

## **49 North Resource Fund Inc.**

TSX VENTURE: **FNR**



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### **49 North Announces Brokered Debenture Offering**

SASKATOON, SASKATCHEWAN--(Marketwire - July 2, 2008) - 49 North Resource Fund Inc. ("49 North") (TSX VENTURE:FNR) is pleased to announce that it has engaged Union Securities Ltd. and Wellington West Capital Inc. to act as agents in connection with the offer and sale, on a commercially reasonable basis, of a minimum of \$2,000,000 and a maximum of \$5,000,000 principal amount 9% convertible unsecured subordinated debentures (the "Debentures"). The Debentures will be offered pursuant to the offering memorandum exemption of National Instrument 45-106 - Prospectus and Registration Exemptions.

The Debentures will be created and issued pursuant to a trust indenture (the "Indenture") to be entered into between 49 North and Equity Transfer & Trust Company, as Trustee. The Debentures and the Indenture will provide, among other things, that:

- (a) the Debentures will have a three year term, maturing on the third anniversary of the closing date;
- (b) the Debentures will pay interest annually at the rate of 9% per annum;
- (c) the outstanding principal amount of the Debentures will be convertible at the option of the holder, exercisable at any time prior to 5:00 pm (Toronto time) on the business day immediately preceding the maturity date or the business day immediately preceding the date the Debentures are redeemed, into common shares of 49 North at a conversion price of: (i) \$11 per common share prior to the first anniversary of the closing date; (ii) \$11.75 per common share on or after the first but prior to the second anniversary of the closing date, or (iii) \$12.50 per common share on or after the second anniversary of the closing date;
- (d) the Debentures will, subject to certain conditions precedent, be redeemable by 49 North upon payment of the outstanding principal amount of the Debentures, interest due or accruing due prior to the date of redemption and a premium equal to: (i) 6% of the outstanding principal amount of the Debentures if redeemed prior the first anniversary of the closing date; (ii) 4% of the outstanding principal amount of the Debentures if redeemed on or after the first, but prior to the second anniversary of the closing date; or (iii) 2% of the outstanding principal amount of the Debentures if redeemed on or after the second anniversary of the closing date.

The net proceeds of the offering will be applied firstly to the redemption of the outstanding second preferred, series 1 shares in the amount of \$2,000,000, then to the settlement of current debts in the amount of \$1,877,500 with the balance of the proceeds (estimated to be \$922,500) used for general working capital.

The offering is expected to close on or about July 17, 2008 and is subject to certain conditions, including, but not limited to, the approval of the TSX Venture Exchange. Cash commissions of up to 5% of the gross proceeds of the Debentures sold pursuant to the offering are payable upon closing the offering.

The securities offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This media release shall not constitute an offer to

sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

This release includes forward-looking statements that reflect management's current expectations regarding future results or events but that are not historical facts and are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. 49 North undertakes no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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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