

## 49 North Resource Fund Inc.

TSX VENTURE: FNR



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### 49 North Resource Funds Announce Proposed Roll-Over Transaction

SASKATOON, SASKATCHEWAN--(Marketwire - Jan. 17, 2008) - 49 North Resource Fund Inc. (49 North) (TSX VENTURE:FNR) and 49 North 2007 Resource Flow-Through Limited Partnership (the 2007 Fund) announce that they have reached an agreement in principal pursuant to which 49 North will acquire substantially all of the assets of the 2007 Fund in a proposed roll-over transaction (the "Transaction") that is targeted to close on or about February 22, 2008. At closing, the 2007 Fund will sell and transfer its investment portfolio and other assets to, and in exchange for common shares of, 49 North, and, immediately thereafter, the 2007 Fund will be wound-up and the common shares will be distributed pro rata amongst the 2007 Fund's unitholders. The Transaction will be carried out in accordance with the "roll-over" provisions in subsections 85(2) and (3) of the Income Tax Act (Canada) and is not expected to have material income tax consequences to the 2007 Fund or its unitholders.

The assets transferred by the 2007 Fund and the common shares issued by 49 North will be valued for the purposes of the Transaction on the basis of the Funds' respective net asset values (NAV) as of February 14, 2008 (the Effective Time), which is the date of a special meeting of the 2007 Fund that has been called for the purpose of authorizing the Transaction. As outlined in more detail below, based on the 2007 Fund's investment portfolio and NAV as of December 31, 2007, the total value of the 2007 Fund's assets as of February 14, 2008 is anticipated to be approximately \$7,884,000, or \$8.39 per unit for each of the 932,770 units that are currently outstanding. At the same time, 49 North's common shares are anticipated to have a NAV of approximately \$16.15, which would result in an estimated 484,783 common shares of 49 North being issued in satisfaction of the purchase price for the 2007 Fund's assets; thereby increasing the total number of outstanding common shares of 49 North from the 1,399,157 shares that are currently outstanding to an estimated 1,883,940 after completion of the transaction; and representing a conversion ratio of approximately 0.52 common shares being issued for each unit of the 2007 Fund. These valuations are based on calculations made as of December 31, 2007 which can be expected to change between then and the Effective Time such that the actual purchase price, number of common shares to be issued by 49 North and the resulting conversion ratio may be expected to be different than the above estimates.

49 North and the 2007 Fund are both Saskatoon based investment funds focused on junior and intermediate mineral exploration and oil & gas companies and share common management led by President & CEO Tom MacNeill CFA. The 2007 Fund raised \$9,327,700 on the sale of 932,770 units at \$10.00 per unit in an initial public offering that was completed in October 2007 pursuant to a prospectus dated July 19, 2007 that was filed with securities regulators in all provinces of Canada other than Quebec. The Transaction is substantially the same as the "Proposed Roll-over Transaction" that was described in that prospectus, and constitutes a "Reorganization Transaction" as defined in the 2007 Fund's Partnership Agreement. As such, implementation of the Transaction is subject to approval by ordinary resolution of the limited partners of the 2007 Fund at a special meeting to be held on February 14, 2008 in Saskatoon, Saskatchewan. Additional information concerning the Transaction is included in the 2007 Fund's information circular for that meeting, dated January 16, 2008, a copy of which will be available at [www.SEDAR.com](http://www.SEDAR.com).

Closing is also subject to completion of a definitive transfer agreement and receipt of all necessary approvals of securities regulatory authorities and the TSX Venture Exchange. Subject to these conditions, the Transaction is expected to close on or about Thursday, February 22, 2008.

Tables I and II attached hereto summarize the investment portfolios of 49 North and the 2007 Fund, respectively, as of December 31, 2007 (in the case of 49 North after giving effect to its conversion effective January 1, 2008 from its former limited partnership structure to its current corporate structure). Table III includes a pro forma calculation of (a) the purchase price that will be paid by 49 North to acquire all of the assets of the 2007 Fund in the proposed Transaction; (b) the total number of common shares to be issued by 49 North in satisfaction of that purchase price; (c) the resulting number of common shares to be issued to the limited partners of the 2007 Fund in exchange for each unit (the Conversion Ratio) then held by the respective limited partners; and (d) the estimated number of common shares of 49 North that will be outstanding upon completion of the Transaction. The information in these tables has been compiled by management based on certain estimates and assumption which cannot be represented as complete or accurate in all respects as at the date hereof, including those estimates and assumptions set forth in the notes that follow the tables. This information has not been audited or reviewed by the funds' auditors, is subject to change and is intended for illustration purposes only. Without limiting the generality of the foregoing, unless otherwise indicated, the information in the tables is presented as of December 31, 2007, whereas the net asset values and net asset values per security for both 49 North and the 2007 Fund that will be used in the proposed Transaction, and the resulting Purchase Price and Conversion Ratio for the Transaction, will be based on the values determined as of the Effective Time (i.e. the close of business on February 14, 2008). These values will change between December 31, 2007 and such Effective Time and the changes may be material.

TABLE I: Summary of Net Assets of 49 North Resource Fund Inc.

Holdings(1)(2)	Symbol	No. of Shares	Fair Value	% of Portfolio
Mineral exploration				
Athabasca Potash Inc. (TSX)	API	2,155,325	\$ 16,811,535	64.39%
Anglo Minerals Ltd.	ALM	167,900	906,660	3.47%
Red Rock Energy Inc.	RRK	1,968,560	802,188	3.07%
Great Western Minerals Group Inc.	GWG	1,609,000	627,510	2.40%
Copper Reef Mining Corporation (unlisted)		2,000,000	600,000	2.30%
Great Western Diamonds Corp.	GWD	2,052,000	502,740	1.93%
Claude Resources Inc. (TSX)	CRJ	334,900	465,511	1.78%
Golden Band Resources Inc.	GBN	916,000	412,200	1.58%
Wescan Goldfields Inc.	WGF	1,711,086	410,660	1.57%
Eagle Plains Resources Ltd.	EPL	541,500	314,070	1.20%
Raytec Metals Corp.	RAY	640,000	256,000	0.98%
ESO Uranium Corp.	ESO	600,000	234,000	0.90%
Halo Resources Ltd.	HLO	600,000	228,000	0.87%
J-Pacific Gold Inc.	JPN	451,000	211,970	0.81%
Tagish Lake Gold Corp.	TLG	1,423,846	199,338	0.76%
Stikine Gold Corp.	SKY	1,666,667	183,333	0.70%
Soltoro Ltd.	SOL	280,000	173,600	0.66%
Northern Freegold Resources Ltd.	NFR	202,000	157,560	0.60%
Goldsource Mines Inc.	GXS	760,000	144,400	0.55%
Valgold Resources Ltd.	VAL	440,334	129,898	0.50%
Other			711,859	2.73%
Oil & Gas				
Ruby Energy Inc. (private)		916,996	489,061	1.87%
Southern Pacific Resource Corp.	STP	248,150	394,558	1.51%
Nordic Oil & Gas Ltd	NOG	291,000	218,250	0.84%
Prairie Hunter Energy Corp. (private)		208,333	197,916	0.76%
Ivory Energy Inc.	IV	230,107	147,268	0.56%
Other			178,242	0.68%
			\$ 26,108,331	
Less estimated net debt and other charges				\$ 3,325,848
Estimated Net Asset Value of the Corporation				\$ 22,782,483
Common Shares Outstanding				1,399,157
Estimated Net Asset Value per common share				\$ 16.28

TABLE II: Summary of Net Assets of 49 North 2007 Resource Flow-Through Limited Partnership

Holdings(1)(2)	Symbol	No. of Shares	Fair Value	% of Portfolio
Mineral exploration				
Northern Freegold Resources Ltd.	NFR	1,046,052	\$ 815,921	9.21%
Western Potash Corp. (private)		1,250,000	750,000	8.46%
Claude Resources Inc (TSX)	CRJ	490,568	637,738	7.20%
CanAlaska Uranium Ltd.	CVV	1,376,111	564,206	6.37%
Great Western Minerals Group Inc.	GWG	1,250,000	487,500	5.50%
Wildcat Exploration Ltd.	WEL	2,000,000	380,000	4.29%
Eagle Plains Resources Ltd.	EPL	500,000	290,000	3.27%
Rockport Mining Corp. (private)		352,941	264,706	2.99%
Roxgold Inc.	ROG	720,000	241,200	2.72%
Laurion Mineral Exploration Inc.	LME	1,570,265	235,540	2.66%
Halo Resources Ltd.	HLO	531,915	202,128	2.28%
Santoy Resources Ltd.	SAN	400,000	192,000	2.17%
Buchans River Ltd.	BUV	431,000	183,175	2.07%
Raytec Metals Corp.	RAY	454,500	181,800	2.05%
Northern Continental Resources Inc.	NCR	500,000	150,000	1.69%

Copper Reef Mining Corp. (unlisted) Oil & Gas Prairie Hunter Energy Corp. (private)		375,000	124,999	1.41%
PanWestern Energy Inc.	PW	1,748,422	1,031,569	11.64%
Nordic Oil & Gas Ltd.	NOG	775,000	581,250	6.56%
Southern Pacific Resource Corp.	STP	226,250	359,738	4.06%
Welton Energy Corporation	WLT	147,000	80,882	0.91%

\$ 8,861,610

Less estimated net debt and other charges at  
December 31, 2007

\$ 978,000

Estimated Net Asset Value of the 2007 Fund

\$ 7,883,610

Limited partnership units Outstanding

932,770

Estimated Net Asset Value per unit

\$ 8.45

TABLE III: Pro Forma calculation of Purchase Price and Conversion Ratio as of February 14, 2008

	Listed Fund	2007 Fund
Estimated net asset value at December 31, 2007	\$ 22,782,483	\$ 7,883,610
Estimate of expenses and accrued liabilities from January 1 to February 14, 2008 (3)	\$ 203,098	\$ 54,365
Estimated net asset value at February 14, 2008	\$ 22,604,324	\$ 7,829,245
Common shares / units outstanding	1,399, 517	932,770
Net asset value per common share / unit at February 14, 2008	\$ 16.15	\$ 8.39
Purchase Price for Assets of 2007 Fund	\$ 7,829,245	
Number of Shares to be issued by 49 North in satisfaction of Purchase Price	484,783	
Conversion Ratio (ie number of common shares of 49 North to be issued in exchange for each unit of the 2007 Fund)		0.52
Estimated number of common shares of 49 North outstanding after completion of the Transaction	1,883,940	

Notes:

- (1) All investee companies are listed on the TSX Venture Exchange unless otherwise indicated.
- (2) The investment portfolios of both 49 North and the 2007 Fund include warrants which are not included in the above tables because they were not "in the money" as of December 31, 2007. Warrants that are in the money, if any, at the Effective Time will be included in calculating net asset values for the purpose of the proposed Transaction and all warrants or similar rights in the 2007 Fund's investment portfolio will be included in the assets acquired by 49 North in the proposed Transaction.
- (3) Estimated expenses and accrued liabilities for the period from January 1, 2008 to February 14, 2008 include operating and administrative expenses and accruing interest on loan facilities, dividends on outstanding second preferred series 1 shares of 49 North and management fees.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

**For more information, please contact**

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