below with respect to Mr. Brad Munro: (a) no director or executive officer of the Issuer is, as at the date of this annual information form, or was, within 10 years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade or similar order or an order that denied the relevant company access to an exemption under securities legislation that was in effect for more than 30 consecutive days and that was issued (i) while he was acting in the capacity as a director, chief executive officer or chief financial officer of such company, or (ii) after he ceased to be a director, chief executive officer or chief financial officer of such company but which resulted from an event that occurred while he was acting in the capacity as director, chief executive officer or chief financial officer of such company; and (b) no such director or executive officer or a shareholder holding a sufficient number of securities to affect materially the control of the Issuer (i) is, as at the date of this annual information form, or has been, within 10 years before the date of this annual information form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within 10 years before the date of this annual information form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or (iii) was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

As an exception to the foregoing, Mr. Brad Munro was a director of Kipp & Zonen Inc. ("Kipp & Zonen"), as part of his employment with Growthworks WV Canadian Fund Inc. (formerly Working Ventures Canadian Fund Inc.) ("GrowthWorks") from December 1996 to April 10, 2004. GrowthWorks held a convertible debenture totalling \$2,000,000 which was originally funded in 1996 with a maturity in March, 2001. In addition to that debenture, GrowthWorks held approximately 2.6 million common shares, or 15.1%, of the issued and outstanding shares of Kipp & Zonen. On March 25, 2004, Kipp & Zonen was served with a Notice of Petition for Receiving Order by its landlord, Squires Properties Limited. The filing was for unpaid rent in the amount of \$134,925.26 plus damages of

\$200,000 for future lost rent. On April 7, 2004 GrowthWorks served Kipp & Zonen with a Notice of Intention to Enforce Security under the *Bankruptcy and Insolvency Act* (Canada) under the terms of its amended and restated convertible debenture dated March 31, 2002 and, on April 21, 2004, GrowthWorks obtained an Order of the Saskatchewan Court of Queen's Bench appointing Ernst & Young Inc. receiver of all of the undertaking, property and assets of Kipp & Zonen. Effective April 19, 2004, Mr. Munro and all of the other directors and officers of Kipp & Zonen resigned.

8.3 The Portfolio Manager

TMM manages the Issuer's investment portfolio as well as managing the investment portfolios of the 49 North Flow-Through Funds. TMM, which was incorporated pursuant to the SBCA on May 30, 2005 under the name 101070469 Saskatchewan Ltd. and amended its articles July 26, 2005 to change its name to TMM Portfolio Management Inc., is registered as a portfolio manager and investment counsel in the Province of Saskatchewan. Apart from providing portfolio management services to members of the 49 North Group, TMM is not currently providing services to any other fund, company or person. Mr. Tom MacNeill, a director and the Chief Executive Officer of the Corporation, is the sole shareholder, director and officer of TMM.

TMM was originally appointed as the manager of the Issuer's investment portfolio pursuant to an investment management agreement made September 30, 2005 as amended and restated effective October 26, 2006; which agreement was subsequently terminated as part of the January 2008 Conversion Transaction at which time the Issuer and TMM entered into a new portfolio management agreement dated as of January 1, 2008 (the "Portfolio Management Agreement").

Pursuant to the Portfolio Management Agreement, TMM provides advice to 49 North and, subject to the overall power of the Board to supervise and manage the company, manages the Issuer's investment portfolio. The duties and authority of the TMM include identifying, analyzing and selecting investment opportunities in the resource sector; monitoring the performance of resource issuers and, more generally, determining if and when to dispose of securities in the portfolio and identifying, analyzing and selecting resource issuers in which the proceeds of any such dispositions may be reinvested. Since January 1, 2008, TMM has been entitled to be paid a quarterly management fee equal to 0.5% of the net asset value of the Issuer calculated as of the last business day of the relevant fiscal quarter, which management fee is payable on or prior to the end of the month next following the relevant fiscal quarter; and in each fiscal year of the Issuer starting with its fiscal year ending December 31, 2008, TMM is entitled to receive a performance bonus, calculated as of the last business day of the applicable fiscal year, in an amount in respect of each common share that is outstanding as of such day, equal to 20% of the amount, if any, by which the sum of the net asset value per common share as of that date, plus all dividends or other distributions per common share made during that fiscal year, exceeds the greater of \$16.34 and the net asset value per share as of the last business day of the preceding fiscal year. Any such performance bonus shall be payable within 30 days following the end of the fiscal year to which it relates. Management fees and, if applicable, any performance bonus, not paid by the due dates described above bear interest at prime plus 2% until paid in full. Additionally, the Issuer is required to reimburse TMM for all expenses reasonably and properly incurred in performing its duties and obligations under the Portfolio Management Agreement, provided that such reimbursements are not intended to and do not include any charges for overhead or profit, it being specifically acknowledged in the Portfolio Management Agreement that such overhead and profit has been taken into consideration in determining the management fees and, if applicable, performance bonus, payable as described above. Prior to the January 2008 Conversion Transaction, TMM was entitled to receive substantially similar compensation from the Former Partnership.

In performing its duties under the Portfolio Management Agreement, TMM must comply with the Issuer's Investment Guidelines; act honestly, in good faith and in the best interests of the Issuer, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and disclose any conflicts in writing to the Board. The Portfolio Management Agreement also provides that TMM must report regularly to the Board and in any event whenever requested by the Board and the Board must review and approve all portfolio transactions involving (a) an acquisition or disposition of securities at a price representing in excess of 10% of the net asset value of the portfolio; (b) a disposition of securities representing greater than 50% of the Issuer's position in any particular resource issuer at a price below the book value of such securities; and (c) all portfolio transactions involving a conflict of interest on the part of TMM. The Portfolio Management Agreement also provides that TMM will not be liable in any way for any loss, default, failure, or defect in any of the securities

comprising the portfolio, unless such loss, default, failure or defect is attributable to the failure of the TMM to satisfy the standard of care described above.

TMM's appointment may be terminated by either the Issuer or TMM on 30 days' written notice, and such appointment may also in certain cases be terminated earlier if TMM or the Issuer becomes bankrupt or insolvent or if any of the registrations necessary for TMM to perform its duties under the Portfolio Management Agreement are no longer in full force and effect. The appointment may also be terminated by either party as a result of a breach or default of the provisions of the Portfolio Management Agreement which are not cured within a prescribed period.

8.4 Conflicts of Interest

Each director and officer of the Issuer also is or has been a director and/or officer of the general partners of one or more of the 49 North Flow-Through Funds; the Issuer's 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 Issuer, 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 Issuer, and especially Mr. MacNeill, acting on the one hand in their capacity as an officer and/or director of the Issuer and, on the 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 Issuer and other funds or entities, outside of the 49 North Group, of which the directors and officers of the Issuer 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 Issuer 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 Issuer. More generally, the services of the officers and directors of the Issuer and of TMM are not exclusive to the Issuer. The officers and directors of the Issuer and their affiliates may engage in activities for their own account which compete with the Issuer. 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 Issuer and/or the officers and directors of the Issuer and/or their affiliates invest. Conflicts of interest may also arise in the enforcement of the terms and conditions of the Portfolio Management Agreement and other agreements to which the Issuer is now or may in the future become a party, whether such agreements are being enforced by or against the Issuer.

9. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL AGREEMENTS

The directors and officers of the Issuer from time to time have also generally been the directors and officers of the general partners of the respective 49 North-Flow Through Funds at the time of the respective "Roll-over Transactions" between the Issuer and the respective Funds, whereby the respective assets of such Funds were transferred to, and in exchange for shares (or, prior to 2008, Units) of the Issuer. See in this regard the discussion under "Roll-over Transactions with 49 North Flow-Through Funds" in Item 2.1 of this annual information form, "Three Year History". With the exception of Mr. Tom MacNeill, who currently holds less than 1% of the Issuer's outstanding common share, none of the Issuer's current directors or officers now hold any securities of the Issuer, and, except as noted below, none of the directors or officers held, acquired or received any securities, compensation or other interest in, of or from either the Issuer or the relevant 49 North Flow-Through Fund as a result of or in connection with any of the Roll-Over Transactions. As a limited exception to the foregoing, the respective partnership agreements of each of the 49 North Flow-Through Funds contained provisions whereby the respective general partners of the respective Funds were entitled to receive 0.01% of the assets distributed upon the winding-up of the Fund, such that 0.01% of the Issuer's shares (or Units) that were issued in such Roll-over Transactions were distributed to the general partner of the relevant Fund. Mr. MacNeill is (or at the time of the transactions was) the sole shareholder of such general partners. Also, Mr. MacNeill is the President and sole director and officer of TMM, which receives management fees and may receive an annual performance bonus pursuant to the Portfolio Management Agreement as discussed in Item 8.3 of this annual information form, "The Portfolio Manager". Apart from this, Mr. MacNeill has from time to time loaned money and/or provided credit facilities to the Issuer or one or more of the 49 North Flow-Through Funds, the particulars of which have been disclosed in previous public filings of the Issuer and/or of the relevant 49 North Through Fund, including Issuer's annual financial statements for its fiscal years ended December 31, 2006, 2007 and 2008.

As of the date of this annual information form, to the knowledge of management, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of voting securities of the Issuer and, except as described above in this Item 9, no director or executive officer of the Issuer, or known associate or affiliate of any such person, had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that that has materially affected or is reasonably expected to materially affect the Issuer.

10. TRANSFER AGENT AND REGISTRAR

Equity Transfer & Trust Company, acting from its office in Calgary, Alberta, is the transfer agent and registrar for the common shares of the Issuer.

11. MATERIAL CONTRACTS

The only material contracts that the Issuer entered into in its most recently completed financial year, to date in its current financial year, or before its most recently completed financial year but that are still in effect, other than in the ordinary course of business, are as follows:

- (a) a partnership agreement amending agreement between the General Partner and the Limited Partners of the Former Partnership, and a Roll-over Agreement between the Former Partnership and AcquisitionCo., both made January 1, 2008, in connection with the implementation of the Conversion Transaction pursuant to which the Issuer converted from its former limited partnership structure to its current corporate structure, as described in Item 2.1 of this annual information form, “Three Year History - General”;
- (b) a Portfolio Management Agreement made January 1, 2008 between the Issuer and TMM as portfolio manager, referred to herein under Item 8.3, “The Portfolio Manager”;
- (c) agreements relating to Roll-over Transactions with 49 North Flow-Through Funds, as described in Item 2.1 of this annual information form, “Three Year History – Roll-over Transactions with 49 North Flow-Through Funds” including:
 - (i) a transfer agreement made February 14, 2008 with the 2007 Fund, pursuant to which, effective February 14, 2008, the Issuer acquired all of the assets of the 2007 Fund on a share exchange basis;
 - (ii) a transfer agreement made February 12, 2008, as amended and restated as of December 18, 2008, with the 2008-I Fund, pursuant to which, effective February 2, 2009, the Issuer acquired all of the assets of the 2008-I Fund on a share exchange basis; and
 - (iii) a framework agreement made September 5, 2008, as amended and restated as of November 25, 2008, with the 2008-II Fund, pursuant to which, effective February 2, 2009, the Issuer acquired all of the assets of the 2008-II Fund on a share exchange basis;
- (d) a shareholder rights plan agreement made June 4, 2008 between the Issuer and Equity Transfer & Trust Company, as rights agent, as described in Item 6.2 of this annual information form, “Plans”; and
- (e) a trust indenture between the Issuer and Equity Transfer & Trust Company, as trustee, relating to the creation and issuance of the 2008 Debentures, as described in Item 2.1 of this annual information form, “Three Year History – Convertible Debentures”.

12. EXPERTS

The Issuer’s auditors, Hergott Duval Stack LLP, Chartered Accountants, of, Saskatoon, Saskatchewan, are named in the Auditor’s Report contained in the Issuer’s audited financial statements for the financial year ended December 31, 2008, as having reported on such financial statements. Hergott Duval Stack LLP, Chartered Accountants, has been the Issuer’s auditor since its inception in 2005. To the knowledge of the Issuer, no partner, associate or employee of

Hergott Duval Stack LLP holds directly or indirectly, beneficially or of record, or exercises control of, any securities of the Issuer.

13. AUDIT COMMITTEE INFORMATION

13.1 Audit Committee Charter

The following is the complete text of the charter of our audit committee:

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

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

RELATIONSHIP WITH EXTERNAL AUDITOR: The Corporation’s external auditor (the “Auditor”) shall report directly to the Committee.

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

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

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

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

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

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

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

MEETINGS AND PROCEDURES:

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

13.2 Composition of Audit Committee and Relevant Education and Experience

The audit committee was established by the Board. Its members include Harvey Bay (Chair) and Brad Munro, who are independent¹, and Tom MacNeill who is not considered independent by virtue of the fact that he is also the President and Chief Executive Officer of the Issuer. Each member of the audit committee is financially literate¹. Information regarding the education and experience of the members of the audit committee that is relevant to the performance of their responsibilities as a member of the audit committee includes, without limitation, the following:

- (a) Harvey Bay is a Certified Management Accountant and has held senior financial management positions with numerous public and private mining companies over a career spanning more than twenty years, including senior financial positions with Shore Gold Inc., Wescan Goldfields Inc., SMDC, Hudson Bay Mining & Smelting Co. Ltd. and Claude Resources Inc.;
- (b) Brad Munro holds a Bachelor of Commerce Degree and has extensive experience in corporate finance and investment in the oil and gas and other industries through his involvement, since 1991, with Growthworks Capital WV Ltd. (and its affiliates) and through his active involvement as a director of over 20 private and public companies during that time; and

¹ The terms "independent" and "financially literate" as used herein have the meanings given such terms in National Instrument 52-110, *Audit Committees*.

(c) Tom MacNeill is a graduate of the University of Saskatchewan (Economics), a chartered financial analyst and a certified general accountant, and has over 20 years experience in resource investment and corporate finance. His work history includes positions as: investment advisor with a major Canadian brokerage firm, management accountant within the mining industry and Chief Financial Officer of a Canadian trust corporation.

13.3 External Auditor Fees

The following table discloses all fees billed to the Issuer by its external auditor, Hergott Duval Stack LLP, in each of its last two completed fiscal years.

| Category | Fiscal Year | Fees (\$) |
|---|-------------|-----------|
| Audit Fees | 2008 | 42,519 |
| | 2007 | 21,521 |
| Audit Related Fees ¹ | 2008 | 42,570 |
| | 2007 | 49,892 |
| Tax Fees ² | 2008 | 34,514 |
| | 2007 | 25,072 |
| All Other Fees | 2008 | - |
| | 2007 | - |
| Notes: | | |
| 1. Audit related and other fees relate to the conversion of the Issuer from its former partnership structure to its current corporate structure as well as Roll-over Transactions with 49 North Flow-Through Fund(s). | | |
| 2. Tax fees relate to preparation of corporate income tax returns as well as other filing with respect to the Former Partnership and rollover of assets. | | |

14. OTHER MATERIAL INFORMATION

Additional information relating to the Issuer may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Issuer's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Issuer's management information circular dated April 25, 2008 in respect of its annual and special meeting held June 4, 2008 (being the most recent meeting involving the election of directors).

Additional financial information is provided in the Issuer's financial statements and MD&A for the financial year ended December 31, 2008.