

49 North Resource Fund Inc.

TSX VENTURE: FNR



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49 North Resource Fund Announces Terms of Proposed Roll-Over Transactions

SASKATOON, SASKATCHEWAN--(Marketwire - Jan. 15, 2009) - 49 North Resource Fund Inc. (TSX VENTURE:FNR) is pleased to announce that the TSX Venture Exchange has conditionally accepted its "proposed roll-over transactions" with 49 North 2008 Resource Flow-Through Limited Partnership (2008-I Fund) and 49 North 2008-II Resource Flow-Through Limited Partnership (2008-II Fund) which are expected to close effective February 2, 2009.

At closing, the 2008-I Fund will transfer substantially all of its assets - consisting of a portfolio of flow-through shares and warrants in 20 resource companies - to FNR on a tax deferred "roll-over" basis in exchange for common shares of FNR; immediately following which the 2008-I Fund will be wound-up and the FNR shares distributed amongst its partners. For the purpose of this transaction, the transferred assets of the 2008-I Fund are expected to be valued at approximately \$4,065,000 and the common shares of FNR valued \$2.425 per share. As a result, a total of approximately 1,676,000 shares will be issued, representing an exchange ratio of approximately 1.83 FNR shares for each of the 915,655 flow-through limited partnership units of the 2008-I Fund that are currently outstanding.

On the same day, the 2008-II Fund will also transfer its investment portfolio, at an estimated value of approximately \$1,834,089, on a tax deferred "roll-over" basis to FNR in exchange for approximately 756,000 FNR shares, representing an exchange ratio of approximately 3.45 FNR shares for each of the 219,110 currently outstanding flow-through limited partnership units of the 2008-II Fund.

As a result of the two transactions, the outstanding shares of FNR are expected to increase from the approximately 1,802,000 common shares that are presently outstanding to an estimated 4,235,000 shares, subject to what are expected to be relatively minor adjustments to account for costs incurred by FNR and/or the respective Flow Through Funds during the period from January 1, 2009 to the closing of the transactions.

FNR, founded in 2005, is a Saskatoon, Saskatchewan based resource investment, financial and managerial advisory and merchant banking company. Its principal business is investing in a diversified portfolio of shares and other securities of mineral and oil & gas issuers - focussing predominantly on junior and intermediate issuers with exploration programs in Saskatchewan - with a view to achieving capital appreciation of the portfolio.

The 2008-I and 2008-II Funds are, respectively, the third and fourth 49 North flow-through funds, each of which serves as a window for investing in the listed shares of FNR in a manner that permits investors to take advantage of risk reducing tax incentives associated with investments in "flow-through" shares. FNR originally announced its intention to enter into the "proposed roll-over transaction" with the 2008-I Fund in February of 2008 in conjunction with the 2008-I Fund's initial public offering of flow-through units that was completed in May of 2008 and announced its intention to complete the "proposed roll-over transaction" with the 2008-II Fund in

conjunction with the private placement offering of flow-through units of the 2008-II Fund that closed in December of 2008. Prior to December 31, 2008, the "available funds" of both Funds were invested in flow-through shares of resource issuers under agreements pursuant to which the respective issuers have agreed to incur and renounce Canadian exploration expenses (CEE) to the respective Funds. For income tax purposes, subject to certain limitations as more particularly described in the 2008-I Fund's prospectus dated February 12, 2008 and the 2008-II Fund's offering memorandum dated September 12, 2008, as amended November 25, 2008, investors in the flow-through Funds will be able to claim deductions from income with respect to their pro rata share of the CEE so renounced and may also be able to claim non-refundable federal and Saskatchewan provincial income tax credits in respect of investments in so-called "super flow-through" shares of these resource companies. By acquiring stock exchange listed shares of FNR in the "proposed roll-over transactions", investors who choose to do so may obtain additional tax benefits by contributing their FNR shares to a self-directed RRSP.

This release includes forward forward-looking information. Unknown risks, uncertainties and other factors may cause actual results or events to differ from those anticipated in such forward-looking information. Without limiting the generality of the foregoing, all values in this release with respect to the "proposed roll-over transactions", other than the value of FNR shares for the purpose of the transactions, are estimates as at December 31, 2008, are unaudited and are subject to change.

This release is provided for information purposes only. It is not an offer to sell nor a solicitation of offers to buy securities of any issuer.

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

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