



*TSX Venture Exchange symbol FNR
July 24, 2008*

49 NORTH COMPLETES \$5,000,000 DEBENTURE PRIVATE PLACEMENT

Saskatoon, Saskatchewan: 49 North Resource Fund Inc. (“49 North” or the “company”) is pleased to announce that it raised gross proceeds of \$5,000,000 on the private placement of 9% convertible unsecured subordinated debentures which closed July 24, 2008. Union Securities Ltd. and Wellington West Capital Inc. acted as lead agents on the offering, which was carried out under the “offering memorandum exemption” in part 2.9 of National Instrument 45-106 – *Prospectus and Registration Exemptions* pursuant to an offering memorandum of the company dated July 4, 2008.

The debentures were issued July 24, 2008 pursuant to a trust indenture between the company and Equity Transfer & Trust Company, as trustee. Subject to the detailed terms and conditions of that trust indenture, the debentures have a three year term, maturing July 24, 2011 and bear interest from the date of issue at 9% per annum which, unless the debentures are earlier converted or redeemed in accordance with their terms, will be paid on July 24 in each of 2009 and 2010 and on maturity. The debentures are convertible, at the option of the respective holders, at any time or from time to time prior to 5:00 p.m. (Toronto time) on July 23, 2011, into fully paid, non-assessable common shares of 49 North at a conversion price of (i) \$11.00 per share if converted prior to July 24, 2009, (ii) \$11.75 per share if converted on or after July 24, 2009 and before July 24, 2010, and (iii) \$12.50 per share if converted on or after July 24, 2010 and prior to the conversion expiry time. Where debentures are converted, interest accruing due but otherwise unpaid to the day preceding the date of conversion will be paid promptly following such date.

Subject to certain conditions precedent, 49 North may redeem the debentures prior to maturity at a redemption price equal to their principal amount plus interest accruing to but otherwise unpaid to the date preceding the redemption date plus a premium equal to 6% of the outstanding principal amount if redeemed prior to July 24, 2009, 4% of the outstanding principal amount if redeemed on or after July 24, 2009 but before July 24, 2010, or 2% of the outstanding principal amount if redeemed on or after July 24, 2010 and prior to maturity. These conditions precedent include the requirement that (i) the company send notice of its intent to redeem the debentures and of the proposed redemption date to all debenture holders at least 60 days and not more than 90 days prior to such redemption date, (ii) at the time of sending such notice the weighted average trading price of the company’s common shares for the 60 days preceding the date of the notice is equal to or exceeds the then applicable conversion price of the debentures, and (iii) on the redemption date the company must redeem all of the outstanding debentures that have not then been converted into common shares in accordance with the terms of the trust indenture.

The debentures are unsecured and are subordinated to substantially all other present and future indebtedness of the company. Trading of the debentures and common shares issued upon their

conversion is subject to a hold period that expires November 25, 2008. \$2,000,000 aggregate principal amount of the debentures were issued to the holder of 200,000 second preferred, series 1 shares of the company that were repurchased and redeemed by the company concurrent with the closing at a price of approximately \$2,100,000, representing the \$2,000,000 issue price of such shares plus dividends that accrued thereon from January 1, 2008 to June 23, 2008. As a result, 49 North no longer has any preferred shares outstanding. The balance of the proceeds of the offering will be used to pay agents fees and expenses of approximately \$160,000, to pay-out and/or reduce existing indebtedness of the company and for general working capital.

For additional information contact Tom MacNeill, President & CEO, 306-653-2692.

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