

FORM 51-102 F3

MATERIAL CHANGE REPORT

(Pursuant to Part 7 of National Instrument 51-102 - Continuous Disclosure Obligations)

1. Name and Address of Issuer:

49 North Resources Inc. (the “**Issuer**”, the “**Company**” or “**49 North**”)
602 – 224 - 4th Avenue South
Saskatoon, SK S7K 5M5

2. Date of Material Change:

February 3, 2021

3. Press Release:

A press release was distributed through CISION on February 3, 2021.

4. Summary of Material Changes:

The Company announced that with respect to its outstanding Debentures (as defined below), it intends to seek approval of a new proposal to restructure the Debentures at a joint extraordinary meeting of the holders of the Debentures to be held March 22, 2021.

5. Full Description of Material Change:

The Company announced that, after discussions with debentureholders, it is calling a joint meeting of the holders of all if its issued and outstanding Debentures to consider a new restructuring proposal. The new proposal will see the conversion price for all Debentures set at \$0.15 per share instead of \$0.20 as was proposed in 2020. The proposal also provides that the Debentures will be redeemable in whole or in part at the option of the Company from time to time on not more than 60 and not less than 30 days prior notice at the face value of the Debentures plus accrued and unpaid interest. Further, 49 North will also commit to use 50% of the net proceeds of any financing it completes during the term of the Debentures to redeem Debentures, on a pro rata basis.

The Company has set March 22, 2021 as the date of the joint extraordinary meeting (the “**Debentureholder Meeting**”) of the holders of its 2015 2.5% Convertible Senior Secured Debentures – Series 1 (the “**Series 1 Senior Debentures**”), the holders of its 2015 2.5% Convertible Senior Secured Debentures – Series 2 (the “**Series 2 Senior Debentures**”, and together with the Series 1 Debentures, the “**Senior Debentures**”) and the holders of its 2015 2.5% Convertible Subordinated Secured Debentures (the “**Subordinated Debentures**”, and together with the Senior Debentures, the “**Debentures**”) to consider the new proposal. At the Debentureholder Meeting, the applicable debentureholders will be asked to consider the following amendments to the applicable Debentures:

1. Extend the maturity date of the Debentures by three (3) years;
2. Amend the Debentures’ conversion price to \$0.15 for the remainder of the term of the Debentures;
3. The Company shall have the right, at its sole option and from time to time, to redeem the Debentures in whole or in part on not more than 60 and not less than 30 days prior notice for the face value of the Debentures plus accrued and unpaid interest, subject to the right of the holders to convert prior to such prepayment; and
4. Add a covenant of the Company to use 50% of the net proceeds of any financing it closes during the term

of the Debentures to redeem the principal of and interest on the Debentures, on a pro rata basis.

Other than the amendments listed above, the terms of the Debentures will remain unchanged.

The amendments are subject to the condition precedent that all of the Debenture amendments are effected contemporaneously. Upon the amendments to the Debentures becoming effective, the defaults of the Company resulting from its failure to pay the principal amount of the Debentures on June 30, 2020 and December 18, 2020, as applicable, shall be waived.

Definitive information with respect to the proposed Debenture amendments, once finalized, will be outlined in a management information circular (the “**Circular**”) expected to be disseminated in February 2021. The proposal is made, with respect to the Senior Debentures, pursuant to the provisions of the trust indenture dated May 27, 2015 (the “**Senior Indenture**”) and, with respect to the Subordinated Debentures, pursuant to the provisions of the trust indenture dated December 18, 2015 (the “**Subordinated Indenture**”), each between 49 North and Alliance Trust Company of Canada (the “**Trustee**”) and which allows for the desired amendments upon approval of at least 66 $\frac{2}{3}$ % of the principal amount of the applicable Debentures voted at the Debentureholder Meeting, either in person or by proxy or by written resolution. Implementation of the amendment is subject to receipt of necessary approvals from the TSX Venture Exchange.

The Company has elected to use notice-and-access provisions of applicable securities law to deliver the meeting materials for the Debentureholder Meeting, including the Circular, to debentureholders. The Company will send a notice (the “**Notice-and-Access Notice**”) along with a proxy or voting instruction form to debentureholders. The Notice-and-Access Notice informs that the Circular (and certain other meeting materials) will be posted online and explains how a debentureholder can access those materials or obtain a paper copy of such meeting materials from the Company.

On March 22, 2021 the Debentureholder Meeting will be held at the offices of 49 North, 602 – 224 Fourth Avenue South, Saskatoon, Saskatchewan, at 10:00 a.m. (Central Standard Time). In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to health and safety of debentureholders, employees and other stakeholders, 49 North is encouraging debentureholders and others not to attend the Debentureholder Meeting in person. Instead, we encourage you to vote your Debentures prior to the meeting.

Anyone who regards their physical attendance at the Debentureholder Meeting as essential is asked to contact 49 North at (306) 653-2692 so that appropriate measures can be put in place to facilitate physical distancing and other precautions to ensure the health and safety of all attendees. 49 North will follow the guidelines and orders of the Provincial and Federal Public Health Authorities in that regard, including those restricting the size of public gatherings.

All debentureholder documents will be available for download on the Company homepage at: www.fnr.ca in due course.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

This report is not being filed on a confidential basis.

7. Omitted Information:

There are no significant facts required to be disclosed herein which have been omitted.

8. Executive Officer:

For further information contact:

Tom MacNeill
President and Chief Executive Officer
49 North Resources Inc.
Phone: 306-653-2692

9. Date of Report:

February 8, 2021

Forward Looking Information:

Information in this Material Change Report that is not a statement of historical fact constitutes forward-looking information. Forward-looking statements contained herein include statements relating to any future payment under or amendment to the terms of the Debentures, any actions or approvals of the TSX Venture Exchange, the Trustee or the applicable holders of Debentures with respect to amending the Debentures. Forward-looking statements are based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: the risk that any amendment to the Debentures may not be approved by the TSX Venture Exchange, the Trustee or the applicable holders of Debentures, the risk that the Trustee may take enforcement action under the Senior Indenture and related security agreements, uncertainties as a result of the global Covid-19 pandemic as well as those risk factors set out in the Company's Management Discussion and Analysis and other disclosure documents available under the Company's profile at www.sedar.com. Forward-looking statements contained herein are made as of the date of this Material Change Report and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.