

**PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 5:00 P.M. (SASKATOON TIME) ON DECEMBER 7, 2018**

*This rights offering circular (this “Circular”) is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Circular. Any representation to the contrary is an offence.*

*This is the Circular we referred to in the November 6, 2018 rights offering notice (the “Notice”), which you should have already received. Your rights certificate and relevant forms were enclosed with the Notice. This Circular should be read in conjunction with the Notice and our continuous disclosure prior to making an investment decision.*

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States. This rights offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons. “United States” and “U.S. persons” are as defined in Regulation S under the U.S. Securities Act.*

**Rights Offering Circular**

**November 6, 2018**

**49 NORTH RESOURCES INC.**

**OFFERING OF RIGHTS TO SUBSCRIBE FOR SHARES AT A PRICE OF \$0.02 PER SHARE**

References in this Circular to “we”, “our”, “us” and similar terms are to 49 North Resources Inc. (“FNR” or the “Company”). References in this Circular to “you”, “your” and similar terms are to holders of FNR’s common shares. Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars.

**SUMMARY OF THE RIGHTS OFFERING**

<b>Why are you reading this Circular?</b>	We are issuing to the holders (“Shareholders”) of our outstanding common shares (“Common Shares”) of record at the close of business on November 14, 2018 (the “Record Date”) and who are resident in a province or territory of Canada (an “Eligible Jurisdiction”), rights to subscribe for Rights Offering Shares (defined below) on the terms described in this Circular. The purpose of this Circular is to provide you with detailed information about your rights and obligations in respect of the rights offering (the “Rights Offering”). This Circular should be read in conjunction with the Notice.
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<p><b>What is being offered?</b></p>	<p>Each Shareholder on the Record Date who is resident in an Eligible Jurisdiction will be offered one (1) right (a “<b>Right</b>”) for each Common Share held. No fractional Rights will be issued.</p>
<p><b>Who is eligible to receive Rights?</b></p>	<p>The Rights are being offered only to Shareholders resident in Eligible Jurisdictions (“<b>Eligible Holders</b>”). Shareholders will be presumed to be resident in the place shown on their registered address, unless the contrary is shown to our satisfaction. Neither the Notice nor this Circular is to be construed as an offering of the Rights, nor are the Rights Offering Shares issuable upon exercise of the Rights offered for sale, in any jurisdiction outside of Eligible Jurisdictions or to Shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (“<b>Ineligible Holders</b>”). Instead, Ineligible Holders will be sent a letter advising them that their Rights will be held by Alliance Trust Company (the “<b>Rights Agent</b>”), who will hold such Rights as agent for the benefit of all Holders. See “<i>How to exercise the Rights? Who is eligible to receive the Rights?</i>”</p>
<p><b>What do the Rights entitle you to receive?</b></p>	<p>Two Rights entitles you to subscribe for one (1) Common Share of FNR (a “<b>Rights Offering Share</b>”) at a subscription price of \$0.02 per Share (the “<b>Basic Subscription Privilege</b>”) until 5:00 p.m. (Saskatoon time) on December 7, 2018.</p> <p>If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe pro rata for Rights Offering Shares (the “<b>Additional Shares</b>”) not otherwise purchased, if any, pursuant to the Basic Subscription Privilege (the “<b>Additional Subscription Privilege</b>”).</p> <p>No fractional Rights Offering Shares will be issued upon the exercise of the Rights. Any fractional entitlements to subscribe for Rights Offering Shares described herein will be rounded down to the next lowest whole number of Rights Offering Shares, and no</p>

	cash or other consideration will be paid in lieu.
<b>What is the subscription price?</b>	\$0.02 per Rights Offering Share (the “ <b>Subscription Price</b> ”)
<b>When does the Offer expire?</b>	5:00 p.m. (Saskatoon time) on December 7, 2018 (the “ <b>Expiry Date</b> ”)
<b>What are the significant attributes of the Rights issued under the Rights Offering and the securities to be issued upon the exercise of the Rights?</b>	<p>Two Rights entitle you to subscribe for one (1) Rights Offering Share at the Subscription Price. The Rights are transferable. See “<i>How does a Rights holder sell or transfer Rights?</i>”</p> <p>A Right does not entitle the holder thereof to any rights whatsoever as a securityholder of FNR other than the right to subscribe for and purchase Rights Offering Shares on the terms and conditions described herein.</p> <p>We are authorized to issue an unlimited number of Common Shares of which 60,378,102 are issued and outstanding as of the date hereof. Holders of Common Shares are entitled to dividends if, as and when declared by our directors, to one vote per share at meetings of our Shareholders and, upon liquidation, to receive such assets of FNR as are distributable to the Shareholders.</p>
<b>What are the minimum and maximum number or amount of Rights Offering Shares that may be issued under the Rights Offering?</b>	A maximum of 30,189,051 Rights Offering Shares will be issued under the Rights Offering. There is no minimum amount for the Rights Offering.
<b>Where will the Rights and the securities issuable upon the exercise of the Rights be listed for trading?</b>	<p>The Common Shares are listed on the TSX Venture Exchange (the “<b>TSXV</b>”) under the trading symbol “FNR”.</p> <p>The Rights will trade on the TSXV under the trading symbol “FNR.RT” until 12:00 p.m. (Toronto time) on the Expiry Date.</p>

### FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements reflect our current expectations or beliefs based on information currently available to us. Forward-looking statements in this Circular include, without limitation, statements with respect to: our expectations regarding the estimated costs of the Rights Offering and the net

proceeds to be available upon completion; the use of proceeds from the Rights Offering and the availability of funds from sources other than the Rights Offering; and our ability to continue as a going concern.

Forward-looking statements are subject to a number of risks and uncertainties that may cause our actual results to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, us. Factors that could cause actual results or events to differ materially from current expectations include, among other things, uncertainties relating to the availability and cost of funds; closing the Rights Offering; delays in obtaining or failure to obtain required approvals to complete the Rights Offering; the uncertainty associated with estimating costs to complete the Rights Offering, including those yet to be incurred; and other risks related to our business and the Rights Offering.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, we disclaim any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although we believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty.

#### USE OF AVAILABLE FUNDS

##### What will our available funds be upon the closing of the Rights Offering?

The Company estimates that it will have the following funds available after giving effect to the Rights Offering:

		Assuming 15% of Rights Offering	Assuming 50% of Rights Offering	Assuming 75% of Rights Offering	Assuming 100% of Rights Offering
A	Amount to be raised by Rights Offering	\$90,567.16	\$301,890.52	\$452,835.76	\$603,781.02
B	Selling commissions and fees	\$0	\$0	\$0	\$0
C	Estimated offering costs (e.g., legal, accounting, audit)	\$20,000	\$20,000	\$20,000	\$20,000
D	Available funds: D = (A – (B+C))	\$70,567.16	\$281,890.52	\$432,835.76	\$583,781.02
E	Additional sources of funding required	\$0	\$0	\$0	\$0
F	Working capital deficiency	\$0	\$0	\$0	\$0
G	Total: G = (D+E) - F	\$70,567.16	\$281,890.52	\$432,835.76	\$583,781.02

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As at September 30, 2018, the Company did not have a working capital deficiency.

**How will we use the available funds?**

The Company intends to allocate approximately \$50,000 of the available funds for working capital. FNR plans to use the balance of the available funds from the Rights Offering to increase its size of the investment portfolio.

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

**How long will the available funds last?**

We expect the Rights Offering will be sufficient to meet our working capital requirements for the 12 months following the date of this Circular and to allow the Company the opportunity to expand its investment portfolio.

**INSIDER PARTICIPATION**

**Will insiders be participating?**

The Company believes that its directors and senior officers who own Common Shares intend to exercise all of their Rights to purchase Rights Offering Shares under their Basic Subscription Privilege.

This reflects the intentions of such “insiders” (as defined in applicable Canadian securities legislation) as of the date hereof to the extent such intentions are reasonably known to the Company; however, such insiders may alter their intentions before the Expiry Time on the Expiry Date. No assurance can be given that the respective insiders will exercise their Rights to acquire Rights Offering Shares. As at the date hereof, insiders of the Company, own or exercise control or direction over, directly or indirectly, 6,529,702 Common Shares, representing approximately 10.81% of the issued and outstanding Common Shares. In the event that these Shareholders purchase 3,264,851 Rights Offering Shares pursuant to the Basic Subscription Privilege, these Shareholders would own an aggregate of 9,794,553 Common Shares.

**Who are the holders of 10% or more of our securities before and after the Rights Offering?**

To the knowledge of the directors and senior officers of FNR, as at the date hereof, no person or company beneficially owns, directly or indirectly, or controls or directs more than 10% of any class of FNR’s voting securities.

**DILUTION**

**If you do not exercise your Rights, by how much will your security holdings be diluted?**

If you wish to retain your current percentage ownership of the Common Shares, you should exercise your Rights and pay the Subscription Price for the Rights Offering Shares to which you are entitled under the Basic Subscription Privilege. If you fail to do so, your percentage ownership of the Common Shares will be diluted by approximately 25%.

As an illustration, if you own 1,000,000 Common Shares on the Record Date, fail to exercise your right to purchase 500,000 Rights Offering Shares under the Rights Offering, and all other Shareholders fully exercise their Basic Subscription Privilege and Additional Subscription Privilege (i.e., the Company issues 30,189,051 Rights Offering Shares), your percentage ownership of the issued and outstanding Common Shares will change from 1.66% to 1.10%.

### **STAND-BY COMMITMENT**

There will be no stand-by guarantor in respect of the Rights Offering.

### **MANAGING DEALER, SOLICITING DEALER, AND UNDERWRITING CONFLICTS**

There will be no managing dealer or soliciting dealer in respect of the Rights Offering.

### **HOW TO EXERCISE THE RIGHTS**

#### **How does a security holder that is a registered holder participate in the Rights Offering?**

If you are a registered holder of Common Shares, a certificate (the “**Rights Certificate**”) representing the total number of transferable Rights to which you are entitled as of the Record Date has been mailed to you with a copy of the Notice. To exercise the Rights represented by the Rights Certificate, you must complete and deliver the Rights Certificate in accordance with the instructions set out below. Rights not exercised at or prior to 5:00 p.m. (Saskatoon time) on the Expiry Date (the “**Expiry Time**”) will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights Certificate and delivery to the Rights Agent will only be effective when actually received by the Rights Agent at its office. See “*Appointment of Rights Agent – Who is the Rights Agent?*” Rights Certificates and payments received after the Expiry Time will not be accepted.

In order to exercise your Rights you must:

1. **Complete and sign Form 1 on the Rights Certificate.** The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown in the box on the upper right hand corner of the face of the Rights Certificate. If you complete Form 1 so as to exercise some but not all of the Rights evidenced by the Rights Certificate, you will be deemed to have waived the unexercised balance of such Rights, unless you otherwise specifically advise the Rights Agent at the time the Rights Certificate is surrendered to the Rights Agent.
2. **Additional Subscription Privilege.** Complete and sign Form 2 on the Rights Certificate only if you also wish to participate in the Additional Subscription Privilege. See “*How to Exercise the Rights? – What is the Additional Subscription Privilege and how can you exercise this privilege?*”
3. **Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Alliance Trust Company.** In order to purchase one Rights Offering Share, you must own two (2) Rights and pay a price of \$0.02. In addition to the amount payable for any Rights Offering Shares you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for any Rights Offering Shares subscribed for under the Additional Subscription Privilege.

- 4. Delivery.** Deliver or mail the completed Rights Certificate and payment in the enclosed return envelope addressed to the Rights Agent so that it is received before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery.

The signature of the Rights Certificate holder must correspond in every particular with the name that appears on the face of the Rights Certificate.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Rights Agent. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Rights Offering Shares pursuant thereto could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither we nor the Rights Agent is under any duty to give any notice of any defect or irregularity in any subscription, nor will we be liable for the failure to give any such notice.

#### **How does a security holder that is not a registered holder participate in the Rights Offering?**

You are a beneficial Eligible Holder if you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (a “**Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). The total number of Rights to which all beneficial Eligible Holders as of the Record Date are entitled will be issued to CDS and will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from the applicable Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Rights Agent will have any liability for (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Rights, or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants.

If you are a beneficial Eligible Holder:

1. to exercise your Rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant, the Subscription Price for each Rights Offering Share that you wish to subscribe for; and
2. you may subscribe for Additional Shares pursuant to the Additional Subscription Privilege by instructing such Participant to exercise the Additional Subscription Privilege in respect of the number of Additional Shares you wish to subscribe for, and forwarding to such Participant the Subscription Price for such Additional Shares requested.

Any excess funds will be returned to the applicable Participant for the account of the beneficial holder, without interest or deduction.

**Can I combine, exchange or divide my Rights Certificate?**

Rights Certificates may be combined, divided or exchanged by delivering such Rights Certificates, accompanied by appropriate instructions or a completed Form 4 on the Rights Certificate, to the office listed under the heading "*Appointment of Rights Agent – Who is the Rights Agent?*". Rights Certificates must be surrendered for division, combination or exchange by such date as will permit new Rights Certificates to be issued and used by the holder thereof prior to the Expiry Time.

**Who is eligible to receive Rights?**

The Rights Offering is only being made to Eligible Holders. The Rights are not being offered to persons who are or appear to be, or we have reason to believe are, resident in Ineligible Jurisdictions, nor will we accept subscriptions from any Shareholder or from any transferee of Rights who is or appears to be, or who we have reason to believe is, resident in an Ineligible Jurisdiction. Rights Certificates will not be distributed to any Shareholders whose addresses of record are in any Ineligible Jurisdiction ("**Ineligible Shareholders**"). Rights may not be exercised by or on behalf of an Ineligible Shareholder. CDS and Participants may not issue Rights to Ineligible Shareholders.

Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to our satisfaction. A registered Ineligible Shareholder whose address of record is outside the Eligible Jurisdictions but who holds Common Shares on behalf of a holder who is eligible to participate in the Rights Offering must notify us, in writing, on or before the tenth day prior to the Expiry Date if such beneficial holder wishes to participate in the Rights Offering.

Rights delivered to brokers, dealers or other intermediaries may not be delivered by those intermediaries to beneficial Shareholders who are resident in Ineligible Jurisdictions. Intermediaries receiving Rights that would otherwise be deliverable to Ineligible Shareholders may attempt to sell those Rights for the accounts of such Ineligible Shareholders and should deliver the proceeds of sale to such persons.

**What is the Additional Subscription Privilege and how can you exercise this privilege?**

A holder of a Rights Certificate who is not an Ineligible Shareholder and who has exercised all the Rights evidenced by such Rights Certificate may subscribe for Additional Shares, if available, at the Subscription Price. Additional Shares will be allocated from those Rights Offering Shares, if any, available as a result of Rights that are unexercised by the Expiry Time. A holder who exercises the Additional Subscription Privilege will receive the lesser of (i) the number of Rights Offering Shares that holder subscribes for under the Additional Subscription Privilege, and (ii) the number of Rights Offering Shares that is equal to the aggregate number of Rights Offering Shares available through unexercised Rights multiplied by the quotient of the number of Rights previously exercised by such holder under the Rights Offering divided by the aggregate number of Rights previously exercised under the Rights Offering by holders of Rights that have subscribed for Rights Offering Shares under the Additional Subscription Privilege.

A Rights holder may subscribe for Additional Shares by (i) completing Form 2 on the Rights Certificate, and (ii) delivering the Rights Certificate, together with payment for those Additional Shares, to the Rights Agent on or before the Expiry Time. If payment for all Additional Shares



subscribed for pursuant to the Additional Subscription Privilege does not accompany the subscription, the over-subscription will be invalid.

If the Rights Offering is fully subscribed, then the funds included for any over-subscriptions will be returned by us to the relevant Shareholders. If the Rights Offering is not fully subscribed, certificates representing the Additional Shares due to Eligible Holders as a result of over-subscriptions will be delivered by us together with the certificates representing such securities due to those Shareholders pursuant to their subscriptions in accordance with the Basic Subscription Privilege. In addition, we will return to any over-subscribing Shareholder within 30 calendar days of the Expiry Date any excess funds paid in respect of an over subscription for Additional Shares where the number of Additional Shares available to that Shareholder is less than the number of Additional Shares subscribed for. No interest will be payable by us in respect of any excess funds returned to Shareholders.

### **How does a Rights holder sell or transfer Rights?**

The Rights will trade on the TSXV under the trading symbol “FNR.RT” until 12:00 p.m. (Toronto time) on the Expiry Date. Holders of Rights Certificates not wishing to exercise their Rights may sell or transfer them directly or through their securities broker or dealer at the Shareholder’s expense, subject to any applicable resale restrictions. Rights Certificates will not be registered in the name of an Ineligible Shareholder. Holders of Rights Certificates may elect to exercise only a part of their Rights and dispose of the remainder, or dispose of all of their Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

### **When can you trade securities issuable upon the exercise of your Rights?**

The Rights Offering Shares issuable upon the exercise of your Rights will be listed on the TSXV under the trading symbol “FNR” and will be available for trading on or about December 14, 2018.

### **Are there restrictions on the resale of securities?**

The Rights and Rights Offering Shares issuable upon exercise of Rights distributed to Shareholders in the Eligible Jurisdictions may be resold without hold period restrictions under applicable securities laws of the Eligible Jurisdictions provided that: (i) the sale is not by a “control person” of FNR; (ii) no unusual effort is made to prepare the market or create a demand for the securities being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling security holder is an insider or officer of FNR, the selling security holder has no reasonable grounds to believe that FNR is in default of securities legislation.

***The Rights may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person.***

### **Will we issue fractional underlying securities upon exercise of the Rights?**

No fractional Rights Offering Shares will be issued upon the exercise of the Rights. Any fractional entitlements to subscribe for Rights Offering Shares described herein will be rounded

down to the next lowest whole number of Rights Offering Shares, and no cash or other consideration will be paid in lieu.

## **APPOINTMENT OF RIGHTS AGENT**

### **Who is the Rights Agent?**

Alliance Trust Company is the rights agent for the Rights Offering. The Rights Agent has been appointed to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise and transfer of the Rights.

## **ADDITIONAL INFORMATION**

### **Where can you find more information about us?**

You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at [www.sedar.com](http://www.sedar.com). You can also find additional information about us at <http://www.fnr.ca>

## **MATERIAL FACTS AND MATERIAL CHANGES**

**There is no material fact or material change about the Corporation that has not been generally disclosed.**