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AN INTERVIEW WITH TOM MACNEILL
PRESIDENT AND CHIEF EXECUTIVE OFFICER
49 NORTH RESOURCE FUND INC.

(As of May 6, 2008)



We are here today with *Tom MacNeill*, who amongst his other activities (and there are many) heads *49 North Resource Fund*, which is yours to follow on the market. But to many other people, he is called “Mr. Saskatchewan”. He is involved in a mining family that has a lot of history in the Province and these days, with potash booming, uranium booming and even coal now, Saskatchewan is the place to be!

Saskatchewan is the place to be!

David Pescod: Is it really that good in Saskatchewan right now Tom, or is this just the PR?

Tom MacNeill: It always has been that good, but we have been under the radar of most capital market participants. Our unique political and economic history has kept it so that most of the resources in the Province haven't really been developed as they would have been in other jurisdictions.

D.P.: The interesting thing is that they are not getting silly with royalties and therefore are actually attracting businesses from Alberta and elsewhere.

T.M.: It is my understanding that our new *Premier Brad Wall* got a standing ovation at a presentation in Alberta when he said that going-forward his administrations hydrocarbon royalty policy was to change nothing...just leave it alone. And they have been very responsible in that regard. One of the things that really comes to the forefront Dave is that in Saskatchewan, we care about developing resources, doing it judiciously and making sure that all stakeholders have their best interests at hand. That's outstanding.

49 North Resource Fund Current Portfolio

Top 25 Holdings

1 Athabasca Potash Inc.	TSX - API	14 Halo Resources Ltd.	TSXV - HLO
2 Copper Canyon Resources Ltd.	TSXV - CPY	15 El Nino Ventures Inc.	TSXV - ELN
3 Copper Reef Mining Corp.	CNQ - CZCC	16 Golden Band Resources Inc.	TSXV - GBN
4 Ruby Energy Inc.	Private	17 Eagle Plains Resources Ltd.	TSXV - EPL
5 Claude Resources Inc.	TSX - CRJ	18 J-Pacific Gold Inc.	TSXV - JPN
6 Western Potash Corp.	Private	19 Stikine Gold Corp.	TSXV - SKY
7 Raytec Metals Corp.	TSXV - RAY	20 Southern Pacific Resources Corp.	TSXV - STP
8 Rockport Mining Corp.	Private	21 Tagish Lake Gold Corp.	TSXV - TLG
9 Shore Gold Inc.	TSX - SGF	22 ValGold Resources Ltd.	TSXV - VAL
10 Prairie Hunter Energy Corp.	Private	23 Northern Freegold Resources Ltd.	TSXV - NFR
11 Vena Resources Inc.	TSX - VEM	24 Lakota Resources Inc.	TSXV - LAK
12 Goldsource Mines Inc.	TSXV - GXS	25 Skeena Resources Ltd.	TSXV - SKE
13 Soltoro Ltd.	TSXV - SOL		

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Comparative Performance to Market Index (*)



Investment Highlights

Proven Investment Philosophy in Junior Resource Exploration Companies

- The Partnership will invest primarily in flow-through shares of small cap mining exploration companies with a minor focus on junior oil and gas exploration companies
- Not less than 70% of available funds will be invested in listed Resource Issuers and at least 50% of available funds will be invested in Resource Issuers with a market cap over \$20 million
- Up to 30% of available funds may be invested in pre-IPO Resource Issuers

Experienced Portfolio Manager and Board of Directors

- Tom MacNeill, the portfolio manager, has over 20 years experience in resource investment and corporate finance. The manager has a strong track record managing large pools of capital dedicated to resource investing throughout Canada and worldwide
- The Board of Directors collectively bring extensive deal sourcing, structuring, and corporate governance experience within the mining and oil & gas industries

Unique Liquidity Alternative

- On or about February 15, 2009, the Partnership will implement an exchange transaction pursuant to which limited partners will receive shares of a closed end publicly listed investment fund under the symbol TSXV: FNR. It is expected that shares of FNR will be RRSP eligible allowing investors to transfer into their RRSP providing further tax savings
- FNR is an actively managed diversified closed end junior resource fund with global investments
- FNR and other affiliates of the Partnership may co-invest with the Partnership in Resource Issuers to facilitate the acquisition of flow-through shares by the Partnership producing the most favorable terms as possible for the Partnership

D.P: You must be a believer in the theory out there that with China and India needing all these resources as their economies develop, that we are in some sort of commodity boom for some time. Are you a believer in this? How long do you think this can go? What are the things to worry about?

T.M: Yes, I am a believer in it. I think Ken Curtis the Vice Chairman of Goldman Sachs said it best a couple of years ago when speaking directly about our province, "that Saskatchewan has just about everything that China craves." So speaking from a Saskatchewan prospective, I am definitely a believer in the long-term commodities super-cycle over the next 25 to 50 years. Previous to World War II, there was pretty much a Euro-centered world. Capital flowed in and out of Europe and the U.K. and that's what drove the world. After World War II it became a North American-centered world. The shift from that to an Asian-centered world started happening earnestly in 1999-2000. Most people haven't woken up to that fact...and it will go on indefinitely. Essentially, this is a pivotal point in world economic dynamics in that China, Brazil, India, Russia (and other rapidly developing nations) need and will end up controlling most of the world's resource assets. That is undeniable and we are seeing it already with the proliferation of sovereign funds scouring the world for resources.

D.P: If you were finding something to worry about in Saskatchewan, is there anything to worry about there?

T.M: With regard to resource development, we have to be careful how we shepherd capital in and out of the Province. We are very sensitive to making sure that all stakeholders best interests are managed in this environment. It's easy to sell a resource asset to somebody. It's harder to make sure everybody is rowing the boat in the same direction. We have massive undeveloped resources in the Province of Saskatchewan and need to make sure that we have a population base that grows on the back of those assets and that we service infrastructure demands along with it. If things happen too quickly, and all we end up is with a bunch of money kicking around, you end up with some of the headaches that Alberta has gone through such as infrastructure shortfalls and a lack of population growth to service the actual manpower needs of the resources that are being exploited. So, we have to be very careful about that. In essence, we need to make sure that we end up with population growth and the roads, power lines and other infrastructure to go along with the development that we see coming.

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D.P.: Of the different commodities that Saskatchewan is known for, wheat probably is number one, but increasingly, it's stuff like uranium, coal and potash in particular. Which industries do you think are going to be key going forward?

T.M.: Wheat, and other agricultural commodities were historically the number one driver of the Saskatchewan economy. Right now however, mineral and oil and gas exports dwarf the farming economy by a significant degree. We supply a third of the world's uranium and that's not going to stop anytime soon because it's relatively easy to mine. With regard to potash, we have roughly half of the world's mineable potash and we supply a third of it to the world. There is no reason we can't supply much more, and again, it's geologically not complicated in Saskatchewan and that is not going to change anytime soon. As far as oil and gas development, you could drill a million gas wells in this Province and not run out of targets. The reason they haven't been drilled is again a function of our unique economic and political history. The hydrocarbons don't stop at the Alberta border – but the money for exploration usually did. Now that's even changed. In the last land tender, \$265 million was permitted in Saskatchewan versus \$12 million in Alberta. So that tells you something. There are tidal waves of money coming in for conventional hydrocarbon development. We really are elephant country in Saskatchewan. In the Provinces' southwest six miles north of Swift Current, Pan Western Energy may have one of the largest helium resources in the world. This company has been put together by Todd Montgomery, (founder of Anglo Potash) whose track record in project development is outstanding. It shouldn't surprise anybody that the province may be a leader in helium potential because we tend to have the biggest of everything. We have the largest diamondiferous kimberlite cluster in the world, largest uranium resource, largest potash resource etc. so it's not surprising to us when someone finds a potentially huge resource of helium or coal. In reality we haven't even scratched the surface yet in development of many different resources.

D.P.: When you talk oil and gas, the one thing that's got the boys in Calgary excited of course, is that Bakken.

T.M.: Absolutely. When you can drill a mile long horizontal well into oil that runs 41 API – that would get anybody excited.

D.P.: Let's talk about some different stocks here. First of all, when we go the Bakken, are there some companies that 49 North is involved with and which are your favorite players in that sector?

T.M.: With regards to publicly-traded companies, no. In fact in our portfolio we do not hold any Bakken players in the listed portfolio. At this stage in the oil and gas cycle we are very fond of private equity oil and gas development, meaning, companies that are raising capital, keeping their share structure very tight and going out and developing production right from the ground up. We have a few of those. Prairie Hunter is a Saskatchewan company operated by Ken Fromm and Steve Halabura. I know that Propel Energy is in the same situation and also Renegade Oil and Gas. These are three private companies that we have a great deal of respect for that should see public liquidity transactions sometime soon, perhaps within a year for each of them. That's where we are putting our money right now because we don't need the headaches of junior companies that have come through the gauntlet, of the trust decision in October 2006. That decision caused a lot of bank lines of credit to be pulled forcing these companies into the equity market to raise cash. Any time a junior oil and gas explorer uses publicly traded equity capital for grassroots exploration you have a higher level of risk. That train wreck is still happening Dave - So we are sticking to private companies until the listed issuers cars stop falling off the rails.

D.P.: You are a bit of a "wheeler dealer" whereby you formed a lot of these private companies and taken them public. We notice your portfolio has a lot of potash companies – Athabasca Potash to start with and Western Potash as well.

T.M.: That story will run for years. There have been over \$6 billion worth of commitments for potash mining expansion in the Province of Saskatchewan alone and that is excellent. Potash Corp. is certainly one of the best-run companies in the world but even they can't just flip a switch and have immediate potash production. So the supply deficit that the world has been experiencing is going to carry on for many, many years. You could literally build a new 2 million ton per year potash mine every year from here going forward, and still not keep up with the demand. Most of the BRIC countries use only about 1/7th of the potash that they should for adequate fertilization. With continued population growth the demand for fertilizer to enhance production on less and less arable land demand growth is not likely to slow anytime soon. So we are fond of every potash story that we have in our portfolio. Some of them are more advanced than others but we are very excited about our holdings going forward. Simply holding some of these explorers and checking back in a couple of years will adequately reward investors for their patience.

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D.P: Goldsource Mines has got to be one of the exciting stories of the day with this exploring for diamonds and darn – finding coal!

T.M: Well that happens. I consider Scott Drever and Eric Frier to be first rate explorationists. When you have management that has shepherded many projects, has the money to explore and a very tight share structure you can usually expect something good will happen. The money in Goldsource's treasury came from a financing 2 ½ years ago which suggests management is very sensitive to unnecessary cash burn. Going into this drill program Goldsource had \$4 million in the till from a \$7 million financing 2 ½ years ago. That's extraordinary. When a company has only 18 million shares outstanding fully-diluted, a treasury full of money, and they go out exploring, you know you're going to find something. I've said to many people I will bet on management more than I will bet on the resource, because the resource has yet to be defined for quantity and quality whereas if I know management, and how they operate I have no problem putting my faith in them that they will find something. You have diamond exploration companies that find nickel...it happens.

D.P: Are you viewing 49 North Resource Fund now as a way for a person to basically play Saskatchewan?

T.M: Essentially. 49 North was created to give Saskatchewan investors an opportunity to invest in what's going on in their backyard. We have never really had a capital market here. Every other jurisdiction in Canada except for the Maritimes has developed their own capital formation tool. You had the ASE in Alberta, the VSE in Vancouver the Montreal Stock Exchange, the Winnipeg Stock Exchange, Toronto Stock Exchange, etc. Most jurisdictions developed their own capital formation tool but here in Saskatchewan we never have. And again, that's a function of our political history. Remember, at one time we actually went through government expropriation of resources in Saskatchewan so capital markets have always looked sideways at us. One of the ways that we have chosen to help that situation is to give Saskatchewan investors an opportunity to be involved in the great things that happen here. We don't want people to watch Potash Corp's stock hit \$200 a share and not own any or the potential mining operations of companies we invest in to be developed without them having a stake in it. By definition, that means people external to Saskatchewan, can use 49 North as their opportunity to say, wow – these guys are there, they are on the ground floor, they are involved in developing these projects, they are putting their own capital along side their investors capital – gee, maybe that's the one to bet on.

D.P: Looking down the road, what next for 49 North and usually when we end these interviews, we ask the interviewee, "If you could only buy one stock today, what would it be?" And what kind of a target do you have by Christmas?

T.M: If I could only buy one stock today, I would have to say, Athabasca Potash and I already have a large stake as does 49 North. I have a great deal of faith in how that story will move forward.

D.P: Any other thoughts at this time?

T.M: The thought that I will leave you with is that largely, Saskatchewan's resource potential is untapped. It may seem like it has been well developed because of the public's familiarity with entities like Cameco and Potash Corp and some of the other miners in the Province, but in reality, we are standing on resources that are extraordinary and we are probably the largest, undeveloped resource jurisdiction in North America.

D.P: Thank you very much for your time, Mr. MacNeill.

DEB'S DITTY:
Drinking won't solve your problems...
But passing out will.