

RIGHTS OFFERING NOTICE 49 NORTH RESOURCES INC.

Notice to Security Holders – September 22, 2021

The purpose of this rights offering notice (this “**Notice**”) is to advise holders of common shares (“**Common Shares**”) of 49 North Resources Inc. (“**FNR**”) of a proposed offering of rights (“**Rights**”) of FNR (the “**Rights Offering**”).

References in this Notice to “we”, “our”, “us” and similar terms are to FNR. References in this Notice to “you”, “your” and similar terms are to holders of Common Shares.

We currently have sufficient working capital to last 12 months provided that the holders of the Company’s 2015 2.5% Convertible Senior Secured Debentures – Series 1, the holders of the Company’s 2015 2.5% Convertible Senior Secured Debentures – Series 2 or the holders of the Company’s 2015 2.5% Convertible Subordinated Secured Debentures do not enforce our obligation to repay said debentures, which are due and owing. Although we are in default of our obligation to repay the debentures, no demand for payment has been made.

1. Who can participate in the Rights Offering?

We are issuing to the holders of our outstanding Common Shares of record at the close of business (5:00 p.m. Toronto time) on October 4, 2021 (the “**Record Date**”) rights to subscribe for Units (as defined below) on the terms described in our rights offering circular dated September 22, 2021 (the “**Circular**”). Each holder of Common Shares of record at the close of business on the Record Date who is resident in an Eligible Jurisdiction (as defined below) may participate in the Rights Offering.

2. Who is eligible to receive Rights?

The offer of these securities is made to any holder of Common Shares resident in a province or territory of Canada (collectively, the “**Eligible Jurisdictions**”). The Rights Offering is not being made in jurisdictions where FNR is not eligible to make such offer.

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 Notice 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.

This Notice is not to be construed as an offering of the Rights, nor are the Units issuable upon exercise of the Rights offered for sale in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions.

3. How many Rights are we offering?

We are offering a maximum of 83,119,155 Rights to Eligible Holders.

4. How many Rights will you receive?

We are offering each Eligible Holder one Right for every one Common Share held as of the Record Date. No fractional Rights will be issued.

5. What does one Right entitle you to receive?

Each Right entitles an Eligible Holder to purchase one (1) unit of FNR (a “**Unit**”) at a subscription price of \$0.02 per Unit (the “**Basic Subscription Privilege**”) until 5:00 p.m. (Toronto time) on November 10, 2021

(the “**Rights Expiry Date**”). Each Unit consists of one Common Share and one (1) transferable Common Share purchase warrant (a “**Warrant**”), with each full Warrant exercisable into one Common Share at a price of \$0.07 per share for a period of 24 months from the issue date of the Units, subject to early expiry in the event the daily volume-weighted average trading price per Common Share for any 20 consecutive trading days in which there have been at least 100 Common Shares traded on the TSX Venture Exchange (the “**TSXV**”) exceeds \$0.15. The Warrants will not be listed on any stock exchange.

Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Units at the same subscription price (the “**Additional Subscription Privilege**”). The Units available under the Additional Subscription Privilege will be those Units issuable in the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by the Rights Expiry Date.

Any Eligible Holder who exercises their Rights must enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Alliance Trust Company, FNR’s rights agent.

No fractional Common Shares or Warrants will be issued upon the exercise of the Rights. Any fractional entitlements to subscribe for Common Shares or Warrants described herein will be rounded down to the next lowest whole number of the applicable security, and no cash or other consideration will be paid in lieu.

6. How will you receive your Rights?

Registered Eligible Holders – If you are a registered holder of Common Shares, a certificate (a “**Rights Certificate**”) representing the total number of Rights that you are entitled to as of the Record Date is enclosed with this Notice.

Beneficial Eligible Holders – You are a beneficial holder of Common Shares if you hold your 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 and deposited with CDS following the Record Date. If you are a beneficial Eligible Holder, we expect you will receive a confirmation of the number of Rights issued to you 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.

7. When and how can you exercise your Rights?

If you are a registered Eligible Holder who receives a Rights Certificate, you must complete and deliver your Rights Certificate on or before 5:00 pm (Toronto time) on the Rights Expiry Date.

If you are a beneficial Eligible Holder, you must arrange exercises, transfers or purchases of Rights through your Participant on or before 5:00 pm (Toronto time) on the Rights Expiry Date or such earlier time as required by your Participant. We expect that each beneficial Eligible Holder will receive a customer confirmation of issuance or purchase, as applicable, from their Participant through which the Rights are issued in accordance with the practices and policies of such Participant.

8. What are the next steps?

This Notice contains key information that you should know about FNR. You can find more details in our Circular, a copy of which can be obtained on FNR’s profile at www.SEDAR.com or at www.fnr.ca or you can ask your dealer representative for a copy, or contact Andrew Davidson at (306) 653-2669 or davidson@fnr.ca. You should read the Circular, along with FNR’s continuous disclosure record, to make an informed decision.

“Tom MacNeill”
President and Chief Executive Officer
49 North Resources Inc.