



49 NORTH RESOURCE FUND LIMITED PARTNERSHIP

Annual Management Report of Fund Performance

For the Year ended December 31, 2006

This management report of fund performance for 49 North Resource Fund Limited Partnership (“49 North” or “Partnership”) contains financial highlights and should be read in conjunction with the annual financial statements for the year ended December 31, 2006 and the notes that accompany those statements (collectively the “financial statements”). You may obtain a copy of the financial statements at your request, and at no cost by writing us at #602 – 224 – 4th Avenue South, Saskatoon, Saskatchewan, S7K 5M5 or by visiting our website at www.49northresource.ca or by visiting the SEDAR website at www.sedar.com.

Securityholders may also contact us by using one of these methods to request a copy of our proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

The Partnership was formed (originally under the name 49 North Resource Flow-Through Limited Partnership) under a limited partnership agreement made July 19, 2005, as amended and restated September 30, 2005 and was constituted a limited partnership under the laws of Saskatchewan upon the registration of a declaration of limited partnership (the “Declaration”) pursuant to *The Partnership Act* (Saskatchewan) and *The Business Names Registration Act* (Saskatchewan) effective July 20, 2005. As part of a reorganization of the Partnership in the second-half of 2006 (the “2006 Reorganization”), this limited partnership agreement was further amended and restated as of October 26, 2006 to, amongst other things, change the name of the Partnership to 49 North Resource Fund Limited Partnership, which name change legally took effect upon the registration of an amendment to the Declaration on November 8, 2006. The Partnership is now governed by this amended and restated limited partnership agreement (the “Partnership Agreement”) made as of October 26, 2006 between 49 North Resource Fund Inc., as general partner (the “General Partner”) and the persons who from time to time are limited partners of the Partnership (the “Limited Partners”). Generally, and subject to the Partnership Agreement, the General Partner has exclusive authority to manage the operations and affairs of the Partnership and to make all decisions regarding the business of the Partnership, although certain of the functions and powers of the General Partner with respect to the Partnership’s investment portfolio (the “Portfolio”) have been delegated to TMM Portfolio Management Inc. (“TMM” or the “Investment Manager”) pursuant to an investment management agreement originally made September 30, 2005, as amended and restated October 26, 2006 (the “Investment Management Agreement”).

The Partnership is a closed-end investment fund. As part of the 2006 Reorganization, on December 28, 2006 the Partnership’s limited partnership units (“Units”) were listed and the Units now trade on the TSX Venture Exchange (ticker symbol FNR.UN).

Management Discussion of Fund Performance

Investment Objectives and Strategies

The Partnership was established in 2005 to invest in a diversified portfolio (the “portfolio”) of shares of resource issuers; focusing its portfolio primarily on shares of junior and intermediate mineral exploration companies (“mining issuers”) and, to a lesser weighting on shares of junior or intermediate oil and gas companies (“oil & gas issuers”). The Partnership may also invest up to 5% of its available funds in alternative energy issuers, but to date no funds have been invested in alternative energy issuers.

Prior to December 31, 2005 the Partnership was restricted to investing in shares issued on a flow-through basis (“flow-through shares”) under agreements (“flow-through agreements”) pursuant to which the investee resource issuers agreed to incur and renounce to the Partnership, in accordance with applicable

provisions of the *Income Tax Act* (Canada) (the "*Tax Act*"), Canadian exploration expenses and/or certain types of Canadian development expense which qualified as Canadian exploration expenses (collectively "CEE"). The investment objective of the Partnership at that time was to invest in flow-through shares with a view to achieving capital appreciation of the Portfolio and maximizing the tax benefits of an investment in the Unit for the Limited Partners. In furtherance of this objective, the Partnership, in December 2005, raised \$6,000,000 through an initial public offering and related private placements, at \$5.00 per Unit, of a total of 1,200,000 Units and invested \$6,000,000 in flow-through shares of fourteen resource issuers active in Saskatchewan who then renounced a total of \$6,000,000 in CEE to the Partnership. In accordance with the Partnership Agreement, the CEE so renounced was in turn allocated pro rata to the Limited Partner's who, subject to the *Tax Act*, were generally able to deduct such CEE in computing their taxable income for 2005. Additionally, such Limited Partners may have been able to claim certain federal and Saskatchewan provincial non-refundable investment tax credits associated with the Partnership's investment of a portion of its Portfolio in mining issues engaged in certain specified surface "grass roots" mining activity in Saskatchewan.

The October 26, 2006 amended and restated Partnership Agreement included amendments that were intended to de-emphasize the income tax considerations associated with an investment in the Partnership's Units. In particular, the Partnership's investment guidelines were amended to clarify that from and after December 31, 2005 the Partnership may invest its available funds in common shares or other equity linked securities of resource issuers and/or specials warrants, warrants, options, rights, convertible debentures or similar convertible securities of resource issuers (collectively "resource securities" or, simply, "securities") regardless of whether or not such securities are issued on a flow-through basis. The guidelines were also amended to permit the Partnership to invest up to 5% of its available funds in publicly listed securities of issuers that are not resource issuers; as well as to purchase and sell derivative instruments that are consistent with the Partnership's investment objective, strategy and guidelines and otherwise comply with the derivatives policy that is now included in the Partnership Agreement.

As a result of these amendments the Partnership Agreement restated the Partnership's investment objective as follows:

"The Partnership's investment objective is to invest in a diversified Portfolio of Securities of Resource Issuers, with the focus on Resource Issuers with exploration programs in Saskatchewan; and with a view to achieving capital appreciation of the Portfolio".

In addition to this investment objective the Partnership Agreement includes an investment strategy pursuant to which, in making investments in resource issuers, the General Partner on behalf of the Partnership is required to consider (a) the experience of management; (b) the past production, exploration results and financial condition of investee resource issuers; (c) pricing of the securities and the relative value, liquidity and potential for growth in value of such securities; and (d) where available, engineering reports and other information relating to the exploration program to be conducted by the resource issuer.

The Partnership Agreement also contains detailed investment guidelines. Except as described above, the October 26, 2006 Partnership Agreement did not materially amend the Partnership's investment guidelines, key provisions of which continue to include the requirement that:

- at least 95% of available funds be invested in securities of resource issuers that are reporting issuers under Canadian securities laws, with not greater than 5% of such funds invested in flow-through shares of resource issuers which are not reporting issuers and which may, therefore, be subject to continuing resale restrictions.
- a minimum of 80% of available funds be invested in securities of issuers whose shares are listed and posted for trading on a Canadian stock exchange, including without limitation, the TSX and the TSX Venture Exchange; and
- the Partnership will invest not more than 5% of available funds in securities of alternative energy issuers.

Recent Developments

- **Management Changes:** In July 2006 Ronald G. (“Bud”) Walker, of Victoria, British Columbia was added as a director and appointed Chief Financial Officer (and subsequently Secretary) of the General Partner. Mr. Walker, in 1993 founded, and is presently the chairman, of Great Canadian Dollar Store Franchising Ltd., a franchisor of retail store outlets. He has been involved with many companies in the real estate, investment and mining sectors, including being a founder and President of Pacific & Western Trust Corporation (now Pacific & Western Credit Corporation – a TSX listed company) and, for many years, a partner in the investment and securities firm of Houston Willoughby in Saskatchewan (now part of the Royal Bank Financial Group). Mr. Walker has also been a director of Claude Resources Ltd. since 1984 and was a director of Shore Gold Inc. from 1994 to June, 2006, both of which companies are listed on the TSX. He was also formerly a member of the Board of Trustees for the Saskatchewan Pension Plan. In January 2007 Mr. Neil Burwash, of Macklin, Saskatchewan was elected to the board of the General Partner, replacing Mr. Jim Engdahl. Mr. Burwash, a Certified Management Accountant and Certified Financial Planner, is the President of Burwash Financial Services; and with over 25 years of public accounting and related experience in Saskatchewan’s and Alberta’s oil & gas sector adds an element of expertise that complements the very significant mining industry experience and expertise of the other officers and directors of the General Partner.
- **Investment Review Committee:** As part of the October 26, 2006 amendments to the Partnership Agreement discussed above, the General Partner was required to establish an Investment Review Committee comprised solely of directors who are not officers of the General Partner and are not officers, directors, shareholders or otherwise interested in the Investment Manager. Currently Mr. Bay and Mr. Burwash are members of the Investment Review Committee. The Investment Review Committee has the right, duty and authority to, amongst other things, review and approve (or disapprove as the case may be) all initial placements of available funds in Resource Issuers and thereafter to review all portfolio transactions involving: (i) an acquisition or disposition of securities at a price representing in excess of 10% of the Net Asset Value of the Partnership; (ii) a disposition of securities representing greater than 50% of the Partnership’s position in any particular resource issuer or at a price below the book value of such securities; and (iii) all portfolio transactions involving a conflict of interest on the part of the Investment Manager.
- **Independent Review Committee:** In November 2006, Canadian securities regulators adopted National Instrument 81-107, *Independent Review Committee for Investment Funds* (“NI 81-107”). NI 81-107 requires the Partnership to establish an Independent Review Committee by November 1, 2007 and requires the General Partner to refer certain “conflict of interest matters” to such Committee for review and, in some cases approval (or disapproval). NI 81-107 also requires the Independent Review Committee to adopt a written charter that sets out the Committee’s mandate, responsibilities, duties and functions and the policies and procedures it will follow when performing its functions. Once such charter is adopted, it is expected that the Independent Review Committee will effectively supersede and replace the General Partner’s existing Investment Review Committee. The members of the Independent Review Committee are: Ms. Irene Seiferling, President of Board Dynamics Consulting, a Saskatoon SK based consulting firm specializing in corporate governance; Mr. Gary Meschishnick, senior partner and commercial lawyer with Wallace Meschishnick Clackson Zawada LLC, Saskatoon SK, and Mr. Alon Zack of Saskatoon SK, President and CEO of Primewest Mortgage Investment Corporation.
- **February 2007 Reorganization Transaction:** In 2006 certain of the officers and directors of the Partnership caused to be incorporated a new company known as 49 North 2006 Resource Fund Inc. (the “2006 GP”) which in turn formed, and acted as general partner of, another limited partnership under the laws of Saskatchewan known as 49 North 2006 Resource Flow-Through Limited Partnership (the “2006 Fund”). The management, organizational structure, business, and investment objectives, strategy and guidelines of the 2006 Fund were virtually identical to that of the Partnership prior its 2006 Reorganization discussed above. Prior to December 31, 2006 the 2006 Fund raised gross proceeds of \$8,115,030 in its own initial public offering and related private placement (collectively the “2006 Offering), at \$5.00 per unit, of 1,623,006 limited partnership units of the 2006 Fund (the “2006

Units”); and prior to December 31, 2006 the 2006 Fund invested a substantially equal amount in a portfolio of Resource Issuer with exploration programs in Saskatchewan.

Effective February 8, 2007, the Partnership and the 2006 GP, in its capacity as general partner and on behalf of the 2006 Fund, its personal, corporate capacity, and as agent and attorney for each of the limited partners of the 2006 Fund (the “2006 LPs”), entered into a reorganization agreement (the “Reorganization Agreement”), pursuant to which, effective February 21, 2006, the parties completed a series of transactions (collectively the “February 2007 Reorganization Transactions”) that resulted in the 2006 Fund effectively merging into the Partnership. These transactions included the acquisition by the Partnership of all of the 1,623,006 outstanding 2006 Units in exchange for issuing to the 2006 LPs a total of 1,598,314 Partnership Units, as well as the acquisition by the Partnership of all of the assets and the assumption by the Partnership of all of the liabilities of the 2006 Fund (which was then wound-up and dissolved).

The February 2007 Reorganization Transactions were carried out on the basis of the Partnership’s and the 2006 Fund’s respective Net Asset Values and Net Asset Values per Unit calculated as of the close of business on February 7, 2007, which at that time were approximately \$5,244,000 (\$4.37 per Unit) in the case of the Partnership and \$6,985,000 (\$4.30 per unit) in the case of the 2006 Fund. The net result to the Partnership of the February 2007 Reorganization Transactions was to increase: (i) the number of its issued and outstanding Partnership Units from 1,200,000 to 2,798,314 Units; (ii) the number of companies in its portfolio from 24 to 42; (iii) the value of its portfolio from approximately \$5,858,000 to approximately \$13,892,000 (including cash reserves of approximately \$650,700); (iv) its total liabilities from approximately \$614,000 to approximately \$1,662,284; and (v) the Partnership’s Net Asset Value from approximately \$5,244,000 immediately before the transactions to approximately \$12,229,000 immediately after the transactions; while maintaining a Net Asset Value of \$4.37 per Unit (note, all \$ values are based on February 7, 2007, unaudited valuations).

Risk

In the opinion of management, the changes discussed above have resulted in a reduction in the overall level of risk associated with an investment in Units as at the end of the Partnership’s 2006 fiscal year (and after giving effect to the February 2007 Reorganization Transactions), compared to the risks as at start of the year. Key risk reducing factors include the following:

- at the start of the year there was no market for the Units. The Units can now be traded through the facilities of the TSX Venture Exchange. To date, trading on the Exchange has been very light. Management will, however, continue to promote the Partnership and otherwise pursue strategies to enhance the liquidity of the Units with the objective of thereby improving value for the Partnership’s security holders;
- at the start of the year the Partnership’s portfolio consisted exclusively of flow-through shares in 14 resource issuers, whereas at the end of the year the portfolio was somewhat more diversified with holdings in 24 issuers and with the Partnership have replaced some of its flow-through shares with non-flow through shares. Risks associated with concentrating the portfolio in a relatively small number of issuers were further reduced by expanding the portfolio to include holdings in a total of 42 companies after giving effect to the February 2007 Reorganization Transactions;
- as the CEE renounced to the Partnership in 2005 has been allocated to and claimed by the original investors who acquired Units in 2005, much of the uncertainty risk as to the tax benefits associated with such original investments has been eliminated;
- by more than doubling the number of outstanding Units as a result of the February 2007 Reorganization Transaction, management expects that administrative costs on a per Unit basis will be reduced; and

- the addition of new officers and directors during and immediately following the end of the year, enhances the overall level of experience and expertise of the Partnership's management, thereby reducing somewhat the risk associated with the fact that investors were previously relying almost exclusively on the experience and expertise of Mr. Tom MacNeill who is the sole shareholder and was the sole officer of the General Partner as well as being the sole shareholder, director and officer of the Investment Manager, TMM. Additionally, the establishment of the Investment Review Committee and subsequent establishment of an Independent Review Committee may be expected to reduce risk by providing an additional level of independent scrutiny to transactions on conflict of interest matters.

Results of Operations

Investment Performance

Since its formation on July 20, 2005, the Partnership completed an initial public offering and private placements (collectively the "2005 Offering") that raised \$6,000,000 which was invested in 14 Canadian resource issuers. At December 31, 2006, the portfolio assets were 87.5% (December 31, 2005 – 77%) invested in mineral exploration issuers with the remaining 12.5% (December 31, 2005 – 23%) invested in oil and gas issuers.

During the year ended December 31, 2006, the Partnership incurred interest income of \$1,023 (December 31, 2005 – nil) and expenses of \$212,636 (December 31, 2005 - \$25,483) resulting in net loss from investment operations of \$211,613 (\$0.18 per Unit) (December 31, 2005 – net loss of \$25,483, \$0.03 per Unit). Expenses for the period were audit and accounting of \$26,886, interest of \$52,065, professional fees of \$10,531, management fees of \$122,916, and bank fees of \$238. Management fees are calculated based on 0.5% of the net asset value (NAV) of the Partnership at the end of each fiscal quarter.

During the year ended December 31, 2006, the Partnership incurred a realized gain on investment of \$682,303 (December 31, 2005 – nil) and unrealized depreciation of investments of \$512,657 (December 31, 2005 - unrealized appreciation of \$308,286) resulting in a net decrease in net assets of \$41,967 (December 31, 2005 – net increase in net assets of \$282,803). The unrealized depreciation of investments of \$512,657 represents the net decrease in the fair value of the portfolio to December 31, 2006 over the initial investment cost.

Net assets have been further reduced by other issuance and reorganization costs of \$104,764 (December 31, 2005 – \$565,566 including agent's fees) resulting in a net asset value of \$5,570,511 or \$4.64 per unit (December 31, 2005 - \$5,717,242, \$4.76 per unit).

Loan Facilities

The Partnership entered into a loan agreement (the "Initial Loan Agreement") with Mr. Tom MacNeill (the "Lender"), the sole shareholder of the General Partner, dated December 7, 2005, pursuant to which the Lender agreed to provide certain demand loan facilities to the Partnership, including loans to pay or reimburse the Partnership for agent's fees and offering costs incurred in connection with the 2005 Offering. Pursuant to this Loan Agreement, \$422,000 was advanced to the Partnership in 2005. The full principal amount outstanding was repaid in the year ended December 31, 2006.

In December 2006 the Partnership established another short-term loan facility with a New Lender for \$500,000 for general working capital and provided the New Lender with a security interest in all of the assets of the Partnership. Interest on this loan is also charged at the Royal Bank of Canada's prime rate plus 2% with principal and interest payable on demand, provided that pending such demand interest is payable on the last business day of each month commencing January 31, 2007, with any interest not paid on its due date to be compounded with principal and bear interest at the above rate until paid. This loan was paid out subsequent to year end.

Also subsequent to the year ended December 31, 2006, as part of the February 2007 Reorganization Transaction, the Partnership assumed all of the liabilities of the 2006 Fund. These liabilities included, without limitation, the 2006 Fund's obligations to the Lender under a loan agreement made as of July 31, 2006 pursuant to which the Lender in 2006 advanced loans to the 2006 Fund, totaling \$850,000, for the payment of agent fees and other offering costs associated with the 2006 Offering and for working capital. As at February 21, 2007, principal and accrued interest in the aggregate amount of approximately \$861,400 was outstanding on this loan. Pursuant to the original July 31, 2006 loan agreement, as amended by an acknowledgement and loan amending agreement made February 21, 2007 (collectively the "2006 Loan Agreement"), interest on such loan continues to be payable monthly at the prime rate of the Royal Bank of Canada plus 2%, and the loan is otherwise payable within thirty days of demand by the lender. The loan is secured by a general security interest in all of the assets of the Partnership.

Related Party Transactions

The General Partner is responsible for the management of the Partnership in accordance with the terms and conditions of the Partnership Agreement. Under the terms of the Partnership Agreement, the General Partner is entitled to management fees, a share of the Partnership's income or loss and a performance bonus as described below in the "Management Fees" section of this report. In the year ended December 31, 2006 the Partnership incurred management fees of \$122,916 of which \$9,632 remained outstanding at the end of the year. Management fees in the period ended December 31, 2005 were \$8,324 all of which were outstanding as of the end of that period. However, in 2005 management fees accrued only from the closing of the Partnership's initial public offering in December of that year, whereas management fees accrued throughout 2006.

The limited partnership agreement in respect of the 2006 Fund included provisions for the payment of management fees to the 2006 GP similar to those described herein for the Partnership. As at December 31, 2006 the 2006 Fund had accrued management fees, including interest thereon, of \$56,111, which were assumed by the Partnership as part of the February 2007 Reorganization Transactions.

The loan facilities under the Initial Loan Agreement described above under "Loan Facilities" pursuant to which the Lender advanced funds to the Partnership as described therein were undertaken under normal commercial terms. As at December 31, 2006 \$31,267 (December 31, 2005 - \$2,159) of interest expense has been accrued to the Lender under that Initial Loan Agreement. The loan facilities originally advanced to the 2006 Fund and subsequently assumed by the Partnership as part of the February 2007 Reorganization Agreement accrued interest against the 2006 Fund of \$1,677 in the 2006 Fund's fiscal period ended December 31, 2006.

Management Fees

The General Partner is responsible for the management of the Partnership in accordance with the terms and conditions of the Partnership Agreement and is entitled to 0.01% of the net income of the Partnership and to be reimbursed by the Partnership for all expenses reasonably and properly incurred in conducting the Partnership's business and in performing its duties and obligations under the Partnership Agreement.

Additionally, pursuant to the Partnership Agreement, for each fiscal quarter the General Partner is entitled to receive a management fee equal to 0.5% of the net asset value of the Partnership calculated as of the last business day of the relevant fiscal quarter, which management fee is payable on or prior to the end of the month following the relevant fiscal quarter. Additionally, in each fiscal year of the Partnership starting with its fiscal year ended December 31, 2006, the General Partner is entitled to receive a performance bonus, calculated as of the last business day of the applicable fiscal year, in an amount in respect of each Unit that is outstanding as of such day, equal to 20% of the amount, if any, by which the sum of the net asset value per Unit as of that date, plus all distributions per Unit made during that fiscal year, exceeds the greater of \$5.50 and the net asset value per Unit as of the last business day of the preceding fiscal year. Any such performance bonus is payable within 30 days following the end of the fiscal year to which it relates. Management fees and, if applicable, any performance bonus not paid by the due dates described above bear interest at prime plus 2% until paid in full.

The Partnership Agreement also authorizes the General Partner to retain an investment manager to manage, or assist in and/or advise the General Partner in the management of, the Partnership's investment portfolio and to negotiate the terms and conditions of such engagement including the fees payable by the Partnership to such investment manager. Pursuant to this authority, the General Partner has retained TMM Portfolio Management Inc. ("TMM") as the Partnership's investment manager. TMM and the General Partner are controlled by the same person, and all or any of the management fees and, if applicable, performance bonus described above that is otherwise payable to the General Partner may instead be paid to TMM.

Financial Highlights

The following tables disclose selected financial highlights of the Partnership and are intended to assist in understanding the Partnership's performance for the year ended December 31, 2006. This information is derived from the Partnership's financial statements.

Net Asset Value per Unit (NAV)

NAV for 1,200,000 units	December 31, 2006		December 31, 2005	
	Total Dollars	Per unit	Total Dollars	Per unit
Balance, beginning of period	\$ 5,717,242	\$ 4.76	\$ -	\$ -
Initial issuance	-	-	6,000,000	5.00
Agent's fees and issuance costs	-	-	(565,566)	(0.47)
Reorganization costs	(104,764)	(0.09)	-	-
Net income (loss) from investment operations	(211,613)	(0.18)	(25,483)	(0.02)
Realized gain on disposition of investments	682,303	0.57	-	-
Unrealized appreciation (depreciation) of investments	(512,657)	(0.42)	308,286	0.25
Balance end of period	\$ 5,570,511	\$ 4.64	\$ 5,717,242	\$ 4.76

Ratios and Supplemental Data

	December 31 2006	December 31 ¹ 2005
Net assets	\$5,570,511	\$5,717,242
Number of units outstanding	1,200,000	1,200,000
Management expense ratio ²	3.77%	6.30%
Portfolio turnover rate ³	42.53%	0.00%
Trading expense ratio ⁴	0.83%	0.00%

1 Ratios calculated from initial closing of Offering on December 6, 2005 to December 31, 2005.

2 Management expense ratio is based on total expenses (excluding agent's fees and issuance costs) for the stated period and is expressed as an annualized percentage of average net assets during the period.

3 The Partnership's portfolio turnover indicates how actively the Partnership's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Partnership buying and selling all the securities in its portfolio once in the course of the year. Since no investments were traded prior to December 31, 2005, the portfolio turnover rate is 0.00% for the period ended December 31, 2005.

4 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

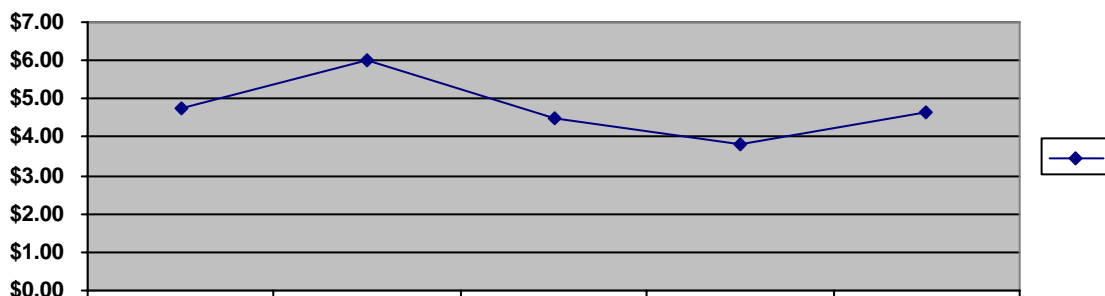
Past Performance

The following chart indicates the net asset value per Unit on a quarterly basis as at the end of each quarter from December 31, 2005 to December 31, 2006, inclusive. This data is provided for information purposes only. The Partnership is a closed-end investment fund and, generally, investors are not entitled to have their Units redeemed by the Partnership.

The Units are listed and posted for trading on the TSX Venture Exchange (the “Exchange”) under the ticker symbol FNR.UN and, generally, an investor who desires to purchase Units may do so only by contacting a registered dealer and purchasing the Units through the facilities of the Exchange. While the net asset value of Partnership Units is calculated on each Valuation Date as set forth below, investors may not purchase Units at this amount, but rather only through the Exchange and at prices determined by the bid and ask prices as established through the facilities of the Exchange.

Historic Net Assets Values per Unit

2005 - Dec 31= \$4.76; 2006 – Mar 30=\$6.01, Jun 30=\$4.49, Sep 30=\$3.79, Dec 31=\$4.64



Summary of Investment Portfolio

The summary of investment portfolio may change due to future portfolio transactions and will be updated quarterly.

Investments at December 31, 2006	Shares / Warrants	Cost (\$)	Fair Value (\$)	% of Fund's NAV
Mineral Exploration				
Wescan Goldfields Inc. ¹	1,699,586	871,696	764,814	13.73%
Wescan Goldfields Inc. (warrants)	428,571	-	-	-
Golden Band Resources Inc. ¹	1,235,080	428,558	592,838	10.64%
Santoy Resources Ltd. ¹	500,611	225,275	495,605	8.90%
Claude Resources Inc. ²	283,090	310,033	486,915	8.74%
Great Western Diamonds Corp. ¹	1,159,500	579,914	481,192	8.64%
ESO Uranium Corp. ¹	436,944	315,759	432,575	8.63%
ESO Uranium Corp. (warrants)	472,222	-	-	-
Great Western Minerals Group Inc. ¹	1,073,111	482,900	413,148	7.42%
Great West. Min. Grp. Inc.(warrants)	1,111,111	-	-	-
Tagish Lake Gold Corp. ¹	1,153,846	300,000	271,154	4.87%
Tagish Lake Gold Corp. (warrants)	576,923	-	-	-
Athabasca Potash ³	600,000	150,000	240,000	4.31%
Red Rock Energy Inc. ³	342,856	120,000	210,171	3.77%
Titan Uranium Inc. ¹	69,900	110,240	185,934	3.34%
Copper Reef Mines Ltd. ³	1,000,000	200,000	177,778	3.19%
Copper Reef Mines Ltd. (warrants)	500,000	-	-	-
Goldsource Mines Inc. ¹	567,429	397,200	164,554	2.95%
Aurex Copper Mines ³	640,000	160,000	142,222	2.55%
Allyn Resources Inc. ¹	1,994,000	299,000	139,580	2.51%
Allyn Resources Inc. (warrants)	997,000	-	-	-
Berkeley Resources Inc. ¹	55,550	49,995	47,218	0.85%

Copper Canyon Resources Ltd. ¹	10,000	7,090	7,000	0.13%
Oil and Gas				
Panterra Resources Corp. ¹	1,273,500	318,375	318,375	5.72%
Arsenal Energy Inc. ¹	269,714	465,321	210,377	3.78%
Nordic Oil & Gas Ltd. ¹	444,000	177,600	97,680	1.75%
Nordic Oil & Gas Ltd. (warrants)	50,000	-	-	-
Magnus Energy Inc. ¹	141,635	251,183	97,728	1.75%
Blackdog Resources Ltd. ¹	90,900	49,995	40,905	0.73%
Notes:				
1. Listed on TSX Venture Exchange				
2. Listed on TSX				
3. Private				

Investments at December 31, 2005	Shares / Warrants	Cost (\$)	Fair Value (\$)	% of Fund's NAV
Mineral Exploration				
Wescan Goldfields Inc. ¹	694,444	500,000	687,500	12.03%
Goldsource Mines Inc. ¹	571,430	400,000	571,429	10.00%
Great Western Minerals Group Inc. ¹	1,111,111	500,000	555,556	9.72%
Great West. Min. Grp. Inc.(warrants)	1,111,111	-	-	-
Great Western Diamonds Corp. ¹	1,200,000	600,000	552,000	9.66%
Great West. Diam. Corp. (warrants)	1,200,000	-	-	-
Claude Resources Inc. ²	476,190	500,000	547,619	9.58%
Santoy Resources Ltd. ¹	1,111,111	500,000	544,444	9.52%
Golden Band Resources Inc. ¹	1,718,750	550,000	532,813	9.32%
ESO Uranium Corp. ¹	444,444	400,000	373,333	6.53%
ESO Uranium Corp. (warrants)	222,222	-	-	-
Titan Uranium Inc. ¹	200,000	300,000	260,000	4.55%
Allyn Resources Inc. ¹	1,993,333	299,000	249,250	4.36%
Allyn Resources Inc. (warrants)	996,667	-	-	-
Oil and Gas				
Panterra Resources Corp. ¹	2,000,000	500,000	560,000	9.98%
Arsenal Energy Inc. ¹	285,714	500,000	485,714	8.50%
Magnus Energy Inc. ¹	135,135	250,000	202,703	3.55%
Nordic Oil & Gas Ltd. ¹	502,500	201,000	185,925	3.25%
Nordic Oil & Gas Ltd. (warrants)	251,250	-	-	-
Notes:				
1. Listed on TSX Venture Exchange				
2. Listed on TSX				