TRANSFER AGREEMENT made as of January 10, 2013.

BETWEEN:

49 NORTH 2012 RESOURCE FUND INC., a corporation duly incorporated under the laws of Saskatchewan, and having its principal place of business in Saskatoon, Saskatchewan (the "**General Partner**"), as general partner and on behalf of **49 North 2012 Resource Flow-Through Limited Partnership** (the "**Partnership**")

-and-

49 NORTH RESOURCES INC., a corporation duly incorporated under the laws of Saskatchewan, and having its principal place of business in Saskatoon, Saskatchewan ("**FNR**")

WHEREAS the General Partner is the general partner of the Partnership, a limited partnership formed pursuant to a limited partnership agreement made March 2, 2012 (such limited partnership agreement, as amended from time to time, being herein referred to as the "**Partnership Agreement**") and constituted as a limited partnership under the laws of Saskatchewan upon the filing of a declaration of limited partnership dated March 2, 2012 pursuant to *The Partnership Act* (Saskatchewan) and *The Business Names Registration Act* (Saskatchewan) (such declaration, as amended from time to time, being herein referred to as the "**Declaration**");

AND WHEREAS the Partnership filed a Prospectus (as hereafter defined) with the securities regulators in Saskatchewan, Ontario, British Columbia, Alberta and Manitoba dated May 16, 2012;

AND WHEREAS prior to June 30, 2013 the Partnership wishes to transfer its Eligible Assets (as hereafter defined), consisting primarily of Flow-Through Shares (as hereafter defined) and certain other securities of the Partnership, to FNR in accordance with the disclosure contained in the Prospectus;

AND WHEREAS the parties hereto intend that the Exchange Transaction (as hereafter defined) occurs on a tax-deferred basis under subsection 85(2) of the Tax Act (as hereafter defined);

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 for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 **Definitions.** Where used in this Agreement, the following terms shall, unless the context otherwise requires, have the following meanings, respectively, and grammatical variations of such terms shall be interpreted accordingly:

"**Agreement**" means this Transfer Agreement, as the same may be amended, supplemented or restated from time to time;

"**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;

"**Applicable Securities Law**" means *The Securities Act, 1988* (Saskatchewan) and the securities legislation of every other jurisdiction having jurisdiction over the Partnership and/or FNR and/or over the trading in the securities of the Partnership and/or FNR, and includes all regulations, rules, national instruments, multi-lateral instruments, local instruments, blanket orders, rulings and other instruments or matters having the force of law under such securities legislation;

"**Business Day"** means a day that is not a Saturday, Sunday or statutory holiday in Saskatoon, Saskatchewan;

"**Contract**" means any agreement, indenture, contract, lease, deed of trust, licence, option, instrument or other commitment, whether written or oral;

"**Dissolution Transaction**" has the meaning given that term in Section 2.1;

"**Eligible Assets**" means all of the assets, rights and properties of the Partnership on the Transfer Date that are eligible for transfer under subsection 85(2) of the Tax Act;

"**Exchange**" means such stock exchange on which the Listed Shares may be listed as of the Transfer Date;

"**Exchange Transaction**" has the meaning given that term in Section 2.1;

"**Flow-Through Share**" means a common share in the capital of a Resource Issuer (or a right, warrant, convertible debenture or other security convertible into common shares of a Resource Issuer) which qualifies as a "flow-through share" as defined in subsection 66(15) of the *Tax Act*;

"**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;

"**Person**" or "**person**" means any individual, sole proprietorship, partnership, limited partnership, corporation, trust, joint venture, Governmental Authority or any incorporated or unincorporated entity or association of any nature;

"**Purchase Price**" has the meaning given that term in Section 2.1;

"**Proposed Rollover Transaction**" has the meaning given that term in Section 2.1;

"**Prospectus**" means the Partnership's prospectus dated May 16, 2012 and all amendments, supplements, restatements and replacements thereof from time to time, relating to the distribution in Saskatchewan, Ontario, British Columbia, Alberta and Manitoba by the Partnership of up to 500,000 Units at a price of $10 per Unit;

"**Share Consideration**" has the meaning given that term in Section 2.1;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Transfer Date**" means February 1, 2013, or such other date as may be agreed to by the Partnership and FNR;

"**Transferred Assets**" has the meaning given that term in Section 2.1;

"**TSXV**" means the TSX Venture Exchange,

and all other terms used but not otherwise defined in this Agreement, that are defined in the Partnership Agreement, shall have the meaning given those terms in the Partnership Agreement.

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 **Articles, Headings, References etc**. The division of this Agreement into Articles, Sections, subsections, paragraphs, subparagraphs and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "hereto", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section, subsection, paragraph, subparagraph, clause or other portion hereof and, unless otherwise indicated, a references in this Agreement to Articles, Sections, subsections, paragraphs, subparagraphs, clauses or other subdivisions, as applicable, is meant as a reference to the Articles, Sections, subsections, paragraphs, subparagraphs, clauses or other subdivisions 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 **Time of Day**. Unless otherwise specified, references to time of day means the local time in the Saskatoon, Saskatchewan.

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

1.8 **GAAP**. Wherever in this Agreement reference is made to a financial calculation or determination to be made, it shall be made in accordance with generally accepted accounting principles ("**GAAP**"), or, when required by Applicable Law, the International Financial Reporting Standards applicable to the Business of the Partnership ("IFRS") consistently applied from time to time and approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or determination is made or required to be made.

ARTICLE 2 - TRANSFER PROVISIONS

2.1 **Proposed Rollover Transaction**. On the Transfer Date the Partnership shall transfer, assign and set over to FNR, and FNR shall purchase from the Partnership, all of the Partnership's Eligible Assets as at the Transfer Date, including, without limitation:

a. all Flow-Through Shares;

b. all other securities, if any;

c. all accounts receivable; and

d. all other property of the Partnership eligible for transfer under subsection 85(2) of the Tax Act,

and FNR shall, subject to Section 2.2, assume substantially all of the Partnership outstanding liabilities as of the Transfer Date (such Eligible Assets, net of any such assumed liabilities, being herein referred to collectively as the "**Transferred Assets**") at and for a purchase price calculated in accordance with Section 2.3 (the "**Purchase Price**"), in exchange for which FNR shall issue to the Partnership that number of Listed Shares calculated in accordance with Section 2.4 (the "**Share Consideration**") (the "**Exchange Transaction**") and, effective on or as soon as reasonably possible following the Transfer Date and, in any event, within 60 days of the Transfer Date, the General Partner shall cause the Partnership to be dissolved and its assets, including the Share Consideration, shall be distributed among the Partners in accordance with the Partnership Agreement as to 0.01% to the General Partner and as to 99.99% amongst the persons who are then Limited Partner and *pro rata* amongst such Limited Partners in accordance with the number of Units they each then hold, provided that so as to avoid the distribution of fractional Listed Shares the number of Listed Shares distributed to the General Partner and/or to any particular Limited Partner shall be rounded upwards or downwards in a manner considered fair by the General Partner (the "**Dissolution Transaction**" and, with the Exchange Transaction, collectively the "**Proposed Rollover Transaction**").

2.2 **Payment of Liabilities and Disposition of Ineligible Assets**. The Partnership shall use commercially reasonable efforts to pay out and discharge all of its liabilities and dispose of all of its assets that are not Eligible Assets prior to the Transfer Date so that on the Transfer Date, immediately prior to the closing of the Exchange Transaction, the only assets and liabilities of the Partnership will be Eligible Assets.

2.3 **Calculation of Purchase Price**. The Purchase Price shall be that amount equal to the Net Asset Value of the Partnership as of the Transfer Date, provided that the value of the Partnership's Portfolio investments shall be deemed to be their respective values as of the end of the day on the date of this Agreement, all of which shall be calculated in accordance with GAAP (or, when required by Applicable Law, IFRS), and further provided that:

a. any distributions paid or declared for payment by the Partnership as of a record date prior to the Transfer Date shall be deducted from the Purchase Price otherwise determined;

b. any Eligible Assets acquired by the Partnership after the date of this Agreement shall be valued at the actual cost paid by the Partnership to acquire such Eligible Assets; and

c. the Purchase Price may be adjusted for such additional matters as may be necessary in the circumstances and agreed to between the General Partner and FNR,

and further provided that the Purchase Price and/or the value of the assets of the Partnership may be further adjusted by such amounts as may be agreed to by the General Partner and FNR if and to the extent that such adjustments are required as a condition to the acceptance of the Proposed Rollover Transaction by the Exchange.

2.4 **Calculation of Share Consideration**. The Listed Shares will be valued at the weighted average trading price of such shares on the Exchange during the 30 days prior to the entering of this Agreement, provided that the value of the Listed Shares may be adjusted by such amounts as may be agreed to by the General Partner and FNR if and to the extent that such adjustments are required as a condition to the acceptance of the Proposed Rollover Transaction by the Exchange, and the Share Consideration shall be comprised of that number of Listed Shares, rounded to the nearest whole number, having an aggregate value, as so determined, equal to the Purchase Price.

2.5 **Tax Elections**. For income tax purposes:

a. the sale and transfer of the Eligible Assets shall occur in accordance with the provisions of subsection 85(2) of the Tax Act and, for such purpose, the elected amount for the respective Eligible Assets comprising the Transferred Assets shall be equal to the Partnership's "adjusted cost base" (as that term is defined in the Tax Act) for such Eligible Assets as of the Transfer Date; and

b. the subsequent winding-up and dissolution of the Partnership and the distribution of the Share Consideration amongst the General Partner and Limited Partners as described in Section 2.1 shall occur in accordance with the provisions in subsection 85(3) of the Tax Act, and the General Partner, on behalf of the Partnership, and FNR agree to complete and file or cause to be filed a joint election or elections with the CRA consistent with the provisions of this Section 2.5 in the forms and within the time periods prescribed by the Tax Act.

2.6 **Additional Documents**. On or prior to the Transfer Date, the Partnership and FNR shall prepare and provide to one another all such calculations, certificates and other information as may reasonably be requested to verify the Purchase Price and the Share Consideration and on, prior to or after the Transfer Date shall execute and deliver such other documents, transfers, conveyances, deeds, assurances and procedures as may be necessary or desirable to give effect to or perfect the transactions contemplated by this Agreement.

2.7 **Representations and Warranties of the Partnership**. The Partnership represents and warrants to FNR that:

a. as of the date hereof it is, and on the Transfer Date it shall be, a limited partnership duly formed and constituted and validly subsisting under the laws of the Province of Saskatchewan, and it has the power and authority to enter into this Agreement and perform its obligations hereunder;

b. this Agreement has been duly authorized, executed and delivered by it and is a legal, valid and binding obligation of it, enforceable against the Partnership by FNR in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;

c. the execution and delivery of this Agreement by the General Partner on behalf of the Partnership and the consummation of the transactions herein provided for will not result in:

    i. the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Partnership or General Partner under:

        A. any Contract to which the Partnership or General Partner is a party or by which the Partnership's or General Partner's properties are bound;

        B. any provisions of the General Partner's articles of incorporation or bylaws, or any resolutions of its board of directors or shareholders or any provisions of the Partnership Agreement or any resolution of the Partnership's partners;

        C. any judgement, decree, order or award of any Governmental Authority having jurisdiction over the Partnership or the General Partner: or

    ii. the breach or violation of any provision of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Partnership or General Partner under any Applicable Law; or

    iii. the creation or imposition of any encumbrance on any of the assets or business of the Partnership or the General Partner except as provided for herein;

d. on the Transfer Date the Partnership will be a reporting issuer or its equivalent in Saskatchewan, British Columbia, Alberta, Manitoba and Ontario;

e. on the Transfer Date all of the Transferred Assets, including without limitation all Flow-Through Shares and other securities forming part of the Eligible Assets will be legally and beneficially owned by the Partnership, with a good and marketable title thereto, free and clear of all mortgages, pledges, liens, charges, security interests, adverse claims, demands and encumbrances whatsoever; and

f. except for FNR under this Agreement, no person will have any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such, for the purchase from the Partnership of any of the Transferred Assets,

all of which representations and warranties are provided for the exclusive benefit of FNR and may be waived by FNR, in whole or in part, at any time, without prejudice to the rights of FNR in respect of any other representation or warranty by the Partnership in this Agreement.

2.8 **Representations and Warranties of FNR**. FNR represents and warrants to the Partnership that:

a. as of the date hereof it is, and on the Transfer Date it shall be, a corporation duly incorporated and organized and validly subsisting under the laws of the Province of Saskatchewan, and it has the power and authority to enter into this Agreement and perform its obligations hereunder.

b. this Agreement has been duly authorized, executed and delivered by and is a legal, valid and binding obligation of FNR, enforceable against FNR by the Partnership in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;

c. the execution and delivery of this Agreement by FNR and the consummation of the transactions herein provided for will not result in:

    i. the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of FNR under:

        A. any Contract to which such it is a party or by which it or its properties are bound;

        B. any provisions of its articles of incorporation or bylaws, or any resolutions of its board of directors or shareholders;

        C. any judgement, decree, order or award of any Governmental Authority having jurisdiction over FNR; or

    ii. the breach or violation of any provision of, or constitute a default under, or conflict with or cause the acceleration of any obligation of FNR under any Applicable Law; or

    iii. the creation or imposition of any encumbrance on any of the assets or business of such party except as provided for herein.

d. on the Transfer Date FNR will be a reporting issuer or its equivalent in every province and territory of Canada;

e. on the Transfer Date the Listed Shares will be listed for trading on the TSXV or the TSX; and

f. upon receipt by FNR of the Transferred Assets, the Listed Shares issued to the Partnership as the Share Consideration will be validly issued as fully paid and non-assessable common shares in the capital stock of FNR, all of which representations and warranties are provided for the exclusive benefit of the Partnership and may be waived by the Partnership, in whole or in part, at any time, without prejudice to the rights of the Partnership in respect of any other representation or warranty by FNR in this Agreement.

2.9 **Closing**. Closing of the Exchange Transaction will take place on the Transfer Date at the office's of FNR's counsel, provided that the following shall each be a condition to the obligations of the Partnership and FNR to close the Exchange Transaction:

a. the receipt of all necessary approvals, if any, of securities regulatory authorities and others, including the condition that, at the time at which the transaction is completed, the Listed Shares of FNR will be listed and posted for trading on the TSXV (or the TSX) and FNR shall have received all necessary approvals of such Exchange in respect of the Proposed Rollover Transaction;

b. at the time the Share Consideration is issued to the Partnership, FNR will be a reporting issuer or the equivalent thereof, not in default, under *The Securities Act, 1988* (Saskatchewan) and the securities legislation of every other province and territory of Canada where holders of Units are then resident;

c. at the time the Exchange Transaction is completed, TMM Portfolio Management Inc. will be the portfolio manager of FNR under a valid and enforceable portfolio management agreement;

d. the Exchange Transaction shall have been approved by the Independent Review Committee;

e. unless waived by the other party, the respective representations and warranties of the Partnership and FNR under this Agreement shall be true and correct in all material respects, as if made on the Transfer Date, and each party shall have discharged their respective obligations under this Agreement;

f. FNR shall have delivered to or to the order of the Partnership one or more share certificates in respect to the Listed Shares issued to the Partnership under this Agreement;

g. no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Listed Shares or any other securities of FNR will be issued or made by any Governmental Authority and be continuing in effect and no proceedings for that purpose will have been instituted, or to the knowledge of FNR pending, contemplated or threatened by any Governmental Authority; and

h. FNR shall have agreed to provide, on dissolution of the Partnership, evidence of ownership of the Listed Shares issued in such Exchange Transaction to each former Limited Partner.

2.10 **Acceptance by the Exchange and Effective Time of Closing**. The Partnership and FNR agree that subject to Section 2.9, the Proposed Rollover Transaction shall be completed and closed at the times described in Section 2.1, and further provided that, notwithstanding that the Exchange may not have granted its final acceptance for the Proposed Rollover Transaction as of the Transfer Date, the Proposed Rollover Transaction may nonetheless close and be completed on the dates specified in Section 2.1, but in escrow pending the Exchange's final acceptance, in which case all documents and instruments to be delivered by or on behalf of the Partnership and/or FNR shall be deposited for that purpose with FNR's counsel and shall then be released from such escrow upon and subject to the Exchange granting or confirming its final acceptance of the Proposed Rollover Transaction. In that regard, the Partnership and FNR shall complete and file all necessary documents with the Exchange and do such other acts and things as may be reasonably necessary or desirable, to obtain such final acceptance as soon as possible on or after the Transfer Date. For greater clarity, however, all of the transactions described in Section 2.1 shall and shall be deemed to have been completed and closed on and effective as of the respective times specified in said Section 2.1 and the fact that:

a. closing may occur in escrow as contemplated by this Section 2.10;

b. any document contemplated by this Agreement to be filed and/or registered with the Exchange or under Applicable Securities Law and/or other Applicable Law with any Governmental Authority may not in fact be filed and/or registered until after such times; and/or

c. the registration, issue, transfer or cancellation of, or the date on or the delivery of any certificates representing any securities issued, sold, transferred or cancelled pursuant to this Agreement may not be recorded, dated or occur until a later time,

shall not delay or be deemed to have delayed the completion of any transactions under this Agreement, all of which shall and shall be deemed to have occurred as of and at the times and in the order specified in Section 2.1.

ARTICLE 3 - MISCELLANEOUS

3.1 **Relationship**. The Partnership (through the General Partner) and FNR 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, a partnership, or a joint venture between the Partnership (through the General Partner) and FNR. Except as expressly provided by this Agreement or as otherwise agreed to between the parties in writing from time to time, no party hereto has any authority to bind or contract in the name of any other party hereto.

3.2 **Further Assurances**. Each party to this Agreement shall from time to time at the request of any other party, execute and deliver all such additional documents and assurances and do all such other acts and things as any other party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or any of the respective obligations of the parties intended to be created hereby.

3.3 **Successors and Assigns**. This Agreement shall be binding upon and enure to the benefit of the parties hereto and to their respective successors and assigns, provided that no party shall assign this Agreement in whole or in part except with the prior written consent of the other party.

3.4 **Governing Law and Attornment**. This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein and the parties hereby irrevocably accept and attorn to the jurisdiction of the courts of Saskatchewan and all courts competent to hear appeals therefrom.

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

49 NORTH 2012 RESOURCE FUND INC.,
as general partner and on behalf of
49 North 2012 Resource Flow-Through Limited Partnership

(Signed) Tom MacNeill
President

49 NORTH RESOURCES INC.

(Signed) Tom MacNeill
President