PORTFOLIO MANAGEMENT AGREEMENT made January 1, 2008

BETWEEN:

49 NORTH RESOURCE FUND INC., a corporation under the laws of Saskatchewan (the "**Fund**" or "**Corporation**")

-and-

TMM PORTFOLIO MANAGEMENT INC., a corporation under the laws of Saskatchewan (the "**Portfolio Manager**", "**Manager**" or "**TMM**")

WHEREAS the Fund wishes to retain the Portfolio Manager to provide certain investment advisory and portfolio management services to the Fund and the Portfolio Manager is willing to provide such investment advisory and portfolio management services in accordance with the terms and conditions contained in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESS that in consideration of the mutual covenants and promises given by each of the parties hereto to the other, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 **Definitions.** Where used in this Agreement the following words and phrases have the following meanings and grammatical variations thereof have like meanings.

"**affiliate**" and "**associate**" have the meanings given those terms in the *Securities Act*.

"**Agreement**" means this portfolio management agreement as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof and includes any schedules hereto, and the expressions "**herein**", "**hereto**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to this Agreement as so defined and not to any particular article, section or other subdivision hereof.

"**Applicable Law**" means in respect of any Person, property, transaction or event, all present and future laws, statutes, regulations, treaties, judgments and decrees applicable to that Person, property, transaction or event and all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, orders and policies of any governmental authority having the force of law over, or in respect of, that Person, property, transaction or event.

"**Auditor**" means the auditor of the Fund

"**Board**" means the board of directors of the Fund.

"**Business Day**" means a day on which the Exchange is open for business.

"**Charter**" or "**IRC Charter**" means the charter of the IRC originally adopted by a predecessor of the Fund as of November 1, 2007, as amended and restated January 1, 2008, a copy of which has been provided to the Portfolio Manager, as the same may be amended, supplemented and/or restated from time to time.

"**Conflict of Interest**" and "**Conflict of Interest Matter**" have the meanings given those terms in the IRC Charter.

"**Fiscal Quarter**" means the three month interim periods ending on the last day of March, June, September and December, respectively, in each Fiscal Year of the Fund.

"**Fiscal Year**" means a fiscal year of the Fund, which Fiscal Year shall end December 31 of each year.

"**Investment Guidelines**" means the investment objectives, strategies and guidelines adopted by the Board, a copy of which at the date hereof are attached hereto as Schedule "A", as the same may be amended, supplemented and/or restated from time to time by the Board.

"**Independent Review Committee**" or "IRC" means the independent review committee of the Fund established pursuant to NI 81-107.

"**Governmental Authority**" means any domestic or foreign government, including, without limitation, any federal, provincial, state, territorial or municipal government, and any government agency, tribunal, commission or other authority exercising or pertaining to government.

"**Management Fee**" has the meaning given that term in subsection 5.1(a).

"**Net Asset Value**" or "**NAV**" means the amount, as of any particular day, calculated by subtracting the aggregate amount of the Fund's liabilities from the aggregate of its assets on that date, which NAV shall be calculated by or on behalf of the Fund in accordance with the provisions set forth in Schedule "B" hereof.

"**Net Asset Value per Share**" or "**NAV per Share**" as of any particular day, means the amount obtained by dividing the Net Asset Value as of that date by the total number of common shares of the Fund that are outstanding on that date.

"**NI 81-107**" means National Instrument 81-107, *Independent Review Committee for Investment Funds*, as amended from time to time, or any like instrument or rule hereafter adopted in substitution for NI 81-107.

"**Performance Bonus**" has the meaning given that term in subsection 5.1(b).

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

"**Portfolio**" means, collectively, all of the securities from time to time held by or on behalf of the Fund.

"**Prime Rate**" means the rate of interest expressed as an annual rate which the Royal Bank of Canada quotes from time to time as the reference rate of interest (commonly known as prime) for the purpose of determining the rate of interest that it charges to its commercial customers in Canada for loans in Canadian funds.

"**resource issuer**", "**resource company**", "**resource security**" and "**security**" have the meaning given those terms in the Investment Guidelines.

"***Securities Act***" means *The Securities Act, 1988* (Saskatchewan), as amended from time to time.

"***Tax Act***" means the *Income Tax Act* (Canada), as amended from time to time.

"**Valuation Date**" means January 1, 2008, the last business day in each Fiscal Quarter, such other, more frequent dates as may be determined by the Fund for the purposes of calculating its NAV, and for the purposes of this Agreement only, the Business Day immediately preceding the date on which the Manager's appointment hereunder is terminated.

"**$**" means Canadian Dollars.

1.2 **Business Day**. Unless otherwise specified, if under this Agreement any payment or calculation is to be made, or any other action is to be taken, on or as of a day which is not a Business Day, that payment or calculation shall be made, and that other action shall be taken, as applicable, on or as of the next day that is a Business Day.

1.3 **Number and Gender**. Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.4 **References**. Unless otherwise specified, references in this Agreement to Sections, subsections and other sub-divisions, as applicable, refer to Sections, subsections and other sub-divisions of this Agreement.

1.5 **Statutory References**. Unless otherwise specified, all references to any statute, regulation or other enactment is deemed to be a reference to that statute, regulation or other enactment as amended, re-enacted or replaced from time to time.

1.6 **Headings**. The headings in this Agreement are included for the convenience of reference only and in no way define or limit any of the provisions hereof or otherwise affect their construction or effect.

1.7 **Time of Day**. Unless otherwise specified, references to time of day or date means the local time or date in the City of Saskatoon, Province of Saskatchewan.

1.8 **Currency**. Unless otherwise specified, all references herein to currency shall be references to currency of Canada.

1.9 **Schedules**. The following Schedules are attached to and form part of this Agreement:

Schedule “A” - Investment Guidelines

Schedule “B” - Calculation of Net Asset Value

ARTICLE 2 - APPOINTMENT OF PORTFOLIO MANAGER

2.1 **Appointment**. The Fund hereby appoints the Portfolio Manager as the portfolio manager of the Fund to provide investment advisory and portfolio management services to the Fund and the Portfolio Manager hereby accepts such appointment, upon and subject to the terms and conditions of this Agreement.

ARTICLE 3 - DUTIES OF THE PORTFOLIO MANAGER

3.1 **General**. Subject to the terms and conditions hereof, including, without limitation, Sections 3.2 and 3.3 hereof, and subject to the Investment Guidelines, the Portfolio Manager's duties hereunder include identifying, analyzing and selecting investment opportunities for the Fund in the resource sector, monitoring the performance of resource issuers and, more generally, determining if and when to dispose of securities in the Partnership’s Portfolio and identifying, analyzing and selecting resource issuers in which the proceeds of any such dispositions may be reinvested. More specifically, but without limiting the generality of the foregoing, and in accordance with the Investment Guidelines and Applicable Law, the Portfolio Manager shall provide or arrange for the provision of the following investment services:

a. identify, examine and screen investment opportunities, invest, reinvest, manage and monitor the Portfolio and otherwise make day-to-day investment decisions relating to the acquisition and disposition (including determination of timing, terms and method) of investment, and conduct research and analysis in connection with the foregoing;

b. sell, convey, exchange for other securities or other property, convert, transfer, assign, pledge, encumber or otherwise create any interest in favour of third parties in, or dispose of any securities or other property of the Fund held in the Portfolio at any time, by any means considered reasonable by it, and to receive the consideration and grant discharges therefor;

c. instruct the Fund or any custodian appointed by the Fund as to the exercise of any conversion privileges, subscription rights, warrants and/or other rights or options available in connection with any securities or other property of the Fund in the Portfolio at any time, and to make any payments incidental thereto;

d. make decisions as to the execution of Portfolio transactions, including the selection of exchanges, or other markets, dealers or brokers, the negotiation of commissions, fees or service charges (including, without limitation, but subject to compliance with applicable regulatory restrictions, "soft dollar" arrangements), and, generally, seek to obtain overall services and prompt execution of orders on favourable terms consistent, in applicable circumstances, with applicable regulatory restrictions;

e. in connection with its obligations hereunder, open, maintain, conduct and close such accounts with any broker, dealer or investment firm as may be necessary or appropriate for the performance of the investment advisory and portfolio management services described herein;

f. take all necessary actions with respect to voting proxies, taking action by consent of shareholders, participating in or dissenting from and generally exercise any of the powers of an owner with respect to securities or other property of the Fund in the Portfolio with respect to the issuers of Portfolio securities;

g. advise the Fund, and provide assistance where required, promptly of all information which is known to it and is relevant to the valuation of individual securities in the Portfolio and of the Portfolio, including any changes in the holdings of the Portfolio, any circumstances of which it is or should be aware which would necessitate an adjustment from a valuation of investments which are subject to a hold period, resale restrictions or similar constraints, provided, however, that the responsibility for performing the valuation of the Portfolio shall at all times remain with the Fund;

h. promptly provide the Fund with such other reports and information as the Fund may reasonably request, including, without limitation, regular reports of the composition of the Portfolio and of changes in the composition of the Portfolio from prior reports, accounting data, recommendations with respect to the Investment Guidelines, and such information as may reasonably be required to assist in the preparation of quarterly, bi-annual, annual and other reports which the Fund may deliver to its security holders or which may be required pursuant to Applicable Law; and

i. provide such other investment advisory, portfolio management and related services to the Fund as the Fund may reasonably request from time to time.

3.2 **Restrictions on the Portfolio Manager**. Notwithstanding any other provision of this Agreement, the Portfolio Manager shall not and is not authorized to purchase or sell any securities for or on behalf of the Fund or commit the Fund to purchase or sell any securities in any of the following situations:

a. an acquisition or disposition of securities at a price representing in excess of 10% of the Net Asset Value of the Portfolio as at the time of such acquisition or disposition;

b. a disposition of securities representing greater than 50% of the Fund’s position in any particular Resource Issuer at the time of such transaction at a price below the Fund’s book value for such securities; or

c. any Portfolio transaction involving a Conflict of Interest,

unless and until such proposed transaction is first submitted to and approved by the Board and provided further that the Portfolio Manager shall disclose to the Board and may disclose directly to the IRC it may have in respect of any placement or investment (or proposed placement or investment) of the Fund’s funds in the securities of any issuer, including, without limitation, disclosing the nature and amount of fees, commissions or other compensation, if any, to be received by the Portfolio Manager in connection with or as a result of such placement or investment.

3.3 **Investment Decision-Making and Order Execution Services**. Without limiting the generality of Section 3.1 hereof, when selecting brokers and dealers to execute Portfolio transactions for and on behalf of the Fund, the Portfolio Manager shall use all reasonable efforts to secure prompt execution of orders on favorable terms having regard to various relevant factors including the size and type of the transaction, the nature and character of the markets for the relevant security, the execution experience, integrity, financial responsibility and commission rates charged by available brokers and dealers, as well as supplemental services and information which may be available through brokers, dealers or third parties in relation to investment decision-making services and order execution services. For this purpose, the term “investment decision-making services” means:

a. advice as to the value of securities and the advisability of effecting transactions in securities;

b. analysis and reports concerning securities, portfolio strategy or performance, issuers, industries or economic or political factors or trends; and

c. providing access to data bases or software to the extent they are designed mainly to support the services described in subsections 3.3(a) and 3.3(b) above.

Also for this purpose, the term “order execution services” means order execution and services related directly to order execution such as clearance and settlement where the services are provide by a broker or dealer directly or by a third party. Accordingly, the objective of securing prompt execution of orders for purchase or sale transactions on favorable terms for the Fund does not obligate the Portfolio Manager to obtain the lowest or highest net price as the case may be. The Portfolio Manager is therefore authorized, subject to Section 3.2 but otherwise to the extent permitted by Applicable Law, to commit the Fund to pay a broker or dealer who either furnishes investment decision-making and/or order execution services to the Portfolio Manager or accommodates the provision of such services by a third party, a reasonable commission for effecting a transaction which is higher than the commission that another broker or dealer would have charged for effecting such transactions provided the Portfolio Manager determines in good faith that the excess commission is reasonable in relation to the value of such investment decision-making and/or order execution services viewed in terms of the particular transaction or the Portfolio Manager’s overall responsibility with respect to the discretionary accounts managed by it. The Portfolio Manager shall provide the Fund with such regular reports as it may reasonably request respecting such arrangements.

3.4 **Reporting**. In performing its services hereunder the Portfolio Manager shall report to the Board or its designate.

3.5 **Compliance with Investment Guidelines**. The Portfolio Manager shall not knowingly cause the Fund to breach the Investment Guidelines.

3.6 **Provision of Services**. The Portfolio Manager shall cause the services to be provided by it hereunder to be performed by or under the direction of Mr. Tom MacNeill.

3.7 **Representations and Warranties**. The Portfolio Manager represents and warrants to the Fund that:

a. it is duly incorporated and existing under the laws of the Province of Saskatchewan and shall remain so at all times during the term of this Agreement; and

b. it is duly and validly registered as a “portfolio manager” and “investment counsel” pursuant to the *Securities Act* and that all services provided by or through the Portfolio Manager to the Fund hereunder shall be provided by persons who, at all material times, are properly registered under applicable securities laws to provide such services.

ARTICLE 4 - TRANSACTION PROCEDURES, REPORTING AND ACCESS TO INFORMATION

4.1 The Portfolio Manager will issue such instructions and provide such information to the Fund, and the Fund shall issue such instructions and provide such information to the Portfolio Manager, as may be appropriate in connection with the settlement of transactions initiated by the Portfolio Manager pursuant to the provisions of this Agreement or otherwise in connection with the services of the Portfolio Manager hereunder. Such instructions may be given in writing, or orally but then confirmed in writing, provided that any such written instructions may be given by facsimile or other form of electronic transmission and shall be given as soon as practicable after any such instructions are provided orally. Additionally, the Portfolio Manager shall instruct all brokers and dealers executing orders to provide copies of all confirmations promptly after execution of transactions. The Portfolio Manager shall not be responsible for any loss incurred by reason of any act or omission of any broker, dealer or the Fund; provided, however, that the Portfolio Manager will make reasonable efforts to require that brokers and dealers selected by the Portfolio Manager perform their obligations with respect to the Fund and the property of the Fund in a timely fashion. The Portfolio Manager shall maintain proper investment records and prepare the following for investment review purposes:

a. quarterly statements of the Portfolio assets including its total rate of return over various time periods calculated on a weighted rate of return basis;

b. a brief quarterly summary of the activity of the capital markets during the quarter as it relates to the Fund's Portfolio;

c. other statements and reports as are reasonably requested by the Fund from time to time and considered necessary or desirable for the purposes of discharging the Fund’s accounting, reporting and other responsibilities and obligations under Applicable Law.

The Portfolio Manager shall additionally provide on request by the Fund or by the IRC, (or by any member of the Board or of the IRC) access to the Portfolio Manager’s books and records pertaining to transactions pursuant to this Agreement.

ARTICLE 5 - FEES AND EXPENSES

5.1 **Management Fee and Performance Bonus**. The Fund shall pay the following fees and compensation to the Portfolio Manager for the performance of its duties hereunder:

a. For each Fiscal Quarter or partial Fiscal Quarter, commencing with the Fiscal Quarter ending March 31, 2008, to the termination of the Portfolio Manager’s appointment hereunder, a fee (the “**Management Fee**”) equal to 0.5% of the Net Asset Value of the Fund calculated as of the last business day of the relevant Fiscal Quarter, which fee shall be paid by not later than the last day of the month next following the month in which the relevant Fiscal Quarter ends, subject to proration where the Portfolio Manager’s appointment is in effect for less than a full Fiscal Quarter; and

b. For each Fiscal Year or partial Fiscal Year commencing with the Fiscal year ending December 31, 2008, a bonus (the “**Performance Bonus**”), calculated as of the end of the relevant Fiscal Year (or in the event that the Portfolio Manager’s appointment hereunder is terminated , calculated as of the end of the Business Day immediately preceding the date such appointment is so terminated) in an amount in respect of each common share of the Fund that is then outstanding equal to 20% of the amount, if any, by which (i) the sum of (A) the Net Asset Value per Share as of that date, and (B) all dividends or other distributions, if any, paid in the relevant Fiscal Year on the common shares of the Fund, exceeds (ii) the greater of (i) $11.00 per share; and (ii) the Net Asset Value per Share as at the end of the preceding Fiscal Year (or in the case of any Performance Bonus that may be applicable in or at the end of the 2008 Fiscal Year as at the end of January 1, 2008) which Performance Bonus shall be paid by not later than the last day of the month next following the month in which the Performance Bonus is to be so calculated, subject to proration where the Portfolio Manager’s appointment is in effect for less than the full Fiscal Year.

5.2 **Expenses**. Subject to Section 5.3 hereof, the Portfolio Manager shall not be entitled to any other fees or other compensation or payment from the Fund other than the Management Fees and, if applicable, Performance Bonus described in Section 5.1 above, provided that the Fund shall reimburse the Portfolio Manager for all expenses reasonably and properly incurred by the Portfolio Manager in performing its duties and obligations hereunder, including, without limiting the generality of the foregoing, all taxes (other than income taxes), commissions and brokerage fees, dealer fees, clearing bank fees, travel expenses, legal expenses and similar expenses, provided that such reimbursements are not intended to and shall not include any charges for overhead or profit, it being acknowledged that such overhead and profit has been taken into consideration in determining the fees payable to the Portfolio Manager pursuant to Section 5.1 hereof.

5.3 **Adjustment**. Notwithstanding the foregoing provisions of this Article 5, if it is determined that the net asset value (the “**Partnership NAV**”) of 49 North Resource Fund Limited Partnership (the “**Partnership**”) as of December 31, 2007 was greater or less than the estimated Partnership NAV used by the Partnership and the Portfolio Manager to determine the management fees and , if applicable, performance bonus paid by the Partnership to the Portfolio Manager in respect of the period ending December 31, 2007 under that certain amended and restated investment management agreement made as of October 26, 2006 between the Partnership and the Portfloio Manager and, as a result thereof, the aggregate amount paid by the Partnership to the Portfolio Manager as described in that certain Termination Agreement and Acknowledgement made between, *inter alia*, the Partnership and the Portfolio Manager as of December 31, 2007 was greater or less than the amount that would have been paid or payable had the Partnership NAV been accurately known as of December 31, 2007, the Management Fees payable to the Portfolio Manager hereunder in respect of the Fiscal Quarter ending March 31, 2008 shall be adjusted downwards or upwards in an amount equal to such difference.

5.4 **Payments**. Any and all payments made to the Portfolio Manager pursuant to this Agreement shall be made in Canadian dollars at the head office of the Portfolio Manager in Saskatoon, Saskatchewan.

5.5 **Portfolio Manager's Expenses**. The Portfolio Manager shall be responsible for all wages, salaries and other remuneration and statutory withholdings relating to its employees, which amounts shall be paid by the Portfolio Manager as and when required by law, and the Portfolio Manager shall indemnify and save harmless the Fund in respect of any costs of any nature whatsoever incurred by the Fund or the Fund arising in relation to any such obligations of the Portfolio Manager.

5.6 **Disputes**. In the event the Portfolio Manager and Fund are unable to agree upon those amounts to be paid to the Portfolio Manager pursuant to Section 5.1, 5.2 and/or 5.3 hereof, either party may refer the matter to the Auditors whose determination shall be final and binding on both parties.

ARTICLE 6 - STANDARD OF CARE

6.1 In exercising its powers and discharging its duties under this Agreement the Portfolio Manager shall:

a. act honestly, in good faith and in the best interests of the Fund; and

b. exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances,

but the Portfolio Manager does not in any way guarantee the performance of the investments of the Fund and shall not be responsible for any loss sustained by the Fund or the security holders of the Fund except where such loss arises out of acts or omissions of the Portfolio Manager which are done or suffered in bad faith or through negligence, wilful misconduct, wilful neglect or failure to comply with such standard of care or with Applicable Laws or the terms and conditions of this Agreement.

ARTICLE 7 - OBLIGATIONS OF THE FUND

7.1 The Fund shall advise the Portfolio Manager in writing from time to time of any and all changes in the Investment Guidelines or IRC Charter and shall furnish the Portfolio Manager such information as may reasonably be required by the Portfolio Manager from time to time to carry out its duties and perform its obligations under this Agreement. The Portfolio Manager shall be entitled to assume that any such information received from the Fund is accurate and complete, and shall have no liability as a result of any error in such information or in the event of it not receiving notice of any facts relevant to this Agreement. All such information and documents supplied to the Portfolio Manager under this Agreement, and all reports, documents and information produced under this Agreement, are and shall remain the property of the Fund.

ARTICLE 8 - INDEMNITY FOR THE BENEFIT OF THE PORTFOLIO MANAGER

8.1 The Fund shall reimburse, indemnify and hold harmless the Portfolio Manager, its officers, directors and employees of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any kind or nature whatsoever including, without limitation, all legal expenses (collectively, the "**Expenses**") which are incurred by any of them in connection with or in relation to fulfillment of the duties and responsibilities of the Portfolio Manager pursuant to this Agreement, regardless of the nature or source of such Expenses; save and except where such Expenses are attributable to acts or omissions of the Portfolio Manager or any of its officers, directors or employees done or suffered in bad faith or through negligence, wilful misconduct, wilful neglect or failure to comply with the standard of care to be exercised pursuant to this Agreement or with Applicable Laws or the terms and conditions of this Agreement.

ARTICLE 9 - INDEMNITY FOR THE BENEFIT OF THE FUND

9.1 The Portfolio Manager shall indemnify and hold harmless the Fund and its officers, directors, partners, employees and agents from and against any and all expenses, losses, damages, liabilities, demands, charges and claims of any kind or nature whatsoever including all legal expenses incurred by the Fund related to or arising out of any misrepresentations in any information prepared by or on behalf of the Portfolio Manager (or any of its officers, directors, employees, agents or consultants) for, and provided to, the Fund that are due to the bad faith, negligence, wilful misconduct, wilful neglect or the failure to comply with the standard of care to be exercised pursuant to this Agreement or with Applicable Laws or the terms and conditions of this Agreement of the Portfolio Manager (or any of its officers, directors, employees, agents or consultants).

ARTICLE 10 - SERVICES NOT EXCLUSIVE

10.1 It is understood that the services of the Portfolio Manager and its officers, directors, agents, employees and consultants, are not exclusive to the Fund and that the Portfolio Manager and such officers, directors, employees, agents and/or consultants may also engage in the promotion or management of any other fund or corporation, or other entity, including but not limited to other funds, corporations or other entities which invest in resource securities, whether or not such other funds, corporations or other entities engage in the same or similar activities as those of the Fund. Further, the Fund acknowledges that the Portfolio Manager and the officers, directors, employees, agents and/or consultants thereof, are not in any way limited or affected in their ability to carry on other business ventures for their own account and for the account of others and may be engaged in the ownership, acquisition and operation of businesses which compete with the Fund and have no obligation to present any particular investment opportunity to the Fund and such persons may recommend such investment opportunities to others and/or themselves invest in such opportunities provided that, if the Portfolio Manager considers a proposed purchase or sale of a security on behalf of the Fund to be a suitable investment opportunity for other clients it may, to the extent feasible, allocate such opportunity among the Fund and its clients in a manner which it considers to be fair and equitable to the Fund and such other client. Additionally, the Fund expressly acknowledges that the Portfolio Manager may receive commissions or like fees in connection with the placement or investment of funds of the Fund's in securities of Resource Issuers and, subject to subsection 3.2(c) hereof, acknowledges that the Portfolio Manager shall have no obligation to account to the Fund in respect of any commissions or fees so paid provided that such commissions or fees comply with applicable provisions of the IRC Charter.

ARTICLE 11 - CONFIDENTIALITY

11.1 Except as specified otherwise in this Agreement and except where disclosure is required by Applicable Law, the Portfolio Manager shall hold in strict confidence and shall not use for any purpose, other than carrying out its duties and obligations hereunder, all information relating to the Fund that is provided to the Portfolio Manager as a result of its engagement hereunder, provided that the foregoing shall not apply to any information relating to the Fund that is readily available to the public.

ARTICLE 12 - SUB-ADVISERS

12.1 **Retention of Sub-Advisers**. Subject to the provisions hereof, in performing its duties and discharging its responsibilities hereunder, the Portfolio Manager may retain the services of one or more investment advisers having experience in providing investment advice respecting investments in, or in managing investment portfolios invested exclusively or substantially in, securities of resource issuers (any such investment adviser being referred to herein as a "**Sub-Adviser**").

12.2 **Sub-Adviser Agreements**. The Portfolio Manager may enter into a written agreement with any Sub-Adviser whereby such Sub-Advisor will provide the Portfolio Manager with investment advice and investment management services in respect of the services to be provided by the Portfolio Manager to the Fund hereunder.

12.3 **Responsibility of Portfolio Manager for Sub-Advisers**. The Portfolio Manager shall be responsible for any advice provided or given by any Sub-Adviser retained by it in consultation with the Fund and, unless otherwise expressly agreed to by the Fund, any and all fees payable to such Sub-Adviser shall be the responsibility of the Portfolio Manager and not the responsibility of the Fund.

ARTICLE 13 - NOTICE

13.1 Any notice or other communication (a "**Notice**") required to be given pursuant to this Agreement shall be in writing and given by personal delivery or by facsimile transmission and shall be effective upon receipt. Notices and communications shall be given:

a. to the Fund or the Fund at:

49 North Resource Fund Inc.
602 - 224 - 4th Avenue South
Saskatoon, SK S7K 5M5
Attention: President
Fax No.: (306) 664-4483

b. to the Portfolio Manager at:

TMM Portfolio Management Inc.
602 - 224 - 4th Avenue South
Saskatoon, SK S7K 5M5
Attention: President
Fax No: (306) 664-4483

ARTICLE 14 - TERM AND TERMINATION

14.1 **General**. The Portfolio Manager's appointment hereunder shall continue until terminated in accordance with the following provisions of this Section 14.1:

a. in the event that one party hereto becomes bankrupt or insolvent or if any of the registrations necessary for the Portfolio Manager to perform its duties under this Agreement are no longer in full force or effect, the other party may terminate this Agreement in its discretion on written notice to the first named party;

b. in the event that either party (in this subsection called the "**Defaulting Party**") should breach or be in default of any of the provisions of this Agreement, the other party (in this subsection referred to as the "**Innocent Party**") may terminate the Portfolio Manager's appointment on not less than 15 days written notice to the Defaulting Party provided that in such case such termination shall not be effective if the breach or default complained of in such notice is cured within such 15 days (or such greater period of time as may be allowed by such notice); and

c. either party may terminate the Portfolio Manager's appointment hereunder on not less than 30 days prior written notice to the other party.

14.2 **Return of Documents, Etc**. Upon termination of the Portfolio Manager's engagement hereunder, the Portfolio Manager shall forthwith deliver to the Fund:

a. all records, documents and books of account; and

b. all materials and supplies for which the Portfolio Manager has been paid by the Fund;

which are in the possession or control of the Portfolio Manager and which relate directly or indirectly to the performance by the Portfolio Manger of its obligations under this Agreement; provided, however, that the Portfolio Manager may retain notarial or other copies of such records, documents and books of account and the Fund or the Fund shall produce at the Fund's principal office the originals of such records, documents and books of account whenever reasonably required to do so by the Portfolio Manager for the purpose of, among other things, any legal proceedings or dealing with any Governmental Authorities.

ARTICLE 15 - MISCELLANEOUS

15.1 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of Saskatchewan and the federal laws of Canada applicable therein.

15.2 **Partial Invalidity**. If any of the provisions of this Agreement shall be held or made invalid, in whole or in part, the other provisions hereof shall remain in full force and effect.

15.3 **Assignment**. This Agreement may not be assigned by either party hereto without the prior written consent of the other party hereto, which consent may be withheld for any reason in the sole discretion of the party from whom such consent is sought. This Agreement shall enure to the benefit of and bind the parties hereto and their respective successors and permitted assigns.

15.4 **Independent Contractors**. The Portfolio Manager and the Fund are independent contractors with respect to one another and are not in any other relationship with respect to the matters herein. Nothing herein shall be construed so as to create an employment relationship or a partnership or joint venture between the Portfolio Manager and the Fund. Except as expressly provided by this Agreement or as otherwise agreed to between the parties in writing from time to time, the Portfolio Manager shall have no authority to bind or contract in the name of the Fund and the Fund shall have no authority to bind or contract in the name of the Portfolio Manager.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by the hands of their duly authorized officers as of the day and year first above written.

49 NORTH RESOURCE FUND INC.,	**TMM PORTFOLIO MANAGEMENT INC**.
signed: “Tom MacNeill”, President	signed: “Tom MacNeill”, President

SCHEDULE "A"

INVESTMENT GUIDELINES

Investment Power and Authority

The Corporation has the power and authority to invest its funds in any investments that pursuant to applicable securities legislation are lawfully permitted investments for "non-redeemable investments funds" and on such terms and conditions as may be determined by the Board, or, subject to the terms of the Portfolio Management Agreement, as may be determined by TMM. Investment may be made in either the primary market under public offerings or on a private placement basis, or in the secondary market, and the power to invest includes the power to dispose of securities and reinvest the net proceeds from any such disposition in other securities.

Without limiting the general investment power and authority referred to above, the Board expects that substantially all of the funds of the Corporation (the "Available Funds") will be invested in "resource securities", 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.

In investing Available Funds and managing the portfolio, the Board and TMM will pursue the following objectives and strategy and be guided by the following policies and guidelines (all of which are sometimes referred to herein, collectively, as the "Investment Guidelines").

Investment Objective

The Corporation has been designed and will be managed to appeal primarily to investors interested in achieving medium to long-term capital appreciation of their investment through the prudent management of the Corporation's investment Portfolio and the growth in value of the resource securities that comprise that Portfolio. Income tax benefits from the ability to deduct CEE and, potentially, claim investment tax credits associated with investments in flow-through shares, although an important consideration in mitigating some of the risks typically associated with investment in the resource sector, are considered to be of secondary long-term importance.

Resource Securities

Generally, all Available Funds will be invested in "resource securities". For these purposes, "resource securities" or "securities" include, and the Portfolio is expected to be comprised primarily of, common shares or other equity or equity-linked securities in the capital of "resource companies" and/or special warrants, warrants, options, rights and/or other convertible securities entitling the holder to acquire equity securities in the capital of resource companies. The portfolio may also include 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 include derivative instruments. For greater clarity, although the Corporation may invest in "flow-through shares" (as defined in subsection 66(15) of the *Tax Act*) of resource companies it is not in any way restricted to investing in flow-through shares.

Resource Companies

Generally, for the purposes of these 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 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 the Corporation expects to primarily invest directly in resource companies, it may also invest indirectly, such as by investing in the securities of other resource based investment funds.

Resource Sectors

Management expects that the Corporation's investment portfolio will generally be weighted approximately 75% to investment in mining companies and approximately 25% to investment in oil and gas companies with activities in Canada. However, there are no fixed restrictions or requirements as to the amount of Available Funds that must be invested in any particular sector of the resource industry or as to the geographical locations in which investee resource companies conduct their exploration and/or development activities. The sectoral mix of the portfolio may be expected to change over time in response to evolving conditions in the resource sector and market opportunities. Apart from this, Available Funds may also be invested in alternative energy companies and/or in resource companies outside of Canada.

Size and Types of Resource Companies

The Corporation's investment portfolio is now, and is expected in the future to continue to be, focused on junior and intermediate resource companies, with Available Funds invested predominantly in resource companies that are listed on the TSX Venture Exchange ("TSXV"). However, the Corporation may invest in securities of any resource company regardless of if or on what stock exchange such securities are listed, regardless of the status or stage of development of the investee company's exploration, development or other business activities, and regardless of the size or market capitalization of the investee company. A significant portion of Available Funds may at any time or from time to time be invested in unlisted securities, including securities acquired under private placements of what are commonly referred to as "founders shares" or "seed-capital shares", securities that may otherwise be issued by a company prior to completing feasibility studies including, without limitation, a Form 43-101 Report, or securities that may otherwise be issued prior to a resource company becoming a "reporting issuer" (which for the purposes of these Investment Guidelines means an issuer that is a "reporting issuer" as defined in the securities legislation of any jurisdiction or that has a status under the securities legislation of any jurisdiction substantially similar to that of a reporting issuer under the *Securities Act*). Accordingly, certain of the securities in the Corporation's portfolio may be subject to continuing re-sale and other trading restrictions under applicable securities law and/or, regardless of such restrictions, may be illiquid.

Investment Considerations

The Corporation and the Portfolio Manager, when considering investing in any particular resource company, will 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; and, to the extent available, engineering reports and other information regarding the exploration program to be conducted by the resource company. However, engineering reports may not be available with respect to any particular resource company or exploration program of such resource company or, if available, may not be prepared by independent mining or petroleum engineers. Therefore, an engineering report will not necessarily be a condition or requirement of the Corporation's investment in the securities of any particular resource company.

Diversification

Generally, the Corporation will limit its investment in any single resource issuer to a maximum of 10% of Available Funds. However, with the express approval of the Board, after giving due consideration to market capitalization, price, liquidity, and other relevant factors, up to 20% of Available Funds may be invested in any particular, publicly traded resource company.

No Control

Generally, the Corporation will not invest for the purpose of exercising or seeking to exercise control of an issuer or for the purposes of being actively involved in the management of any issuer in which it invests. Generally, this means that it will not purchase more than 9.99% of the voting securities in any publicly listed resource issuer in which it may invest, and not greater 19.99% of the voting securities in any other resource issuer in which it may invest. In isolated instances the Corporation may acquire 20% or more of the voting securities of a non-listed resource issuer, but only if, in the circumstances, such investment would not result in the Corporation being considered a “control person” in relation to such issuer under applicable securities legislation and/or subject to the Corporation obtaining such discretionary orders or approvals of applicable regulatory authorities as may be necessary so as to not jeopardize its status as an “investment fund” for the purposes of applicable securities legislation.

Restriction on Underwriting

The Corporation will not act as an underwriter except to the extent that it may be deemed to be an underwriter in connection with the sale of securities in its investment portfolio.

Derivatives

In addition to investing in resource securities as described above, the Corporation may invest in derivative instruments that are consistent with its overall investment objective. In that regard, although the Corporation may invest in derivatives for non-hedging or speculative purposes, generally, the Corporation expects to use derivatives with the intention of offsetting or reducing risks associated with an investment or group of investments in resource securities and may use derivates 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. The Corporation may seek to enhance the return to its portfolio through the use of derivates 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. Derivates may be used by the Corporation to position its investment portfolio so that it may profit from declines in financial markets. Subject to applicable laws, the derivates that the Corporation 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 the Corporation may invest in or use such derivates for hedging purposes and for non-hedging purposes.

SCHEDULE "B"

CALCULATION OF NET ASSET VALUE

The Net Asset Value will be calculated by or on behalf of the Fund on each Valuation Date by subtracting the aggregate amount of the Fund's liabilities from the aggregate of the Fund's assets on that date. For this purpose, the Fund's assets will be valued as follows:

a. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on a date before the date as of which the Net Asset Value is being determined and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that: (i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of one year or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition; (ii) interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of an obligation at the time of its acquisition, and (iii) if the Fund has determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof, the value thereof shall be deemed to be such value as the Fund determines to be the fair value thereof;

b. the value of any security which is listed or traded upon a stock exchange shall be determined by taking the latest available sale price of recent date (or such other value as Canadian generally accepted accounting principles or the Canadian Securities Administrators may require or permit), or lacking any recent sales or any record thereof, the simple average of the latest available offer price and the latest available bid price, (unless in the opinion of the Fund such value does not reflect the value thereof and in which case the latest offer price or bid price will be used as determined by the Fund), as at the Valuation Date on which the Net Asset Value is being determined, all as reported by any means in common use;

c. any market price reported in currency other than Canadian dollars shall be translated into Canadian currency at the prevailing rate of exchange, as determined by the Fund, at the Valuation Date;

d. the value of any securities traded over-the-counter will be priced at the average of the latest bid and ask prices quoted by a major dealer in such securities unless a different fair market value is otherwise determined by the Fund;

e. except as otherwise provided, assets, including restricted securities, for which no published market exists will be valued at cost unless a different fair market value is determined by the Fund;

f. the value of any restricted securities (including securities subject to any hold period) shall be the lesser of:

    (i) the value thereof based on reported quotations in common use; and

    (ii) the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, multiplied by the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known,

provided that if any security or property or other assets cannot be valued under the foregoing principles or if the foregoing principles are at any time considered by the Fund to be inappropriate under the circumstances, then notwithstanding such principles, the Fund will make such valuation as it considers fair and reasonable and, if there is an industry practise, in a manner consistent with industry practise for valuing such securities, property or other assets.

The liabilities of the Fund on each Valuation Date shall be as determined by the Fund in accordance with normal business practices and Canadian generally accepted accounting principles. The liabilities of the Fund include all bills, notes and accounts payable; all administrative expenses payable or accrued (including Management Fees and, if applicable, any Performance Bonus (after the date such Performance Bonus is determined) due or accruing due to the Portfolio Manager); accrued but unpaid dividends on and, without duplication, the amount that the Fund would be required to pay to redeem all of the outstanding shares of any class or series of shares in the capital of the Corporation that rank in priority to the payment of dividends on the Fund's common shares and/or that are redeemable at the option of the holder assuming that such shares were redeemed by the holders' as of such Valuation date; all contractual obligations for the payment of money or property; all allowances authorized or approved by the Fund for taxes; and all other liabilities of the Fund.

The Net Asset Value per Share shall be calculated by dividing the Net Asset Value as of a particular Valuation Date by the total number of common shares of the Fund that are outstanding on that date.

The Net Asset Value per Share will be calculated in accordance with the rules and procedures of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Fund may obtain. The Net Asset Value per Share determined in accordance with the principles set out above may differ from Net Asset Value per Share under Canadian generally accepted accounting principles.