

49 North Resource Fund Inc.

TSX VENTURE: **FNR**

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49 North to Expand Business Operations- Shareholders Approve Stock Option and Shareholder Rights Plan

SASKATOON, SASKATCHEWAN--(Marketwire - June 5, 2008) - 49 North Resource Fund Inc. ("49 North" or the "company") (TSX VENTURE:FNR) announced at its annual and special meeting of shareholders held June 4, 2008 that it has amended its investment guidelines to facilitate the evolution of 49 North from a passive, resource portfolio "investment fund" into a more diversified resource investment, financial and managerial advisory, and merchant banking company.

Since its inception in 2005, 49 North has operated as a closed-end investment fund. As such, its activities to date have generally been limited to investing in a portfolio of resource securities, focusing predominantly on junior and intermediate mineral and oil & gas exploration companies in Saskatchewan and elsewhere in Canada, in accordance with policies and investment guidelines adopted by the company's board of directors. These guidelines include provisions (the "non-control provisions") which have generally prevented 49 North from investing for the purpose of exercising control of or being actively involved in the management of the resource companies in which it invests. Effective immediately, these non-control provisions are being removed from 49 North's investment guidelines, thereby allowing the company to take a more active role in managing and guiding early stage resource companies. 49 North's President and CEO, Tom MacNeill, explained that:

"These changes are intended to enhance shareholder value by positioning 49 North to better take advantage of opportunities that exist Saskatchewan's - and the broader Canadian - resource sectors. Removing the non-control provisions will not necessarily mean that there will be immediate changes in our operations. We will continue to aggressively manage a diversified resource stock portfolio and will continue to focus much of that portfolio in early stage companies; including unlisted securities of pre-IPO companies. Our shares in Athabasca Potash Inc. (TSX-API), which were acquired in 2006 and 2007 at a cost of less than \$2 million are now valued at over \$19 million. While we can't expect all of our investments to do this well, API is an example of the type of potential opportunities that we believe may continue to be available to 49 North. However, some prospective investee companies could use more than just 49 North's investment dollars; they also need advice and assistance in developing their resource properties, creating the appropriate corporate vehicle for that development, raising exploration funds and, more generally, moving a resource property from a concept to a properly capitalized operating entity. 49 North has the experience and expertise to provide this advice and assistance and we expect that this type of activity will, over time, become an increasingly important and profitable part of 49 North's business operations."

One immediate consequence of the changes is that 49 North will cease to be classified as an "investment fund" for the purposes of securities legislation. As an investment fund, 49 North's public reporting requirements and "continuous disclosure obligations" have, to date, generally been governed by a set of regulatory rules known as National Instrument 81-106, Investment Fund Continuous Disclosure and National Instrument 81-107, Independent Review Committee for Investment Funds. These rules will cease to apply to the company and, instead, 49 North will become subject to the reporting requirements and continuous disclosure obligations that apply to most other public companies that are not investment funds, including National Instrument 51-102, Continuous Disclosure Obligations and related rules. The changes in these reporting requirements will be reflected in the company's regulatory filings relating to its current fiscal quarter ending June 30, 2008, with such changes expected to first be seen in 49 North's six month interim financial statements and MD & A for that fiscal quarter that are expected to be released in August 2008.

49 North is also pleased to announce that at the annual and special meeting its shareholders approved the company's 2008 Stock Option Plan and a Shareholders Rights Plan, the details of which were previously disclosed in the company's information circular for the meeting, dated April

25, 2008, a copy of which is available at the SEDAR web-site at <http://www.sedar.com/>.

The purpose of the stock option plan is to attract, retain and motivate directors, employees and consultants of the company and its subsidiaries and to advance the interests of the company by providing such persons with the opportunity, through stock options, to acquire an equity interest in the company. The plan is a "rolling" plan for the purpose of TSX Venture Exchange ("TSXV") policies, pursuant to which the board of directors may from time to time grant options to purchase common shares, exercisable at not less than the "discounted market price" (as defined by TSXV policies), for up to 10% of the company's issued and outstanding shares as at the time of grant. A total of 187,547 shares have been reserved for issue under the option plan although, currently, no options have yet been granted.

The shareholders rights plan has been adopted to better ensure the fair treatment of shareholders in the event that an unsolicited take-over bid is made for the company. Management is not currently aware of any pending or threatened take-over bid, but is adopting the rights plan now so that mechanisms are in place to assist the board in maximizing shareholder value in the event that an unsolicited take-over bid is made in the future. The rights plan has been structured to encourage the fair treatment of 49 North shareholders while providing its board of directors with sufficient time to assess and evaluate any unsolicited take-over bid, and to explore and develop, if appropriate, alternatives that enhance shareholder value and give shareholders adequate time to consider any such transaction. The plan is not intended to prevent take-over bids that treat shareholders fairly. Bids that meet certain requirements intended to protect the interests of all shareholders are deemed to be "Permitted Bids" under the rights plan. Permitted Bids are offers to acquire common shares of the company made by way of a take-over circular and which must, among other requirements described in the plan, remain open for at least 60 days. In the event a take-over bid does not meet the Permitted Bid requirements of the plan, the rights issued under the plan will entitle shareholders, other than any shareholder or shareholders involved in the take-over bid, to purchase additional common shares of 49 North at a significant discount to the market price of the common shares at that time.

The rights plan is being implemented and will be governed by a Shareholders Rights Plan Agreement dated June 4, 2008 between the company and its registrar and transfer agent, Equity Transfer & Trust Company, as rights agent. A copy of the agreement will be available at the SEDAR web-site at <http://www.sedar.com/>.

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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