

TSX Venture Exchange Symbol FNR and FNR.DB.A

SASKATOON, Sept. 17, 2015 /CNW/ - [49 North Resources Inc.](#) ("49 North" or the "Company") (TSXV: FNR) announces that it intends to seek the approval of the holders of its 9% Convertible Unsecured Subordinated Debentures due September 23, 2016 (the "Debentures") to exchange the principal amount of the Debentures, for a combination of common shares ("Common Shares") of the Company, First Preferred Series 1 Shares (the "Preferred Shares") of the Company and an interest in the 2.5% senior secured convertible debentures (the "Senior Debentures") of the Company created at the time of the restructuring of the Company's former Series B Debentures earlier this year (the "Proposal"). The Debentures currently trade on the TSX Venture Exchange under the symbol "FNR.DB.A".

Under the terms of the Proposal, holders of the Debentures will receive 150 Common Shares, 25 Preferred Shares and \$25 principal amount of the Senior Debentures per \$100 principal amount of Debentures held, in full and final settlement of the amounts owing, including interest. In this regard, the Company will not be making the Debenture interest payment due September 23, 2015.

The Preferred Shares have the following characteristics:

- Cumulative 2.5% cash dividends (equal to \$0.025 per share) payable annually, in arrears, beginning on the first anniversary of the date of issuance;
- Non-voting;
- Convertible, at the holder's option, into Common Shares at a conversion price of \$0.50 per Common Share;
- Issued at a price of \$1.00 per Preferred Share; and
- Redeemable by the Company at the issue price at any time after the third anniversary of issuance.

The Senior Debentures have the following characteristics:

- Principal amount of up to \$5,000,000;
- 2.5% annual interest rate, which interest will be paid in arrears in annual installments on the anniversary date of issuance to maturity (or earlier in the event of conversion);
- 5 year term;
- The outstanding principal amount of the Senior Debentures will be convertible, at the holder's option, into Common Shares at a conversion price of \$0.50 per Common Share; and
- The repayment of outstanding principal and interest of the Senior Debentures will be secured by all present and after acquired personal property of the Company.

For Debentures held in accounts with restrictions that prohibit investment in equity securities such as the Common Shares and Preferred Shares (the "Restricted Debentures"), the Proposal will provide that such Debentures be exchanged for a combination of Senior Debentures and new 2.5% subordinated secured convertible debentures (the "Subordinated Debentures"). The Restricted Debentures will be exchanged for Senior Debentures up to the maximum principal amount of the indenture for the Senior Debentures, with the balance of the Restricted Debentures being exchanged for Subordinated Debentures. The Subordinated Debentures will have identical terms to the Senior Debentures except the charge securing repayment of the Subordinated Debentures will be a second charge against all present and after acquired personal property of the Company behind the Senior Debentures.

Definitive information with respect to the Proposal, once finalized, will be outlined in a management information circular expected to be disseminated to the Debenture holders in October, 2015. The Proposal is made pursuant to the provisions of the Trust Indenture for the Debentures, as amended, which allows for the exchange of the Debentures for other securities of the Company upon approval of at least 66^{2/3}% of the principal amount of the Debentures voted at the meeting, either in person or by proxy.

The Company is pleased to report that it has received indications of support for the Proposal representing a substantial majority of the Debentures outstanding and, as such, anticipates that the Proposal will pass at vote.

The rationale for the Proposal is to further secure the future of the Company during this prolonged downturn in the junior resource capital market while offering the highest possible potential returns to both the existing Debenture holders and other security holders of the Company.

If the Proposal is approved and implemented, it is expected that the total number of Common Shares issued will be 4,213,798, the total number of Preferred Shares issued will be 702,299, an aggregate of \$1,892,299 principal amount of Senior Debentures will be issued and an aggregate amount of \$1,080,566 principal amount of Subordinated Debentures will be issued. The Common Shares, Preferred Shares and Senior Debentures will be issued pursuant to the "Business combination and reorganizations" exemption of National Instrument 45-106 Prospectus Exemptions. The Proposal is subject to the receipt of approvals from the TSX Venture Exchange.

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.

Forward Looking Information: This release contains forward-looking information within the meaning of applicable Canadian securities legislation. In particular but without limitation, this press release includes statements respecting the successful implementation of the Proposal. There is no certainty that the Proposal will be implemented in part or at all. 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.

SOURCE [49 North Resources Inc.](#)

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