

## **49 NORTH COMPLETES FINAL CLOSING OF BROKERED DEBENTURE PRIVATE PLACEMENT, RAISES AN AGGREGATE OF \$4,690,800**

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TSX Venture Exchange symbol FNR

SASKATOON, Oct. 12 /CNW/ - 49 North Resources Inc. ("49 North" or the "company") is pleased to announce that it raised gross proceeds of \$2,330,000 at the second and final closing of its 8% convertible unsecured subordinated debentures offering. This brings the total proceeds of the private placement offering to \$4,690,800. MGI Securities Inc., together with Canaccord Genuity Corp. and Wellington West Capital Inc. acted as agents on the offering, which was carried out under the "offering memorandum" and "accredited investor" exemptions of National Instrument 45-106 - Prospectus and Registration Exemptions.

The debentures were issued October 12, 2010 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 mature September 23, 2013 and bear interest from the date of issue at 8% per annum which, unless the debentures are earlier converted or redeemed in accordance with their terms, will be paid on September 23 in each of 2011 and 2012 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 the business day immediately preceding the maturity date or the business day preceding the date the debentures are redeemed into common shares of 49 North at a conversion price of: (i) \$4.00 per share if converted prior to September 23, 2011, (ii) \$4.25 per share if converted on or after September 23, 2011 and before September 23, 2012 and (iii) \$4.50 per share if converted on or after September 23, 2012. 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 terms and conditions, 49 North may redeem the debentures prior to maturity at a redemption price equal to their principal amount plus interest due or accruing due prior to the date of redemption and a premium equal to: (i) 6% of the outstanding principal amount if redeemed prior to September 23, 2011; (ii) 4% of the outstanding principal amount if redeemed on or after September 23, 2011 but before September 23, 2012; or (iii) 2% of the outstanding principal amount of the debentures if redeemed on or after September 23, 2012.

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 February 13, 2011.

The proceeds of the offering will be used to pay agent's fees and expenses of approximately \$274,307.12 in aggregate for the offering, to develop the Viking light oil and gas properties in the area of Kindersley, Saskatchewan held by 49 North's subsidiary, Allstar Energy Limited, and to acquire an oil and natural gas processing facility.

49 North is a Saskatchewan focused resource investment company with strategic operations in financial, managerial and geological advisory services and merchant banking. Our diversified portfolio of assets includes direct project involvement in the resource sector, as well as investments in shares and other securities of junior and intermediate mineral and oil and gas exploration companies. Additional information about 49 North is available at [www.sedar.com](http://www.sedar.com).

**Forward Looking Information:** This release contains forward-looking information within the meaning of applicable Canadian securities legislation, including statements respecting subsequent closings and the use of offering proceeds. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. In addition, the forward-looking information contained in this release is based upon what management believes to be reasonable assumptions. Readers are cautioned not to place undue reliance on forward-looking information as it is inherently uncertain and no assurance can be given that the expectations reflected in such information will prove to be correct. The forward-looking information in this release is made as of the date hereof and, except as required under applicable securities legislation, 49 North assumes no obligation to update or revise such information to reflect new events or circumstances.

The securities of 49 North 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 release is issued for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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CO: 49 North Resources Inc.

CNW 20:13e 12-OCT-10