

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

*(pursuant to Part 11 of National Instrument 81-106, Investment Fund Continuous Disclosure)*

**1. Name and Address of Issuer:**

49 North Resource Fund Limited Partnership (the “Issuer”)  
602 – 224 4<sup>th</sup> Avenue South  
Saskatoon, SK  
S7K 5M5

**2. Date of Material Change:**

May 10, 2007.

**3. Press Release:**

A press release was distributed through CCN Matthews on May 10, 2007

**4. Summary of Material Changes:**

The Issuer announced that it proposes to issue and sell a CDN\$2,000,000 convertible secured debenture on a private placement basis..

**5. Full Description of Material Change:**

On May 10, 2007 the Issuer announced that it proposes to issue and sell a CDN\$2,000,000 convertible secured debenture on a private placement basis. The debenture will be non-transferable and have a term of approximately five years maturing May 1, 2012 with interest at 9% payable annually in cash on December 31 of each year commencing December 31, 2007. The principal amount of the debenture will be convertible in whole or in part at any time at the option of the holder into limited partnership units of the Issuer (“Units”) at a conversion price of CDN\$5.00 per Unit. Additionally, if and when both the Net Asset Value per Unit and trading price of the Units reach \$6.00 for a period of at least sixty consecutive days (the “Target Value”), the Issuer will have the right to require the holder to either convert the whole of the debenture into Units at the \$5.00 per Unit conversion price or to sell the debenture back to the Issuer at \$2,400,000 plus any accrued but unpaid interest. The Issuer will not have the right to prepay the Debenture; but, pending achieving the Target Value, will have the right exercisable on sixty days notice to call the debenture for repurchase at a price equal to its \$2,000,000 face value plus accrued interest plus a premium equal to a declining percentage of the face value of the debenture as follows:

<u>Date of Repurchase</u>	<u>Premium</u>
before May 1, 2008	10%
May 1, 2008 to Apr 30, 2009	8%

May 1, 2009 to Apr 30, 2010	6%
May 1, 2010 to Apr 30, 2011	4%
May 1, 2011 to Apr 30, 2012	2%

The debenture will be secured by a general security interest in all of the Issuer's present and after acquired property.

Proceeds of the debenture, together with proceeds from the sale by the Issuer of portfolio securities in the ordinary course of business, will be used for reinvestment in portfolio securities, to pay off all of the Issuer's existing secured indebtedness in the principal amount of \$850,000 plus accrued interest and for general working capital purposes.

Completion of the transaction is subject to board and regulatory approval.

**6. Reliance on subsection 11.2 (2) or (3) of National Instrument 81-106**

N/A

**7. Omitted Information:**

N/A

**8. Executive Officers:**

For further information contact:

Tom MacNeill  
President & CEO, 49 North Resource Fund Inc.  
As general partner of 49 North Resource Fund Limited Partnership  
Phone: (306) 664-4626

**9. Date of Report:**

This report is dated May 10, 2007.