NORTH WEST COMPANY FUND

PRESS RELEASE

FOR IMMEDIATE RELEASE
May 31, 2001

"NORTH WEST COMPANY FUND REPORTS FIRST QUARTER RESULTS"

WINNIPEG - North West Company Fund (the "Fund") today reported 2001 first quarter earnings for the period ended April 28, 2001.

CONSOLIDATED RESULTS

The North West Company Fund reported a 7.0% increase (6.8% on a comparable stores basis) in first quarter revenues to $160.7 million, driven by continued market share gains in our core retail business. This sales growth contributed to first quarter earnings of $4.9 million or $0.34 per unit, an increase of 17.2% from $0.29 per unit last year.

First quarter trading profit, or earnings before interest, income taxes and amortization was up 10.6% to $13.6 million, with increases in both Canadian and Alaskan operations. Amortization expenses were 4.5% ahead of last year and interest costs at $3.0 million were flat, despite slightly higher debt levels. The Company incurred an income tax expense of $104,000 compared to a recovery of $310,000 last year due to higher taxable earnings.

"We achieved another quarter of solid results by staying focused on getting profitable sales," said President and CEO Edward Kennedy. "Better price points, credit availability for our customers and higher in-store standards were examples of this in the quarter. We're especially pleased with same store sales increases of 7.5% in our core northern Canadian retail business. This puts us near the front of our industry and demonstrates again that we can grow while still paying out a very attractive current yield to our investors."

CANADIAN OPERATIONS

Canadian revenues were $123.7 million for the quarter, up 7.2% from last year and trading profits increased by 9.0% to $12.6 million.

Food sales were up 8.3% (up 8.4% on a comparable stores basis). Food sales strength was due to enhanced in-store execution as well as increased selling space in 53 stores, which were reprofiled last year. Reprofiling is a key initiative to create more effective in-store selling space for food and everyday general merchandise while shifting selection-driven categories to our catalogue channel and to our larger, regional stores. Food inflation was also a factor in the quarter and is currently running 2% higher than last year.

General merchandise sales increased 4.2% (up 3.9% on a comparable stores basis) led by stronger apparel sales, which were up 9.7% and a 10.8% increase in electronics. Sporting goods and other seasonal items had weaker sales as cold weather persisted through April and into May. General merchandise sales from reprofiled stores continue to demonstrate above average sales gains. Catalogue sales were up 24.6% in the quarter, helped by the earlier launch of our main Spring book.

Expenses were well controlled and rates were reduced from last year despite an 18% increase in energy costs during the quarter.

ALASKAN OPERATIONS (stated in U.S. dollars)

Alaska Commercial Company ("**AC**") sales increased 0.3% in the quarter to $23.9 million. On a comparable stores basis, store sales were up 4.9% with comparable food sales increasing 4.1% and general merchandise sales increasing 8.1%. Individual store sales fluctuated widely due to **AC**'s ability to capture market share from local competition while being constrained by weak fishing economies in some markets and unseasonably cold weather across the state. **AC**'s trading profit for the quarter was $656,000, increasing $144,000 or 28.3% compared to $511,000 last year.

Sales at **AC**'s wholesale business, Frontier Expeditors ("FE"), were down 26% in the quarter due to the introduction of a distribution tax levied against tobacco wholesalers in the city of Anchorage. The tax no longer makes it economical for FE to continue selling cigarettes to its rural accounts. The tax is being appealed and a favourable ruling is expected in June. Distribution alternatives outside of Anchorage are also under consideration.

Utility cost increases for stores and staff accommodations were up due to higher energy costs. Legal and appeal fees related to the tobacco tax contributed to higher head office expenses. Labour costs were tightly managed during the quarter.

BALANCE SHEET AND CASH FLOW

Assets employed at the end of the first quarter were $420.6 million compared to $413.0 million last year and $416.0 million at the end of the last fiscal year. Cash balances were higher due to month end timing of demand for financial services such as cheque cashing. Accounts receivables at $50.2 million have been reduced from year-end balances but are $4.9 million or 10.8% over last year. The increase was due to increased extended terms accounts, the conversion of accounts from monthly charge accounts to revolving accounts and increased credit granted to First Nations governments to accommodate social assistance programs. Balances are consistent with financial plans. Inventories have increased by 3.6% over last year and are well balanced.

The future income tax asset is consistent with the year end balance. These assets were higher than last year due to the recording of the US tax loss carryforwards and timing differences related to Alaska Commercial Company recognized in the fourth quarter last year and Canadian tax adjustments as explained in the annual report.

The increase in bank advances and short term debt are a result of the increases in current assets and reduced accounts payable and accrued expenses consistent with normal seasonal fluctuations.

Long-term debt remained relatively unchanged in the quarter after adjusting for foreign currency fluctuations. The cumulative currency translation adjustments recognizes the strengthening of the US dollar versus the Canadian dollar.

Capital expenditures were $2.8 million in the quarter and mainly related to the acquisition and renovation of two stores, reprofiling expenditures and general expenditures on computer equipment, fixtures and equipment for store operations.

Cash distributions were paid to unitholders on March 15th of $0.36 per unit compared to $0.30 per unit last year. The issuer bid program that began in March 2000 was not renewed. No units were repurchased during the quarter and the number of units outstanding remained unchanged at 14,691,000.

OTHER HIGHLIGHTS

- Three stores were reprofiled in the quarter and 30 stores will be reprofiled over the remainder of this year, leaving four to be completed in 2002 in conjunction with planned renovations or store replacements.

- A new Northern store was opened in Paulatuk, Northwest Territories on April 10, 2001.

- The Company will open its first Giant Tiger family discount store in Thompson Manitoba on June 23, 2001 and plans to open a second store in Winnipeg at the end of October. These stores will be operated under a Master Franchise Agreement with Giant Tiger Stores Limited of Ottawa, Ontario.

- A quarterly cash distribution of $0.36 per unit will be paid June 15, 2001 to unitholders of record on May 15, 2001.

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The North West Company Inc. (NWC) is North America's leading provider of products and services to northern communities across Canada and Alaska. NWC is a multi-channel retailer operating 152 food, family apparel and general merchandise stores under the "Northern" and "NorthMart" banners plus "Selections" catalogue in Canada - and 24 "AC Value Centers" in Alaska.

NWC trades on the Toronto Stock Exchange under the symbol NWF.UN.
For more information visit on-line at www.northwest.ca.

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CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands of Canadian dollars)

	April 28 2001	April 29 2000	January 27 2001
ASSETS			
Current assets			
Cash	$ 15,335	$ 12,891	$ 8,588
Accounts receivable	50,249	45,335	56,856
Income taxes recoverable	(164)	3,580	62
Future income taxes	2,514	3,136	2,695
Inventories	127,425	122,950	122,980
Prepaid expenses	2,414	2,526	1,069
	197,773	190,418	192,250
Capital assets	192,799	194,578	194,448
Future income taxes	19,648	15,599	19,212
Other assets	10,392	12,421	10,055
	$ 420,612	$ 413,016	$ 415,965
LIABILITIES			
Current liabilities			
Bank advances and short-term notes	$ 60,270	$ 53,411	$ 49,979
Accounts payable and accrued	42,527	44,828	49,200
Current portion of long-term debt	1,718	1,666	1,707
	104,515	99,905	100,886
Long-term debt	124,970	126,292	124,106
	229,485	226,197	224,992
EQUITY			
Capital	145,526	148,378	145,526
Retained earnings	41,150	34,827	41,502
Cumulative currency translation adjustments	4,451	3,614	3,945
	191,127	186,819	190,973
	$ 420,612	$ 413,016	$ 415,965

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS
(unaudited, in thousands of Canadian dollars)

	13 Weeks Ended April 28 2001	13 Weeks Ended April 29 2000
SALES AND OTHER REVENUE		
Canadian operations	$ 123,686	$ 115,393
Alaskan operations	36,972	34,822
	$ 160,658	$ 150,215
Cost of sales, selling and administrative expenses		
Canadian operations	$(111,058)	$(103,804)
Alaskan operations	(35,958)	(34,075)

Earnings before interest, income taxes and amortization		
Canadian operations	12,628	11,589
Alaskan operations	1,014	747
Amortization		
Canadian operations	**(4,745)**	(4,623)
Alaskan operations	**(832)**	(716)
EARNINGS BEFORE INTEREST & INCOME TAXES	**8,065**	6,997
Interest	**(3,024)**	(3,003)
Earnings before income taxes	**5,041**	3,994
(Provision) recovery of income taxes (Note 3)	**(104)**	310
EARNINGS FOR THE PERIOD	**4,937**	4,304
Retained earnings, beginning of period		
as previously reported	**41,502**	18,182
Accounting changes (Notes 2 & 4)	**--**	16,864
as restated	**41,502**	35,046
Distributions	**(5,289)**	(4,500)
Premium on units purchased for cancellation (Note 5)	**--**	(23)
RETAINED EARNINGS, END OF PERIOD	**$ 41,150**	$ 34,827
EARNINGS PER UNIT	**$ 0.34**	$ 0.29
Weighted Average Number of Units Outstanding (000's)	**14,691**	14,992

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Presentations and Disclosures

These interim financial statements follow the same accounting policies and their methods of application as the 2000 annual financial statements. Not all disclosures required by generally accepted accounting principles for annual financial statements are presented, and accordingly, the interim financial statements should be read in conjunction with the 2000 Annual Report.

2. Accounting Change - Income Taxes

Effective January 31, 2000, the Company changed its accounting policy and adopted the new CICA recommendations on accounting for income taxes. The new standard requires the implementation of the asset and liability method of accounting for income taxes. These financial statements have been prepared on the new basis. The retained earnings as at January 31, 2000 had increased $16,864,000 with a corresponding increase to future income taxes.

3. Income Taxes

Certain interest amounts deducted by The North West Company Inc. are included as taxable income to unitholders of North West Company Fund upon distribution. The income tax benefit of loss carryforwards available to the Company and Alaska Commercial Company have been recorded in these financial statements as a future income tax asset.

4. Accounting Change - Employee Future Benefits

Effective January 31, 2000, the Company changed its accounting policy and adopted the new CICA recommendations on accounting for employee future benefits. Previously the Company had been accounting for its defined benefit plans using a long-term discount rate to measure its accrued benefit obligation. Effective January 31, 2000 the Company began using a market discount rate to measure its accrued benefit obligation. The unamortized transitional asset at January 31, 2000 is being amortized over the expected average remaining service lives of the employees. The requirements of the standard were adopted on a prospective basis. The prospective adoption did not have a significant effect on net earnings in 2000.

5. Normal Course Issuer Bid

The Fund commenced a new normal course issuer bid program on The Toronto Stock Exchange on March 27, 2000. Purchases were limited to a maximum of 750,000 units, with no more than 2% of the outstanding units repurchased in any 30 day period. The price the Fund paid for any such units, was the market price at the time of acquisition. The program terminated on March 23, 2001. The Fund purchased 21,100 units in the first quarter of 2000.

6. Net Identifiable Assets (in thousands of Canadian dollars)	**April 28 2001**	April 29 2000
Canadian operations	**$ 300,280**	$ 297,878
Alaskan operations	**77,805**	70,310

7. Comparative Amounts

The comparative amounts have been reclassified to conform with the current year's presentation.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands of Canadian dollars)

	13 Weeks Ended April 28 2001	**13 Weeks Ended April 29 2000**
CASH PROVIDED BY (USED IN)		
Operating Activities		
Earnings for the period	**$ 4,937**	$ 4,304
Non-cash items		
Amortization	**5,577**	5,339
Future income taxes	**(147)**	606
Amortization of bond warrant proceeds and interest rate fixing payment	**(311)**	(311)
Gain on disposal of capital assets	**-**	(3)

Cash flow from operations	**10,056**	9,935
Change in other non-cash items	**(5,415)**	(8,003)
Operating activities	**4,641**	1,932
Investing Activities		
Purchase of capital assets	**(2,794)**	(3,586)
Proceeds from sale of capital assets	**-**	463
Investing activities	**(2,794)**	(3,123)
Financing Activities		
Change in bank advances and short-term notes	**10,291**	8,735
Purchase of units for cancellation	**-**	(232)
Repayment of long-term debt	**(102)**	(76)
Financing activities	**10,189**	8,427
Distributions	**(5,289)**	(4,500)
CHANGE IN CASH	**6,747**	2,736
Cash, beginning of period	**8,588**	10,155
CASH, END OF PERIOD	**$ 15,335**	$ 12,891
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for		
Interest expense	**$ 6,095**	$ 5,984
Income taxes	**190**	253
Cash Flow From Operations Per Unit	**$ 0.68**	$ 0.66