NORTH AMERICAN TUNGSTEN CORPORATION LTD.

TECHNICAL REPORT ON THE CANTUNG MINE, NORTHWEST TERRITORIES, CANADA

Report for NI 43-101

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1 SUMMARY

EXECUTIVE SUMMARY

The Cantung Mine is a primary producer of tungsten concentrate from underground mine operations. It was opened in 1962 and operated fairly continuously until it was shutdown in 1986 for 15 years due to low tungsten prices, reopening in 2001. A short term closure from late 2003 to mid-2005 also took place. Recent strong tungsten prices allowed NATCL to re-open the mine in September 2005. Currently, the major features and facilities associated with Cantung are as follows:

- The Cantung deposits, consisting of the Open Pit resource near surface, and the E Zone reserve, underground.
- The physical plant site including an underground mine, a small open pit, process plant, diesel power plant, workshops, warehouses, administration buildings, a town site and single status accommodation, plus an airstrip.
- Waste rock dumps and a tailings storage facility.

The cash flow estimate in this report is based on July 1, 2009 Mineral Reserves, summarized in Table 1-1.

The purpose of this report is to update the annual reserves and resources for the Cantung Mine.

TABLE 1-1 CANTUNG PROBABLE MINERAL RESERVES

As of July 1, 2009

Zone	*Tons*	*Grade (WO_3 %)*	*STU'S*
West Extension	*95,666*	*1.08*	*103,271*
West Extension Below 3700el	*271,451*	*1.07*	*291,340*
West Extension Below 3570el	*148,187*	*1.11*	*164,146*
E-Zone	*23,967*	*1.09*	*26,023*
Main Zone Pillars	*376,554*	*1.06*	*400,360*
Central Flats	*22,750*	*0.87*	*19,775*
South Flats	*45,287*	*1.33*	*60,444*
PUG	*30,390*	*1.17*	*35,536*
Stockpile	*6,447*	*0.73*	*4,706*
TOTAL Probable Reserves	***1,020,699***	***1.08***	***1,105,602***

Notes:
1. Mineral Reserves conform to CIM and NI43-101 requirements.
2. All Mineral Reserves are classified as Probable.
3. Mineral Reserves are estimated at a cutoff grade of 0.80% WO_3.
4. A minimum mining width of 15 feet was used.

The Cantung Mine produces ore at a rate of 1,100 stpd. Mineral Reserves support a mine life of 2.5 years, ending in Q4 2011. Primary mining methods included, cut and fill, longhole stoping and pillar-remnant ore recovery using different techniques. Currently, longhole methods are planned for mining the majority of the remaining reserves, both for pillar recovery and for primary mining in areas with favourable geometry.

Processing is carried out by gravity and flotation circuits. Final products include a premium gravity concentrate (G1), containing 65% WO_3 and a flotation concentrate containing 47% WO_3.

CONCLUSIONS AND RECOMMENDATIONS

The Cantung Mine is positioned to take advantage of recent high prices for tungsten. The Mine has the advantages of considerable operating history, relatively low capital requirements, and established contacts with suppliers and customers. The Mine has operated successfully in the past, however, it should be noted that it is a relatively high cost producer, and has experienced previous shutdowns during periods of low tungsten prices and soft markets. In NATCL's opinion, the key risk to mine profitability lies in tungsten price sustainability and mined grades over the remaining mine life.

Given the forecast continued demand for tungsten metal, and price forecasts, NATCL is of the opinion that the base case G1 price scenario of US$205/MTU is reasonable for the entire life of mine. At prices below current levels, the Mine generates positive cash flow, so there is some margin to allow for negative changes in the mine plan and cost estimates.

When production is taken into account, Mineral Reserves have increased since the previous reserve estimate of October 1, 2008. Increases are due to exploration of new zones, inclusion of lower-grade areas rendered economic by higher prices, and planned pillar recovery in previously mined areas through the use of longhole mining methods.

There are Mineral Resources in the Open Pit/PUG Zone that could potentially be mined. Past open pit and PUG designs proposed production in the order of more than one year of mill feed.

As long as development and stope preparation continues in a timely manner, longhole mining should provide steady production at a lower cost than cut and fill mining. Longhole pillar mining carries a risk of lower grades from higher dilution; however, life of mine plan production estimates carry a reasonable and appropriate allowance for expected dilution.

ECONOMIC ANALYSIS

The Pre-Tax Cash Flow Projection shown in Table 1-2 has been generated from the life of mine operational data , and capital and operating cost data. The Cash Flow starts July 2009 (the Mineral Reserve estimation date), and is organized by NATC's fiscal year, which runs from October to September. A summary of the key criteria is provided below.

ECONOMIC CRITERIA

PHYSICALS

- Mine life: 2.5 years
- Total mill feed: 1,020,999 tons at a grade of 1.08% WO_3
- Operations 365 days per year
- Mill throughput of 1,100 tons per day from underground, or approximately 400,000 tons per year.
- Metallurgy as per recent mill performance:
  - Tungsten recovery 79.0%
  - Gravity concentrate (G1)
    - Grade 65%
    - Distribution 75%
    - Recovery relative to mill feed 59.3%
  - Flotation concentrate
    - Grade 47%
    - Distribution 25%
    - Recovery relative to mill feed 19.7%

REVENUE

- Tungsten selling price over entire life of mine
    - US$205/MTU for G1 product
    - US$245/MTU for APT converted from flotation concentrate less conversion charges and process losses
- Revenue recognized at the time of production
- Exchange rate US$1: $C1.16
- Teck Resources Ltd. royalty of 1%
- Insurance, Freight & Marketing charges of $280/ton
- Moisture content < 1% (Flotation product)

COSTS

- Sustaining capital: $6.9 million
- Exploration: $1.4 million
- The average operating cost over the mine life, including head office cost, is estimated to be $152.22 per ton milled

CASH FLOW MODEL

Considering the Project on a stand-alone basis, the undiscounted pre-tax cash flow totals CDN$9.7 million over the mine life. As an operating mine without significant capital requirements, cash flow is anticipated to be positive over the course of the mine life.

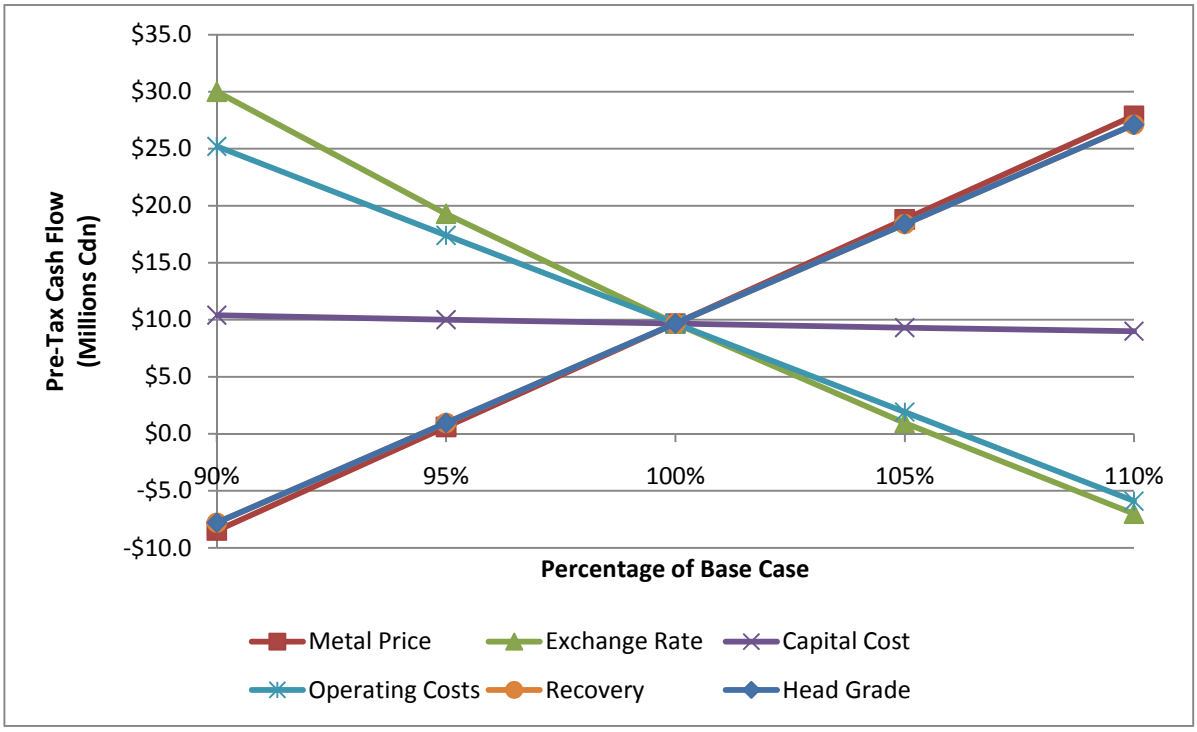
The site Unit Cost of Production is CDN$187 per MTU of WO_3. Net Present Value (NPV) at a 6% discount rate, pre-income tax is $9.3 million. A low discount rate is appropriate due to the short mine life, and lower risk associated with an operating mine. This is a 2009 constant dollar model and, as mine life is relatively short (2.5 years), introduction of inflation/deflation criteria to the model will make little difference to NPV figures.

PROJECT SENSITIVITY

Figure 1-1 shows the project sensitivity to the following factors:

- Tungsten price
- Operating costs
- C$:US$ exchange rate
- Head grade
- Mill recovery

FIGURE 1-1 SENSITIVITY ANALYSIS



The Cantung Mine is most sensitive to exchange rates, prices, and head grades. The relative impact on undiscounted pre-tax cash flow on changes in operational and cost assumptions and estimates are shown in the table below.

TABLE 1-2 SENSITIVITY ANALYSES

North American Tungsten Corporation Ltd.-Cantung Mine

	-10%	-5%	Base Case	+5%	+10%
Head Grade (%)	0.97	1.03	1.08	1.13	1.19
Pre-tax Cash Flow (million)	$-7.8	$1.0	$9.7	$18.4	$27.1
Metal Price ($/MTU)	184.50	194.75	205.00	215.25	225.50
Pre-tax Cash Flow (million)	$-8.5	$0.6	$9.7	$18.8	$27.9
Exchange Rate (C$/US$)	0.774	0.817	0.860	0.903	0.946
Pre-tax Cash Flow (million)	$30.0	$19.3	$9.7	$1.0	$-7.0
Capital Costs (million)	$6.2	$6.6	$6.9	$7.2	$7.6
Pre-tax Cash Flow (million)	$10.4	$10.0	$9.7	$9.3	$9.0
Operating Costs (million)	$139.8	$147.6.1	$155.4	$163.2	$170.9
Pre-tax Cash Flow (million)	$25.2	$17.4	$9.7	$1.9	$-5.9
Recovery (%)	71.1	75.1	79.0	83.0	86.9
Pre-tax Cash Flow (million)	$-7.8	$1.0	$9.7	$18.4	$27.1

TECHNICAL SUMMARY

The Cantung Mine is located in the Nahanni area of western Northwest Territories, Canada, approximately 300 km by road northeast of Watson Lake, Yukon, close to the Yukon border. The mine is a primary producer of tungsten concentrate from open pit and underground mines. It was opened in 1962.

Cantung is located in the rugged mountain wilderness of the Selwyn Mountains, where severe winter conditions prevail from October to May, with temperatures as low as -40°C and substantial snowfall. Local terrain is characterized by steep mountains and narrow valley bottoms. There are a number of avalanche slide paths in the area, and avalanche monitoring and control is an ongoing requirement in the winter.

INFRASTRUCTURE

Existing underground and surface infrastructure at the property includes the following:

- Underground workings of a total strike length of 5,000 ft, with a main haulage drift at the 3,950 ft level and a number of ramps at different levels.
- An open pit located south of the main underground orebody, at the 4900 level.
- An underground maintenance shop comprising large service bays and warehouse facilities, equipped with overhead cranes.
- Primary, secondary, and tertiary crushing plants equipped with rod and ball mills, plus gravity and flotation equipment
- A mill building with offices and a maintenance shop.
- An analytical lab fitted with a Leco sulphur analyzer, colorimetric spectrophotometer, and AA analyzers.
- Concentrate storage facilities.
- Tailings ponds and a polishing pond.
- A backfill plant.
- A warehouse for reagents and other supplies.
- A pumping station.
- Two diesel fuel tanks, each of a capacity of 360,000 litres.

The water supply is provided from the Flat River and is restricted to 45,000 m^3 per week in accordance with the Water Licence.

The power supply is provided by a powerhouse equipped with diesel generators with a total capacity of 5.3 MW.

The original operators of the Cantung mine built and maintained a town at the mine site, known as Tungsten, complete with all necessary facilities. Currently, only a portion of the existing town site is in use. Employees are accommodated in an 80-person

apartment complex, in town house units and in staff rooms above the main office. The site can accommodate up to 140 people at a time.

GEOLOGY

Southeastern Yukon and southwestern Northwest Territories are underlain by a thick sequence of late Precambrian and lower Paleozoic sedimentary strata, which are intruded by several Cretaceous granitic plutons. Basement rocks comprise upwards of 3,000 m of fine-grained Proterozoic clastic sediments, predominantly slate and phyllite, referred to as the Grit Unit. In the mine workings, the lowest stratigraphic unit exposed is argillite of the Proterozoic Grit Unit, referred to as the Older or Lower Argillite. The overlying Swiss Cheese Limestone, or Chert Unit as it is referred to at the mine, is in the order of 40 m to 50 m thick. The Ore Limestone is approximately 30 m thick in the Open Pit, thickening to approximately 100 m in the underground E Zone. The stratigraphically overlying argillite and interbanded quartzite, which averages approximately 150 m in thickness, is referred to at the mine as the Younger or Upper Argillite. At the top of the local stratigraphic sequence is a light buff dolomite with interbedded quartzite, which has a maximum thickness of approximately 600 m, however, this is not seen in the mine workings.

The Open Pit and E Zone orebodies lie on the west limb of the Flat River Syncline. This limb is steeply dipping and overturned in the west, but becomes flat to the east, where in the area around the two mined deposits it forms a recumbent anticlinal fold that trends east to west. The Open Pit lies on the flat lying upper limb of this fold and the E Zone on the lower limb.

Two of the deposits at Cantung have been mined. These are the original Open Pit orebody, which was mined from 1962 to 1973, and the E Zone, which was mined between 1973 and 1986, again between January 2002 and December 2003, and is currently in production. Both deposits are in calc-silicate skarn zones that replace the Ore Limestone.

Mineralization at the Cantung mine comprises skarn replacements within the Ore Limestone. At the Open Pit, mineralization is also present as lower grade replacements in the underlying Chert Unit. The Open Pit skarn ore is comprised of scheelite and minor chalcopyrite disseminated in a gangue of pyrrhotite, diopside, garnet, and actinolite. The E Zone ore differs in several respects from Open Pit ore. It typically contains massive to semi-massive pyrrhotite and, in addition to pyroxene and garnet, contains abundant hydrated calc-silicates actinolite and biotite.

EXPLORATION

The mine property has been covered almost completely by ground and airborne magnetic and electromagnetic surveys, and by geochemical stream sediment and soil sampling. No obvious targets were discovered by these surveys, with the exception of the geochemical anomalies in the upper reaches of Rifle Range Creek. The other targets listed below are of a geological nature and are mainly suggested by earlier geological mapping or diamond drilling. Up to 2007 Exploration work has been limited to a few holes in the Open Pit/PUG Zone since the mine ceased production in 1986. A diamond drill program was reinitiated in mid 2007 including some surface drilling (one hole on Sheet Mountain), drilling in the PUG but primarily in the west extension, E-zone and the area below 3700 elevation.

Since start up in 2006, 155 Definition Drill Holes were undertaken for a total of 19,787 feet if diamond drilling averaging 127 feet in depth. Since 2006, a further 250 Exploration Diamond Drills were competed encompassing 65,171 feet of diamond drilling and averaging 260 ft in depth.

Drilling focused on the area below 3700 (the area below the lowest mine workings). In addition drilling above 3700 (but from 3700 level) confirmed the presence of mineralization above the level and to the west of current workings.

The mineralization conforms to that of the currently mined areas. Specifically the majority of the mineralization is limited to the ore limestone with minor intersections in the “swiss cheese” limestone. The other area investigated was the central flats.

The diamond drilling was undertaken by Boart Longyear utilizing a LM75 diamond drill. All core was BQTK size.

The diamond drillhole database for the Cantung mine property, which is complete except for the drilling done on the Baker showing, comprises 1,847 (an additional 107 diamond drill holes since October 2008) drill holes. The drillholes are concentrated around the known deposits, mainly those that have been mined - the open pit and E Zone. Outside of these areas of exploration, diamond drilling is sparse or non-existent.

The following exploration targets have been identified. Those targets in and close to the E Zone underground workings that could be accessed and put into production most quickly are given the highest priority, as they are the most likely to extend the current mine life.

Target 1: West of the Western extension

Target 2: Eastern Extension

Target 3: Central Flats

Target 4: 109 West Lift #8

Target 5: East Extension Target 6: Name: Sheet Mountain

Target 7: Shop to PUG Zone

Target 8: Dolomite Target

Target 9: Sheet Mountain

Target 10: Baker Prospect

In addition there is a high degree of probability that tonnage can be found by “data mining”. In 2008, 26% of tonnage to the mill came from areas outside of reserves. Recent modeling has at least temporarily removed many sub-grade or areas of poor confidence level (due to ground conditions and/or mined out openings) from reserves. It is anticipated that at least some of these areas will be put back in resource/reserve categories over the next year.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Mineral Resources for the Cantung Mine, as of July 1, 2009, are listed below in Table 1-3.

TABLE 1-3 CANTUNG INDICATED MINERAL RESOURCES

As of July 1, 2009

Zone	*Tons*	*Grade (WO_3 %)*	*STU'S*
West Extension	*132,597*	*1.20*	*158,537*
West Extension Below 3700el	*379,763*	*1.38*	*524,473*
E-Zone	*24,183*	*1.97*	*47,738*
Shop Zone	-	-	-
Main Zone Pillars	*414,090*	*1.26*	*520,691*
Central Flats	*29,023*	*1.07*	*31,183*
South Flats	*40,255*	*1.64*	*66,154*
PUG	*479,118*	*1.17*	*562,857*
Stockpile	*6,447*	*0.73*	*4,706*
TOTAL Indicated Resources	***1,505,476***	***1.27***	***1,916,339***

Notes:
1. Mineral Resources conform to CIM and NI43-101 requirements.
2. Mineral Resources are estimated at a cutoff grade of 0.8% WO_3 for underground as well as Pit and Pug
3. All Mineral Resources are listed as INDICATED

Mineral Resources are inclusive of Mineral Reserves; excess resources may at some time in the future become reserves, however, at present they cannot be included in the estimate of Mineral Reserves. The Mineral Reserves include material for which there is a mining plan, and at least a conceptual design. Mineral Reserves for the Cantung Mine, as of July 1, 2009, are summarized in Table 1-4 below.

TABLE 1-4 CANTUNG PROBABLE MINERAL RESERVES

As of July 1, 2009

Zone	*Tons*	*Grade (WO_3 %)*	*STU'S*
West Extension	*95,666*	*1.08*	*103,271*
West Extension Below 3700el	*271,451*	*1.07*	*291,340*
West Extension Below 3570el	*148,187*	*1.11*	*164,146*
E-Zone	*23,967*	*1.09*	*26,023*
Main Zone Pillars	*376,554*	*1.06*	*400,360*
Central Flats	*22,750*	*0.87*	*19,775*
South Flats	*45,287*	*1.33*	*60,444*
PUG	*30,390*	*1.17*	*35,536*
Stockpile	*6,447*	*0.73*	*4,706*
TOTAL Probable Reserves	***1,020,699***	***1.08***	***1,105,602***

Notes:
1. Mineral Reserves conform to CIM and NI43-101 requirements.
2. All Mineral Reserves are classified as Probable.
3. Mineral Reserves are estimated at a cutoff grade of 0.80% WO_3.
4. A minimum mining width of 15 feet was used.

NATCL notes that some mining zone nomenclature may cause confusion for those unfamiliar with the Cantung deposits. The E-Zone refers both to the entire underground orebody, and also to the few remaining stopes that do not fit into a subzone category such as Main, South Flats, or West Extension.

MINING OPERATIONS

In the past, the mine used a variety of mining methods including room and pillar, cut and fill, longhole stoping with and without delayed backfill, and pillar-remnant ore recovery using different techniques.

Currently, longhole methods are used for the majority of the remaining reserves, both for pillar recovery and for primary mining in areas with favourable geometry. Access drifts are driven under the old workings, providing drill locations for upholes into remnant pillars above. The drill patterns form a draw cone from the access up to the base of the ore – this waste is mucked first after blasting, and discarded. In some cases, the pillars are surrounded by unconsolidated waste fill from previous cut and fill mining, and higher levels of dilution are expected as a result. In other cases, the pillars are surrounded by void space, and extraction is expected to be lower, as some ore will be

blasted outwards into the old workings and will not be recovered. Cut and fill methods are planned for areas with narrower ore widths. Mining widths for cut and fill are expected to be approximately 15 ft. Waste rock will be used as backfill for the working areas. There are areas in the old workings where pillars have failed and the hangingwall has deteriorated. The area of pillar failure is expected to expand as pillar mining progresses, however, no threats to active areas are anticipated.

The Cantung Mine workings extend vertically from 3600 up to the 4350 level and cover a strike length of approximately 5,000 ft. In order of size, the key underground mining reserve areas are:

- Main Zone (Pillar Recovery)
- West Extension (below 3700)
- West Extension (below 3570)
- West Extension
- South Flats Pillar Zone
- PUG
- E-Zone
- Central Flats

MINERAL PROCESSING

The mill processing facilities at Cantung comprise primary crushing and coarse ore storage installations, secondary and tertiary crushing, fine ore storage, a general gravity and flotation building with offices and a maintenance shop, backfill preparation building (inactive), reagents, supplies storage building, and an assay lab. Although the mill was designed to process 1,000 tons per day, it has achieved continuous processing rates of up to 1,200 tons per day. The Life of Mine Plan (LOMP) details an average processing tonnage of 1,100 tons per day at a recovery rate of 79% of WO_3. Final products include a premium gravity concentrate (G1) and a flotation concentrate.

ENVIRONMENTAL CONSIDERATIONS

The Cantung Mine is in compliance with applicable regulations. The following is a summary from the 2007 report, with updated information:

PERMITS

On December 5, 2003 NATC received notification from the Mackenzie Valley Land and Water Board (MVLWB) of the renewal of the type "A" Water License (the license) for a period of five years, expiring on November 29, 2008. The Water Licence outlines the permitted water use and includes a surveillance program and criteria for discharge. There are also a number of conditions related to the operation. The water license was extended by 60 days to January 28, 2009 as outlined below.

In July 2007, NATCL applied to the MVLWB for a 5 year renewal to the license. The renewal process is a public process involving public consultation, comment review and public hearings. The original public hearings scheduled for July 23-25, 2008 were postponed by the MVLWB at the request of the hosting communities due to personal tragedies in both small communities. Due to this delay NATCL was requested to apply to the MVLWB for a 60 day license extension, which was approved by the Minister of Indian and Northern Affairs (INAC) on September 8, 2008.

The public hearings for the five year license renewal took place on October 28-30, 2008, with the new proposed license forwarded on December 9, 2008 by the MVLWB to the Minister of INAC for his approval. The new 5 year term Water License was issued on January 30, 2009.

The security deposit required under the prior license was $7,900,000 which is posted in support of the license. The renewed license requires that NATCL post an additional security deposit of $5,200,000 over time (see Mine Closure, below). NATC negotiated the terms of the form of security deposit with INAC, which has jurisdiction over such an arrangement and to whose benefit the deposits are to be posted, and entered into the Reclamation Security Agreement (RSA) . NATCL has posted a total of $3,900,000 in cash and $6,600,000 in the required form of secured promissory note

pursuant to the RSA. The total security posted in favour of INAC is $10,500,000 which fulfills the security requirements of the Water License up to July 1, 2009. The amounts owing are secured against NATCL's assets by way of a General Security Agreement (GSA).

The RSA provides for the cash components payable to INAC to increase under certain events. Any funds in excess of ultimate reclamation costs will be returned to NATCL.

CAPITAL COSTS

The total capital costs for the remainder of the mine life are estimated to be $6.53 million. Closure costs, and salvage value were not included in capital costs.

TABLE 1-5 SUMMARY OF CAPITAL COSTS
North American Tungsten Corporation Ltd.-Cantung Mine

	COST (C$ '000)	
ACTIVITIES	**YTD 3rd Qtr Fiscal 2009**	**Remainder of Mine Life**
Mine	1,540	3,755
Mill	280	375
Power/Equipment	760	1,100
Tailings	310	1,250
Other	22	450
TOTAL	2,912	6,925

OPERATING COSTS

Operating costs for the Life of Mine Plan have been based on the requirements of the production schedule. Costs were estimated based on recent and historical site experience and current supplier contracts and pricing. Labour costs are based on the current payroll.

TABLE 1-6 SUMMARY OF OPERATING COSTS

North American Tungsten Corporation Ltd.-Cantung Mine
2009 YTD

ACTIVITIES	UNIT COST (C$/ton)
Mining	53.69
Milling	22.34
Surface	32.67
Site Administration	25.28
U/G Equipment	10.29
Corporate and Whitehorse	7.95
TOTAL	**152.22**

MARKETS/CONTRACTS

NATCL sells the G1 product at prices based on free market values for ammonium paratungstate (APT). Flotation concentrate is toll converted to APT or sold directly into the market. Concentrates may be blended in various configurations to maximize revenue. Customers for the Cantung products include North American, European, and Chinese APT and W powder producers.

NATCL's competitors are the tungsten producers within China, the Beralt mine in Portugal, and, on a smaller scale, producers within Russia, Africa, South America, Thailand, and Vietnam. Although China is unable to export concentrate, NATCL must compete against Chinese mines to supply to APT producers within China.

PRICING

June 2009 London Metal Bulletin (LMB) European free market price quotation for APT is approximately US$200 per MTU. Before 2005, prices were fairly consistent in the range of US$40 to US$90 per MTU, with a median of approximately US$60 per MTU.

FIGURE 1-2 TEN YEAR AVERAGE TUNGSTEN PRICES

In the cash flow, revenue is based on a G1 product price of US$205 per MTU.

2 INTRODUCTION AND TERMS OF REFERENCE

The Cantung Mine is a primary producer of tungsten concentrate from underground mine operations. Currently, the major features and facilities associated with Cantung are as follows:

- The Cantung deposit, and associated satellite deposits.
- The physical plant site including an underground mine, a small open pit, process plant, diesel power plant, workshops, warehouses, administration buildings, a town site and single status accommodation, and an airstrip.
- Waste rock dumps and a tailings storage facility.

Scott Wilson RPA has previously reviewed the Cantung Mine, having prepared a NI 43-101 compliant Technical Report for NATCL in December 2006.

Project review and preparation of this report was carried out under the direction of J. Britt Reid P. Eng. Robert D. Baldwin, P. Eng carried out the review of mineral reserves, mining methods, plans, and costs. Mineral resources were reviewed and audited by Mr. Finley J. Bakker, P. Geo,

In the course of preparing the Technical Report, discussions were held with the following NATC personnel:

- Ken Fedak, General Mine Manager
- Jim Male, Assistant General Mine Manager
- Bill Strutt, Superintendent Technical Services
- Rob Robson, Mill Superintendent
- Douglas Watt, Environmental Superintendent
- Christina Scott, Corporate Secretary
- Harold Schwenk, CFO

The documentation reviewed, and other sources of information, are listed at the end of this report in Section 21 References.

LIST OF ABBREVIATIONS

Units of measurement used in this report conform to the SI (metric) system, with the exception of mine development and production data, noted in imperial units, as the mine was developed and currently operates using that system of measurement. All currency in this report is Canadian dollars (C$) unless otherwise noted.

μ	micron
°C	degree Celsius
°F	degree Fahrenheit
μg	microgram
A	ampere
A	annum
Bbl	barrels
Btu	British thermal units
C$	Canadian dollars
Cal	calorie
Cfm	cubic metres per minute
Cm	centimeter
cm^2	square centimeter
D	day
dia.	diameter
Dmt	dry metric tonne
Dwt	dead-weight ton
Ft	foot
ft/s	foot per second
ft^2	square foot
ft^3	cubic foot
G	gram
G	giga (billion)
Gal	Imperial gallon
g/L	gram per litre
g/t	gram per tonne
gpm	Imperial gallons per minute
Gr/ft^3	grain per cubic foot
Gr/m^3	grain per cubic metre
Hr	hour
Ha	hectare
Hp	horsepower
In	inch
In^2	square inch
J	joule
K	kilo (thousand)
kcal	kilocalorie
Kg	kilogram
km	kilometre
km/h	kilometre per hour
km^2	square kilometre
kPa	Kilopascal
kVA	kilovolt-amperes
kW	Kilowatt
kWh	kilowatt-hour
LOMP	Life of mine plan
L	liter
L/s	litres per second
m	metre
M	mega (million)
m^2	square metre
m^3	cubic metre
min	minute
mASL	metres above sea level
mm	millimetre
mph	miles per hour
MTU	metric tonne unit
MVA	megavolt-amperes
MW	megawatt
MWh	megawatt-hour
m^3/h	cubic metres per hour
opt, oz/st	ounce per short ton
oz	Troy ounce (31.1035g)
oz/dmt	ounce per dry metric tonne
ppm	part per million
psia	pound per square inch absolute
psig	pound per square inch gauge
RL	relative elevation
s	second
St	short ton
Stpa	short ton per year
Stpd	short ton per day
STU	Short ton unit
t	metric tonne
tpa	metric tonne per year
tpd	metric tonne per day
US$	United States dollar
USg	United States gallon
USgpm	US gallon per minute
V	volt
W	watt
wmt	wet metric tonne
yd^3	cubic yard
yr	year

3 PROPERTY DESCRIPTION AND LOCATION

The Cantung Mine is located in the Nahanni area of western Northwest Territories, Canada, approximately 300 km northeast of Watson Lake, Yukon, close to the Yukon border. The mine is a primary producer of tungsten concentrate from open pit and underground mines. It was opened in 1962.

LAND TENURE

NATCL has leases from INAC covering the mine and associated service areas. The current legally surveyed leases are listed in the table below.

TABLE 3-1 LEASES AND CLAIMS STATUS
North American Tungsten Corp. Ltd – Cantung Mine

Lot	Lease No.	Acres	NTS Map	Valid To
Lot 1	3129	3129	105 H/16	Nov. 15, 2025
Lot 2	2449	2258.73	105 H/16	Nov. 28, 2012
Lot 3	2449	Included in above	105 H/16	Nov. 28, 2012
Lot 4	2449	Included in above	105 H/16	Nov. 28, 2012
Lot 5	2449	Included in above	105 H/16	Nov. 28, 2012
Lot 1000	3140	3140	105 H/16	Dec. 21, 2025
Lot 1001	3141	2338	105 H/16	Dec. 21, 2025
Lot 1005	3145	2105	105 H/16	Dec. 21, 2025
Lot 1013	3181	1548	105 H/16	Mar. 11, 2027
Lot 1014	3207	1125	105 H/16	Oct. 22, 2027
WO 1	(CLAIMS)	531	105 H/16	Sep. 27, 2014
WO 2	(CLAIMS)	2,487	105 I 01	Sep. 27, 2014

FIGURE 3-1 LOCATION MAP

Location

4 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

ACCESSIBILITY

The Cantung Mine is located approximately 300 km by road northeast of Watson Lake, Yukon. Although the mine is situated in the Northwest Territories, Watson Lake is the staging area for trucking the tungsten concentrates and for supplying the mine site (Figure 4-1).

Access to the mine from Watson Lake is via Highway 4 (Campbell Highway) and then Highway 10 (Nahanni Range Road). Additionally, the mine operates a 1,219 m long VFR-rated gravel airstrip. The airstrip is maintained for year-round operations.

CLIMATE

Cantung is located in the Selwyn Mountains, and climatic conditions vary with elevation. The mean annual temperature for major valley systems is approximately -4.5°C, with a summer mean of 9.5°C and a winter mean of -19.5°C. Mean annual precipitation is highly variable, ranging from 600 mm at lower elevation on the perimeter of the Selwyn Mountains region up to 750 mm at high elevation. Locally at Cantung, severe winter conditions prevail from October to May with temperatures as low as -40°C and substantial snowfall. Total annual precipitation locally is 650 mm, half as rain and half as snow, with an average 1,270 mm snow accumulation in the valley.

PHYSIOGRAPHY

Cantung is located in the Selwyn Mountains Ecoregion of the Taiga Cordillera Ecozone. This ecoregion is located in the Selwyn and southern Mackenzie mountains that span the Yukon-Northwest Territories border. For the most part, this is a rugged mountain wilderness, a northern extension of the Rocky Mountains. The mine site lies in the Flat River Valley, within the Selwyn Mountain Range. Local terrain is characterized

by steep mountains and narrow valley bottoms. Elevations vary from 1,130 mASL at the bottom of the Flat River valley to elevations of 2,750 mASL on nearby mountain peaks. There are a number of avalanche slide paths in the area, and avalanche monitoring and control is an ongoing requirement in the winter. The Flat River is a tributary of the South Nahanni River, which ultimately drains into the Liard and Mackenzie Rivers.

The ecoregion is characterized by alpine tundra at upper elevations and by subalpine open woodland vegetation at lower elevations. Alpine vegetation consists of crustose lichens, mountain avens, dwarf willow, and ericaceous shrubs; sedge and cottongrass are associated with wetter sites. Barren talus slopes are common. Subalpine vegetation consists of discontinuous open stands of stunted white spruce, and occasional alpine fir and lodgepole pine, in a matrix of willow, dwarf birch, and northern Labrador tea with a ground cover of moss and lichen.

Local alpine glaciers exist in the highest ranges of this ecoregion. Bare rock outcrops and rubble are common at higher elevation. Permafrost is extensive but discontinuous in the western part and continuous, with low ice content, in the eastern part of the ecoregion.

Characteristic wildlife includes caribou, grizzly and black bear, Dall's sheep, moose, beaver, fox, wolf, hare, raven, rock and willow ptarmigan, and bald and golden eagle.

LOCAL RESOURCES

Climate and resources provide opportunities for hunting and trapping of wildlife, ecotourism, and mineral exploration. There are no major permanent settlements in the ecoregion.

INFRASTRUCTURE

Existing underground and surface infrastructure at the property, shown in Figure 5-1, include the following:

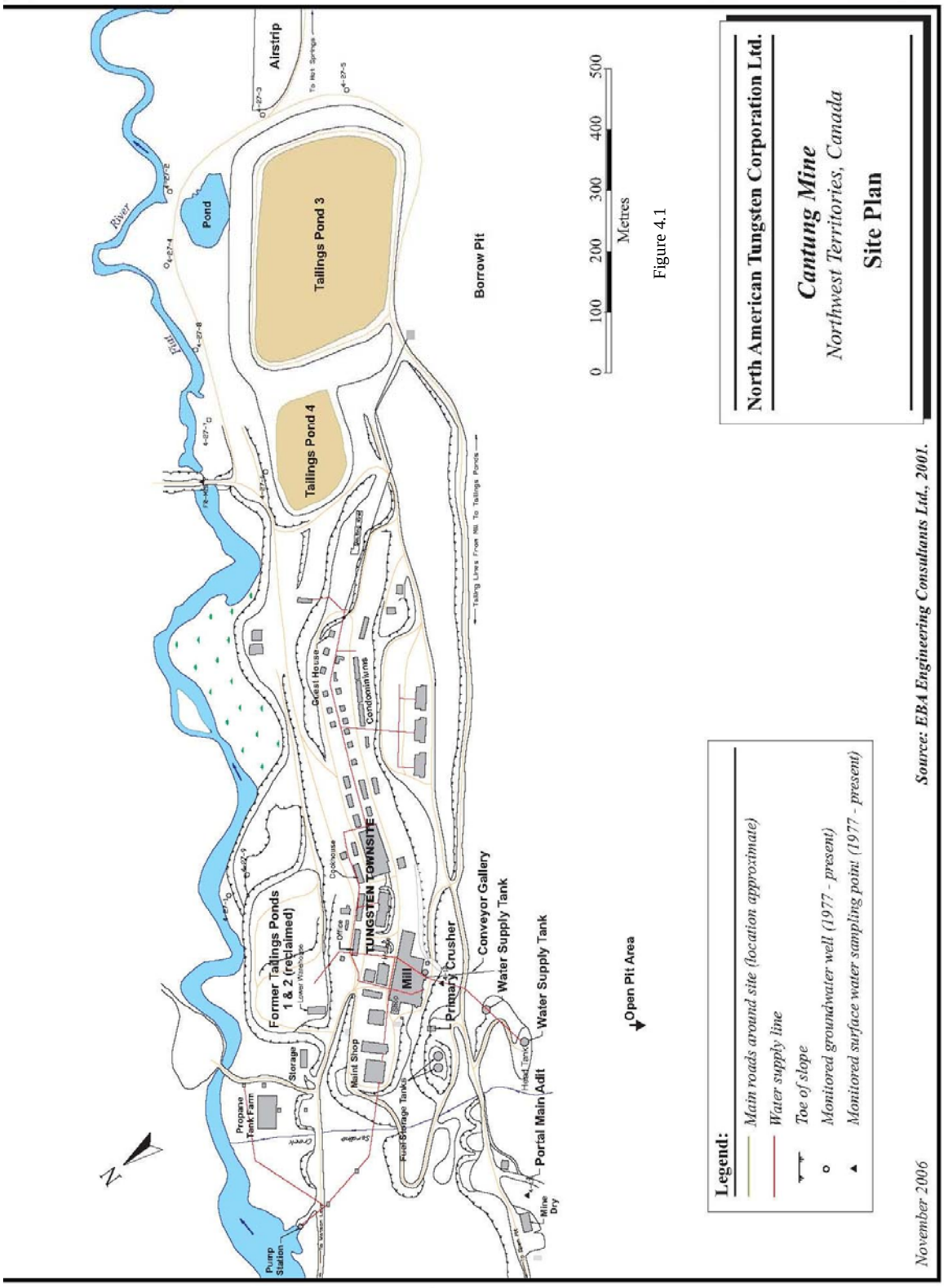
- Underground workings of a total strike length of 5,000 ft, with a main haulage drift at the 3,950 ft level and a number of ramps at different levels.
- An open pit located south of the main underground orebody, at the 4900 level.
- An underground maintenance shop comprising large service bays and warehouse facilities, equipped with overhead cranes.
- Primary, secondary, and tertiary crushing plants equipped with rod and ball mills, plus gravity and flotation circuits.
- A mill building with offices and a maintenance shop.
- An analytical lab fitted with a Leco sulphur analyzer, colorimetric spectrophotometer, and AA analyzers.
- Concentrate storage facilities.
- Tailings ponds and a polishing pond.
- A backfill plant.
- A warehouse for reagents and other supplies.
- A pumping station.
- Two diesel fuel tanks, each of a capacity of 360,000 litres.

The water supply is provided from the Flat River and is restricted to 45,000 m^3 per week in accordance with the Water Licence.

The power supply is provided by a powerhouse equipped with diesel generators of a total capacity of 5.3 MW.

The original operators of the Cantung mine built and maintained a town at the mine site, known as Tungsten, complete with all necessary facilities. Currently, only a portion of the existing town site is in use. Employees are accommodated in an 80-person apartment complex, in town house units, and in staff rooms above the main office. The site can accommodate up to 140 people at a time.

FIGURE 4-1 SITE PLAN



5 HISTORY

Prospectors discovered the Cantung Mine tungsten deposit in 1954, while looking for copper. In 1959, the Canada Tungsten Mining Corporation Ltd. was formed to acquire and develop the property. The Cantung Mine commenced production in 1962 from an open pit at the rate of 300 tons per day (stpd), with suspensions in 1963 due to low tungsten prices and in 1966 due to the destruction of the mill by fire. The construction of a new 350 stpd mill was completed in 1967 and, in 1969, the capacity was increased to 450 stpd.

In 1971, deep drilling discovered the "E Zone". This zone was accessed through an adit collared at the valley bottom, close to the town site. The mill began to process the underground ore in 1974. In 1975, the mill was further expanded to 500 stpd. A major mill expansion in 1979 increased the mill capacity to 1,000 stpd. In 1986, the mine ceased operations due to low tungsten prices.

In 1985, Amax Inc consolidated ownership of the Cantung Mine and transferred all tungsten assets, including the Mactung Project at Macmillan Pass, to Canada Tungsten Mining Corporation, retaining majority control. Aur Resources Inc. (Aur) purchased Amax Inc's controlling interest in 1995 and Canada Tungsten and Aur merged in 1996.

In 1997, NATCL purchased the Cantung mine, together with the related tungsten assets of the former Canada Tungsten Inc., from Aur.

After an improvement in tungsten prices commencing in 2000, NATCL reopened the Cantung mine in December 2001. Underground production and milling resumed at this time. In December 2003, NATCL was placed under the protection of the Companies Creditors Arrangement Act (CCAA), and the mine was closed. In November 2004, NATCL successfully completed a plan of arrangement to deal with creditors, allowing planning for reopening to commence. Preparatory work for the reopening began in July 2005, and production resumed in late September 2005.

The following table summarizes the production history of the operation for the 2008 and 2009 Fiscal year to date.

TABLE 5-1 2008 – 2009 PRODUCTION STATISTICS

North American Tungsten Corp. Ltd. - Cantung Mine

Fiscal Period	Tons Milled	% WO_3	Recovery
1st Qtr 2008	94,916	1.03	73.6%
2nd Qtr 2008	95,877	0.95	69.5%
3rd Qtr 2008	104,489	1.05	74.1%
4th Qtr 2008	103,563	1.06	76.1%
1st Qtr 2009	100,607	1.17	74.6%
2nd Qtr 2009	96,190	1.11	76.5%
3rd Qtr 2009	100,8206	1.19	77.4%

6 GEOLOGICAL SETTING

REGIONAL GEOLOGY

Southeastern Yukon and southwestern Northwest Territories are underlain by a thick sequence of late Precambrian and lower Paleozoic sedimentary strata, which are intruded by several Cretaceous granitic plutons (Figure 6-1).

Basement rocks comprise upwards of 3,000 m of fine-grained Proterozoic clastic sediments, predominantly slate and phyllite, referred to as the Grit Unit. At the onset of the Cambrian, a thin layer of calcareous siltstone, the Swiss Cheese Limestone Unit, which contains distinctive limestone nodules, was deposited over the region. After this, the region was divided into two contrasting environments of sedimentation, the boundary of which was more-or-less the present Flat River valley. A thick, uniform, sequence of shale beds developed in the Selwyn Basin southwest of Flat River, while extensive shallow water quartzites and carbonate predominated to the northeast, in the northern Cordilleran miogeosyncline. The strandline between basin and shelf shifted repeatedly over time from northeast to southwest and back.

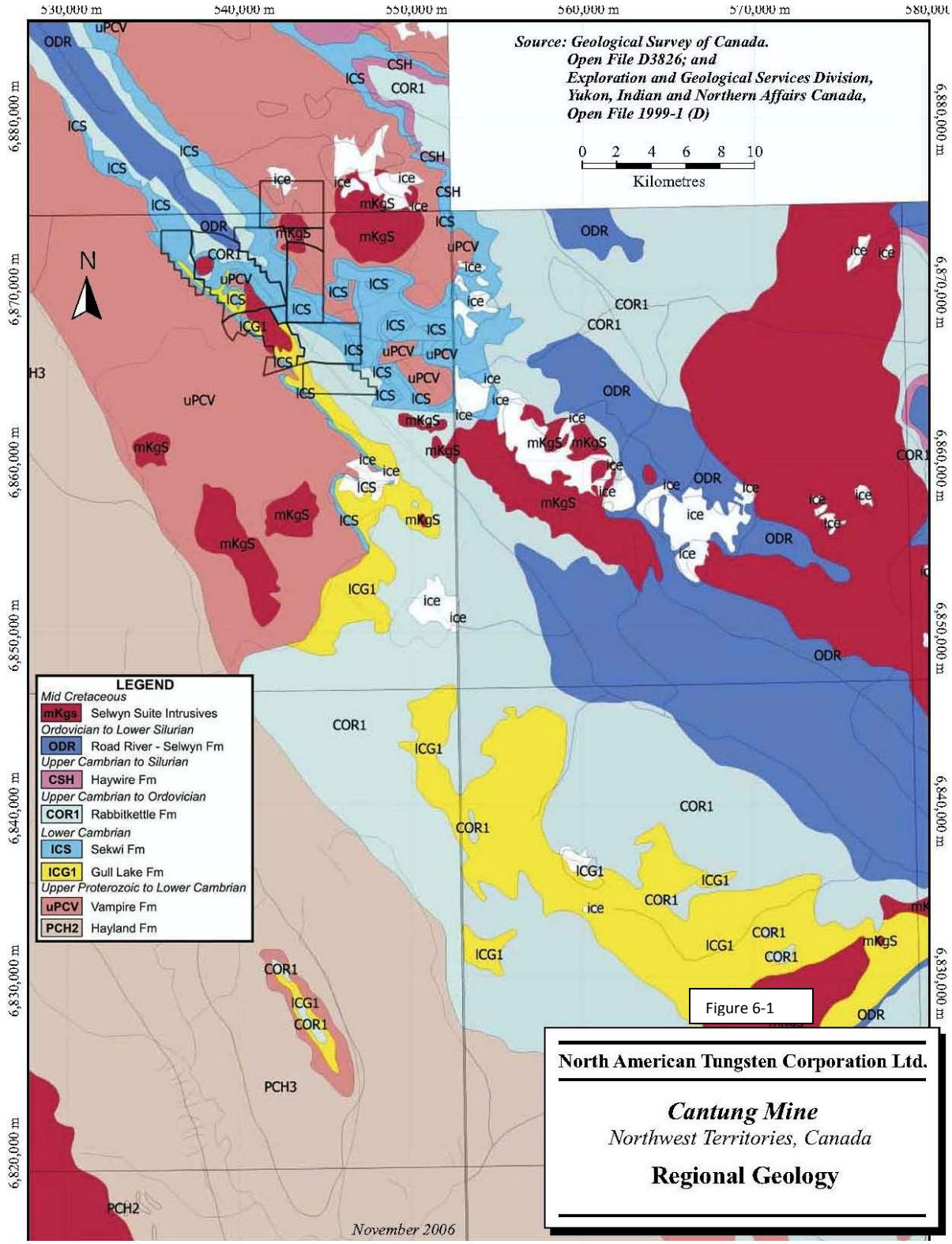
The stratigraphic unit of principal interest, the Ore Limestone, directly overlies the Swiss Cheese Limestone. It is a clean blue grey limestone and the lowest pure limestone in the geological succession. Its distribution is restricted to an area of three kilometres by 12 km in the immediate mine area (Figure 6-1). A shale unit that caps the Ore Limestone in the Flat River valley area thickens to the southeast of the mine. The shales are overlain by light buff dolomite, which is of regional extent. Fossil evidence dates all these units as Lower Cambrian. A wavy Banded Limestone, or Rabbitkettle Formation, of Middle to Upper Cambrian age overlies the Lower Cambrian sequence and forms a distinctive regional marker.

Granitic stocks of Cretaceous age intrude all strata and regional structures. They are of similar composition: medium-grained biotite quartz monzonite, locally with prominent

plagioclase and potash feldspar phenocrysts. The stocks occur mainly in a northwest-trending zone approximately 10 km wide that coincides with the Flat River valley.

The dominant regional structure in the area is a major northwest-trending synclinal fold, the Flat River Syncline, which is roughly five kilometres wide and has an axis close to the river.

FIGURE 6-1 REGIONAL GEOLOGY



Local and Property Geology

In the mine workings, the lowest stratigraphic unit exposed is argillite of the Proterozoic Grit Unit, referred to as the Older or Lower Argillite (Figure 6-2). It has an undefined thickness. The overlying Swiss Cheese Limestone, or Chert Unit as it is referred to at the mine, is in the order of 40 m to 50 m thick. The Ore Limestone is approximately 30 m thick in the Open Pit, thickening to approximately 100 m in the underground E Zone. The stratigraphically overlying argillite and interbanded quartzite, which averages approximately 150 m in thickness, is referred to at the mine as the Younger or Upper Argillite. At the top of the local stratigraphic sequence is a light buff dolomite with interbedded quartzite, which has a maximum thickness of approximately 600 m, however, this is not seen in the mine workings.

The two principal intrusive stocks exposed in the mine area are the Mine Stock, which outcrops near the Tungsten townsite, and the Circular Stock, which is approximately 500 m north of the E Zone. A third intrusion occurs at depth below the Open Pit and E Zone orebodies, however, its age and relationship to the other two stocks is not clear. Dykes and other small apophyses of this blind stock cut the overlying strata.

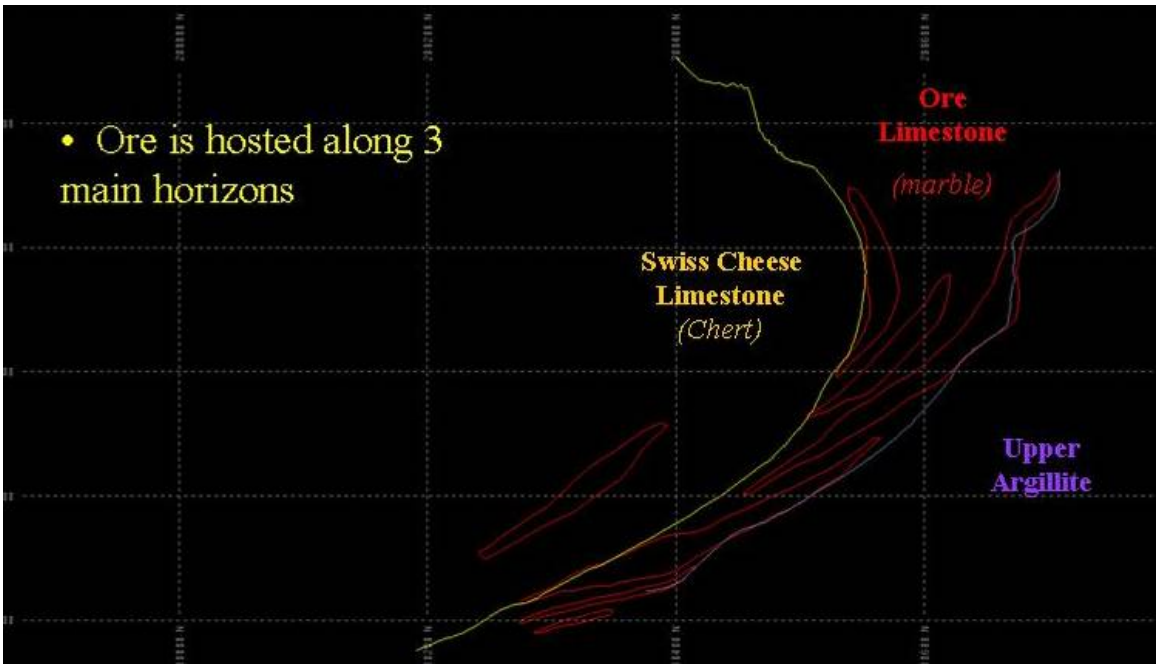
The Open Pit and E Zone orebodies lie on the west limb of the Flat River Syncline. This limb is steeply dipping and overturned in the west, but becomes flat to the east, where in the area around the two mined deposits it forms a recumbent anticlinal fold that trends east to west (Figure 6-3). The Open Pit lies on the flat lying upper limb of this fold and the E Zone on the lower limb, close to where the sedimentary succession is cut off by the Mine Stock. The pit is associated with a late acidic dyke. The mine anticline appears to be of local extent, as it has not been identified outside the immediate area of the two mined deposits. Steeply dipping, northeasterly-trending late stage faults with limited displacement cut all the rocks in the mine area.

Two of the deposits at Cantung have been mined. These are the original Open Pit orebody, which was mined from 1962 to 1973, and the E Zone, which was mined between 1973 and 1986, again between January 2002 and December 2003, and is

currently in production. Both deposits are in calc-silicate skarn zones that replace the Ore Limestone. The only tungsten mineral in the ore zones is scheelite, calcium tungstate ($CaWO_4$), which is recovered in either a gravity or flotation concentrate by the processing plant. At one time, the copper mineral chalcopyrite was recovered from the ore by flotation. NAT is currently re-installing a copper circuit. Testwork indicates a potentially saleable and profitable product.

The Open Pit orebody, located in the valley of Sardine Creek, was roughly circular and approximately 150 m in diameter (Figure 6-2). The current open pit resources are mainly in the Chert that forms the bottom of the existing pit. In addition, a low grade geological resource, also within the Chert Unit, extends from the pit wall for a distance of 250 m to the north. The E Zone orebody measures 1,200 m in length, and has an average thickness of 12 m and slope length of 150 m. The south side of the ore body is close to flat lying. Further north, the Ore Limestone thickens and becomes vertical, so that at the axis of the recumbent mine anticline the ore occurs in vertical or sub-vertical lenses. The ore pinches out above this fold axis mainly because of increasing distance from the intrusive. In a down dip direction the Ore Limestone, the skarn, and the ore mineralization pinch out against quartz monzonite of the mine stock. Throughout most of the deposit two, main ore lenses are present: a hanging wall lens adjacent to Chert Unit, and a footwall lens adjacent to Upper Argillite. Intermediate lenses also occur, however, they tend to be less continuous than either the hanging wall or the footwall lenses (Figure 6-3).

FIGURE 6-2 PROPERTY GEOLOGY



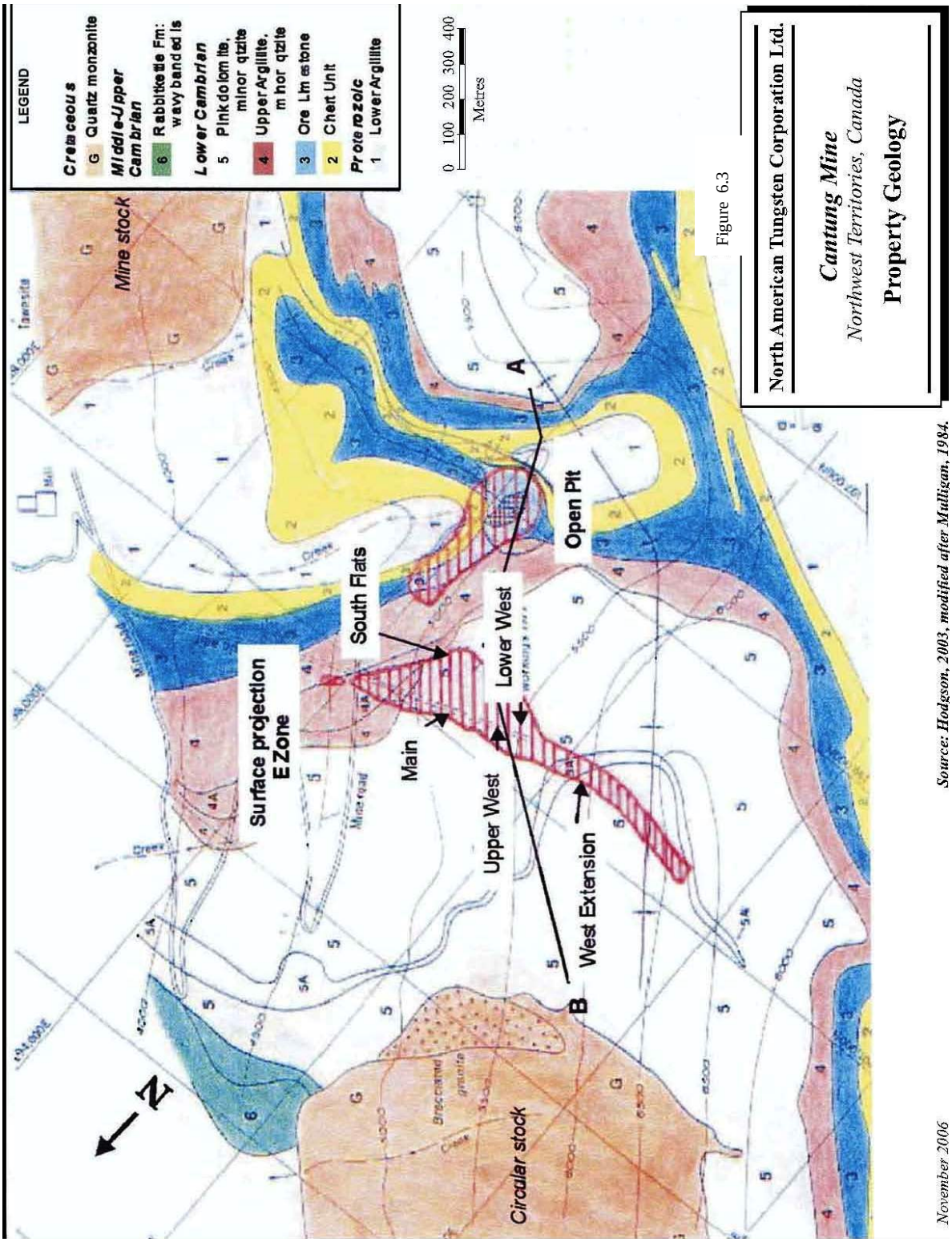


Figure 6.3

Source: Hodgson, 2003, modified after Mulligan, 1984.

November 2006

FIGURE 6-4 GENERALIZED CROSS SECTION

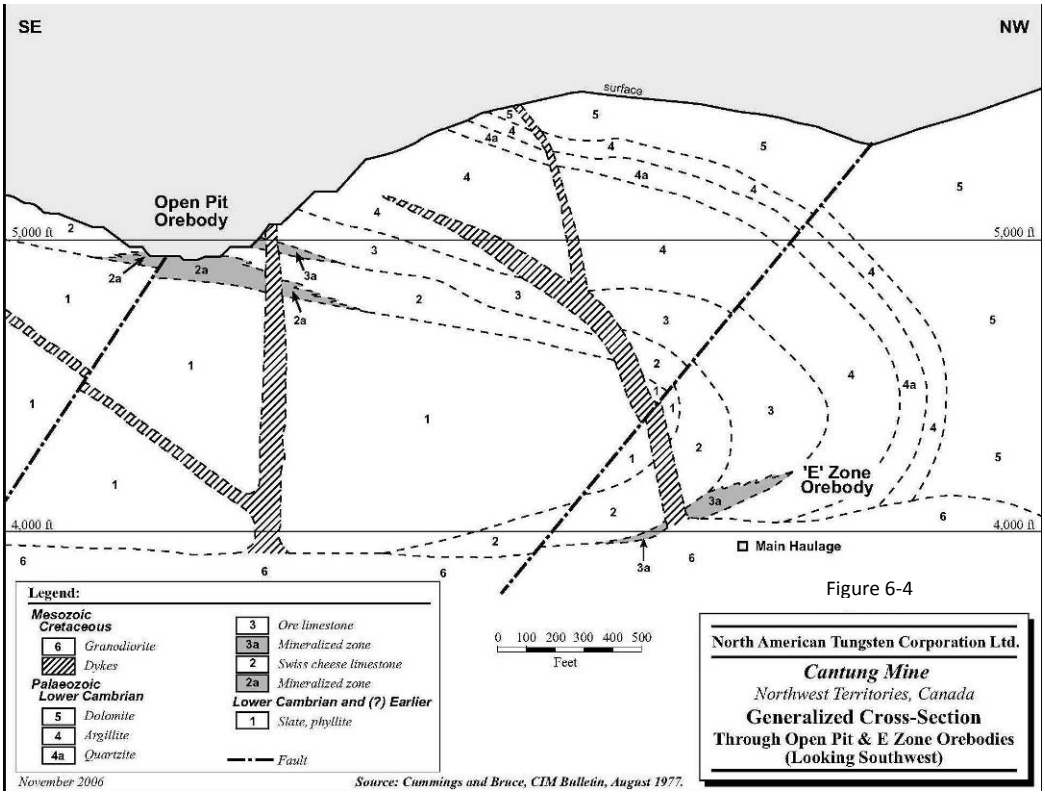


Figure 6-4

7 DEPOSIT TYPES

The Cantung Mine consists of two deposits, the Open Pit, near surface, and the E Zone, underground. The deposits are described in the following section, Mineralization.

8 MINERALIZATION

The description below is largely taken from the reports of Blusson (1968) and Hodgson (2003).

Mineralization at the Cantung mine comprises skarn replacements within the Ore Limestone. At the Open Pit, mineralization is also present as lower grade replacements in the underlying Chert Unit. The Open Pit skarn ore is comprised of scheelite and minor chalcopyrite disseminated in a gangue of pyrrhotite, diopside, garnet, and actinolite. The E Zone ore differs in several respects from Open Pit ore. It typically contains massive to semi-massive pyrrhotite and, in addition to pyroxene and garnet, contains abundant hydrated calc-silicates actinolite and biotite. The hydrated silicates are particularly characteristic of the West Extension. The scheelite content of the skarn-hosted mineralization in the two orebodies was similar (1.64% WO_3 at the Open Pit versus 1.54% WO_3 average to 1986 at the E Zone). Copper content in the open pit ore averaged 0.5%, and in the E Zone approximately 0.25% Cu. Accessory minerals in the E Zone include apatite, epidote, and tourmaline.

9 EXPLORATION

The mine property has been covered almost completely by ground and airborne magnetic and electromagnetic surveys, and by geochemical stream sediment and soil sampling. No obvious targets were discovered by these surveys, with the exception of the geochemical anomalies in the upper reaches of Rifle Range Creek. The other targets listed below are of a geological nature and are mainly suggested by earlier geological mapping or diamond drilling. Up to 2007 Exploration work has been limited to a few holes in the Open Pit/PUG Zone since the mine ceased production in 1986. A diamond drill program was reinitiated in mid 2007 including some surface drilling (one hole on Sheet Mountain), drilling in the PUG but primarily in the west extension, e-zone and the area below 3700 elevation.

During the first ¾ of fiscal 2009 over 35,000 ft (10,600 meters) of both exploration and definition diamond drilling was undertaken- a total of 85,000 ft has been drilled since start up in 2006. This translated into 405 diamond drill holes with an average depth of 210 feet but ranging from a low of 18 feet to a high of 970 feet. Most of the remaining pillars were drilled to confirm both tonnage and grade. Approximately 3,500 ft of definition diamond drilling occurred during fiscal 2009 with the remainder being exploration drilling. Drilling focused on the area below 3700 (the area below the lowest mine workings). This resulted in 148,000 tons being added to the indicated mineral resource during 2009. The drilling was initially on 100 ft spacing with subsequent infill drilling. Drilling indicates a southern offset in the ore in the area of 3700 (caused by a granite intrusion). Diamond drilling has also confirmed ore grade mineralization to the 3430 level. In addition in the later part of the fiscal year drilling above 3700 (but from 3700 level) confirmed the presence of mineralization above the level and to the west of current workings. The diamond drilling was undertaken by Boart Longyear utilizing either an LM37 or LM75 diamond drill. All core was BQTK size.

The mineralization conforms to that of the currently mined areas. Specifically the majority of the mineralization is limited to the ore limestone with minor intersections in the “swiss cheese” limestone.

The diamond drillhole database for the Cantung mine property, which is complete except for the drilling done on the Baker showing, comprises 1,847 drill holes. The drillholes are concentrated around the known deposits, mainly those that have been mined - the open pit and E Zone. Outside of these areas of exploration, diamond drilling is sparse or non-existent. The following exploration targets were identified. Those targets in and close to the E Zone underground workings that could be accessed and put into production most quickly are given the highest priority, as they are the most likely to extend the current mine life.

Target 1:

Name: West of the Western extension

Location: Extension of 3700 West #2 drift, currently in chert hosted low grade ore.

Development: 600 ft

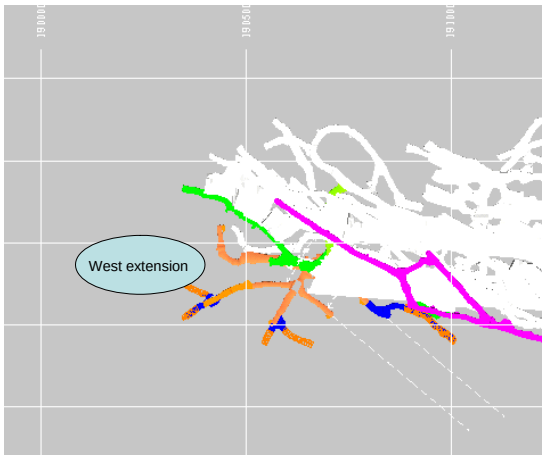
Drilling: 12,000 ft

Time Line: 1 year - 6 months drilling and 6 months drifting, switching back and forth between drilling and drifting.

Aim: Follow the western extension to the west, down the plunge of the intrusive Monzonite in order to confirm the shape and plunge of the Monzonite and to potentially double strike length.

Drilling method: Ramping flat may improve drill position.

Priority: High (equal importance to Target 2)



Target 2:

Name: Eastern Extension

Location: 1222 drift, 3950 level (4000ft elevation)

Drilling: 600 ft of strike length of 3700 E high grade potential target with 5-6 sections; 12,000ft drilling; $600,000

Time Line: 2 months clean up to access the drill areas; 6 months -1 year – which includes 6 months drilling and 6 months drifting. (alternating with Target 1)

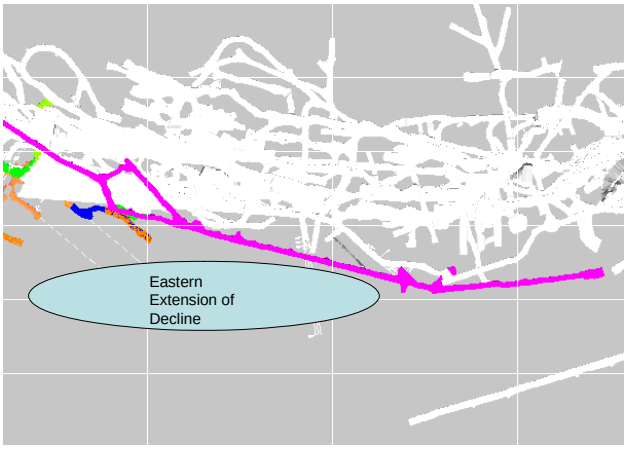
NB: Drills will be pinched for production drilling sporadically.

Possibility of drilling into an onward facing plunge

Aim: Confirm the high grade in the eastern extension similar to program for Target 1.

Drilling method: Rehab of 1222 drift scheduled for 1-2 months

Priority: High (equal importance to Target 1)



Target 3:

Name: Central Flats

Location: Extension of the South Flats (which is mined out) to the west.

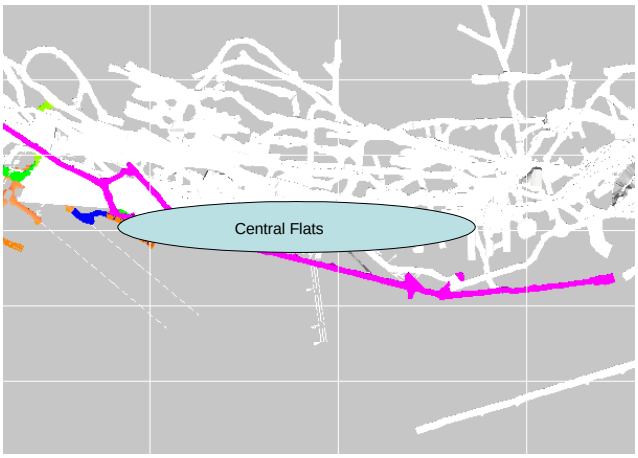
LOMP: LOMP 200,000 tons, which is unsupported, more realistic might be 100,000 tons.

Drilling: 5 drill targets; No development is necessary for this target. Modeling is the key for delineation of the ore in this target.

Time Line: Ongoing and continuous. 2 weeks for modeling.

Aim: Confirm proportion removed from reserves but still in LOMP.

Priority: High priority for mining in 2009; modeling is crucial.



Target 4:

Name: 109 West Lift #8

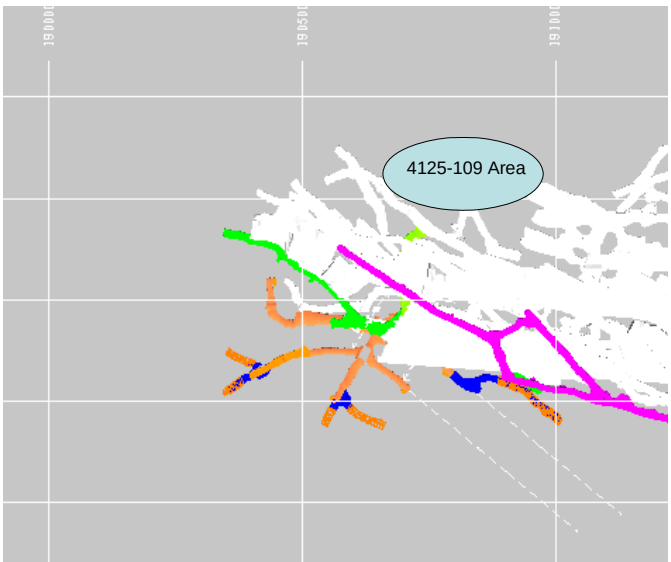
Location: West end of 3940 109 west stope; 4100 elevation; moving away from the plunge axis.

Drilling: Just finished drilling 800 ft; 2000 ft needed @50$ /ft; also need to put hole in above. Currently there is no drilling above this lift or along strike to the west. There is some drilling several levels below the current level.

Time Line: 3 weeks

Aim: Define mineralization in massive pyrrhotite above and below lift #8 of 3940 Stope west. This mineralization does not conform to general westerly shallow plunge of the E zones western extension ore bodies.

Priority: High; best potential for easy tons



Target 5:

Name: East Extension

Location: Surface drilling north of main 3950 level adit

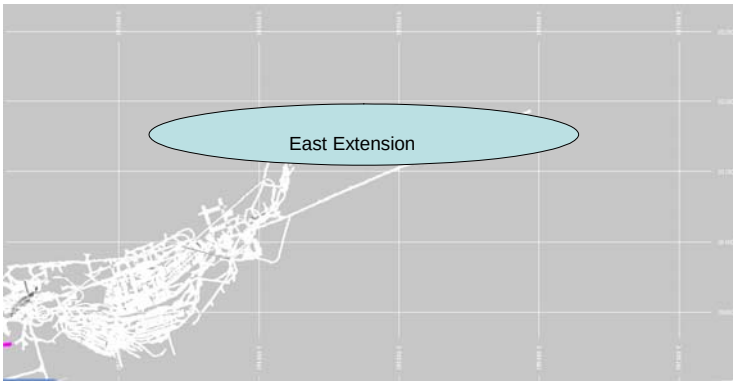
Drilling: This portion of the drill program consists of surface drilling 2250 ft, which is accessible by road.

Time Line: <14 days

Aim: Define the intersection of the ore limestone with the intrusive monzonite of the circular stock. This drilling will Increase the understanding of the entire mineralization complex.

Potential Resource: unknown; drilling too speculative

Priority: Medium; Drill 5 holes in the area, in order to trace the E-zone.



Target 6:

Name: Sheet Mountain

Location: Sheet Mountain, intersection ~1000 ft south of open pit, collar ~500 ft south.

Drilling: Use the same step for the platform at a steeper dip. 600ft, 1 hole; Begin drilling HQ- to NQ

Time Line: 1 week

Aim: This hole is a follow up to the 2007-01 hole which was designed to locate skarn on the footwall contact of the ore limestone underneath the core of Sheet Mountain.

Potential Resource: unknown; drilling too speculative;

Priority: Medium; Target 6 drilling will tie in with Target 5 drilling.

View from Sheet Mountain

Target 7:

Name: Shop to PUG Zone

Location: East end of the E-zone

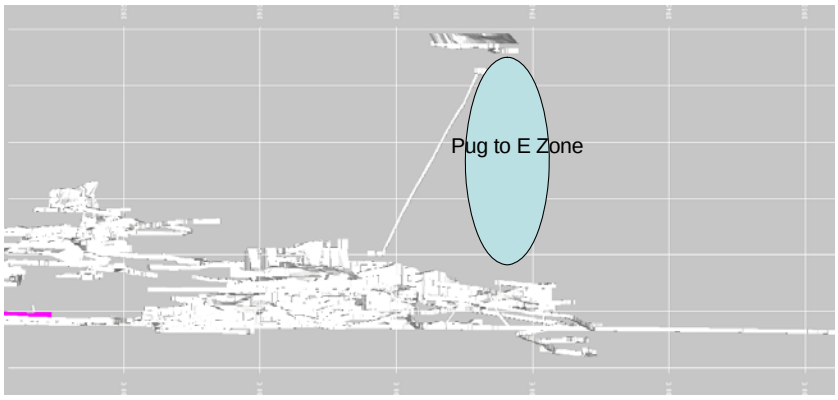
Drilling: Two holes at 600ft drilled from underground.

Time Line: 10-14 days

Aim: Discover new mineralization in the area between the shop zone and the PUG. If mineralization is found, access will be from the Shop Zone area. There were 2 low grade holes previously drilled in this general area.

Potential Resource: unknown; drilling too speculative

Priority: Low



Target 8:

Name: Dolomite Target

Location: In the vicinity of exploration hole # 71-06 in dolomite about 1000 feet N of E zone. This hole intersected 0.12 % WO3 for 100ft. Strong geochemical anomalies in the soils and over burden derived in this area (talus, not glacial derived); highest reading 1630 ppm W in overburden.

Drilling: Previous drilling in this area consisted of one hole that deviated away from the target area. Aim for axial plane of intrusive to intersect dolomite. 1 hole U/G 1200ft.

Time Line: 2 weeks

Aim: To define ore grade mineralization in dolomite close to the circular stock (in vicinity of hole # 71-06).

Priority: Low

Target 9:

Name: Rifle Range Glacier

Location: Upper reaches of Rifle Range Creek, 6 kms NE of Cantung Mine. NTC has claims on the area, but they are not grandfathered by Mine property. Only needs a Class B Water license.

Drilling: Helicopter supported drill program needed. Target consists of greisen zone in granite host, with anomaly 3 kms long. Associated with very weak magnetic anomaly and strong soil geochemical results and is located under an ice field.

Time Line: undefined

Aim: Target would be of interest if Mactung takes longer to complete than currently estimated, or it contains higher grade material.

Potential Resource: New Mine

Priority: Worth testing to find out order of magnitude to define grade, understand/confirming the target.

Target 10:

Name: Baker Prospect

Location: Adjacent to air strip – high elevation

Drilling: Helicopter supported drill program needed.

Time Line: undefined

Aim: Target would be of interest if Mactung takes longer to complete than currently estimated, or it contains higher grade material than both prospects currently being mined, for profitability.

Potential Resource: New Mine

Priority: Worth testing to find out order of magnitude to define grade, understand/confirming the target.

In addition there is a high degree of probability that more tonnage can be found by "data mining". In 2008 and 2009, 26% and 34% of tonnage respectively, to the mill came from areas outside of reserves. Modeling has at least temporarily removed some sub-grade or areas of poor confidence level (due to ground conditions and/or mined out openings) from reserves. Recent work on upgrading some of the areas currently outside of reserves has contributed significantly to the reserve statement. While it is anticipated that the percentage of ore mined outside of reserves will decrease over the next few years, a percentage of ore each year will continue to come from areas not included in resources and/or reserves.

10 DRILLING

Mineral resources and reserves at the E Zone are based almost entirely upon diamond drill core assay data from holes drilled in the mine area by Canada Tungsten Mining Corporation between 1958 and 1986. The current open pit reserves and resources rely mainly on the surface diamond drilling and the underground reserves on underground diamond drilling. The resource BELOW 3700 is based on drilling undertaken in late 2007 and 2008. Scott Wilson RPA reviewed copies of the diamond drill hole logs prior to 2007 and noted that core recovery was normally at or near 100% and the core condition was reasonably good Drill core was placed in wooden boxes and logged. Mineralized sections of core were split parallel to the core axis using a hydraulic splitter. After splitting, one half of the core was submitted for assay, while the other half was stored in core racks at the mine. Sample lengths varied up to ten feet; however, five foot samples are most common

Mineral resources and reserves for the area below 3700 are based almost entirely upon diamond drill core assay data from holes drilled in the mine area by North American Tungsten Corporation in 2007 and 2008. Core recovery was normally at or near 100% and the core condition was good. Drill core was placed in wooden boxes and logged. Mineralized sections of core were cut sub parallel to the core axis using a diamond saw. After splitting, one half of the core was submitted for assay, while the other half was stored in pallets at the mine. Sample lengths varied up to six feet although department standards called for a maximum of 5 ft or at lithology or grade changes. Rejects and pulps are saved.

11 SAMPLING METHOD AND APPROACH

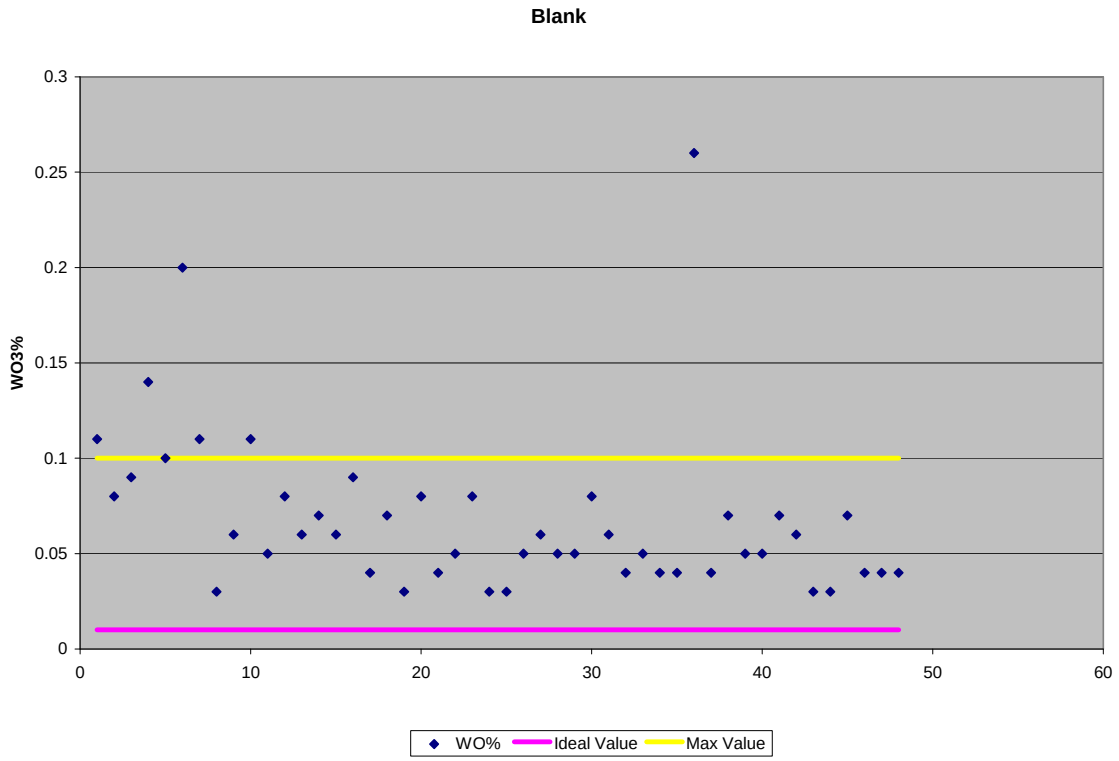
Most drill core samples from the E Zone were assayed at Rossbacher Laboratories, Burnaby, B.C., utilizing hot hydrochloric acid digestion followed by colorimetric finish. The method of sample preparation and analysis was designed by Amax Inc. for application at its Climax, Colorado mine. Rossbacher used a set of standard samples developed by Amax. Check assays were carried out at Chemex Laboratories Ltd., and Bondar-Clegg Ltd., both in North Vancouver, B.C. Between 1984 and 1986, samples were assayed at the Cantung mine laboratory using X-ray analysis.

During 2002/2003 operations all mine and mill assays were performed at the Cantung mine laboratory using hot three-acid digestion (HCl, H3PO4, HF) and colorimetric finish. All reagents used were certified reagent grade chemicals, used in conjunction with laboratory-produced distilled water. To each assay run of 12 samples, one standard and one blank sample were attached. The standard used was Canadian Certified Standards sample CT1, at 1.311% WO3, which originated at the Cantung mine many years ago. The blank samples test for constant error and error due to contamination from reagents and glassware that is used in the process. Each laboratory sample run also included one duplicate sample and one in-house mill feed standard to maintain statistical control records. The grade of latter was confirmed at 1.47% WO3 in over 100 separate assays.

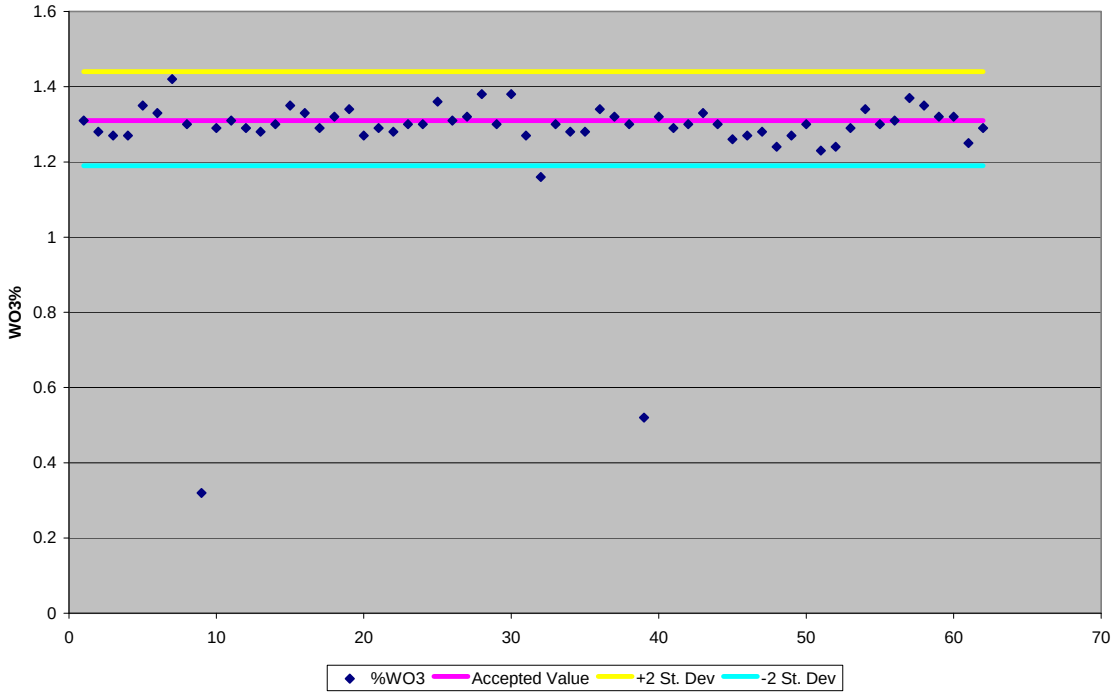
Check assays were performed from time to time at the ALS Chemex laboratory, North Vancouver, BC, which is ISO 9000 certified. Assays on concentrates were performed at the mine assay laboratory by gravimetric method, involving digestion in hot hydrochloric and nitric acid followed by gravimetric finish. Umpire and check assays on concentrates were performed at Alfred H. Knight laboratory, Spartanburg, South Carolina. No special assay security provisions were taken at the mine, as none were deemed necessary.

All exploration diamond drill core samples were assayed on site utilizing hot hydrochloric acid digestion followed by colorimetric finish. Assays greater than 1%WO3 were sent to Global Discovery Labs for verification and as part of a QAQC program. In

addition a QAQC program involving blanks, duplicates and standards was implemented. Results overall were satisfactory. See results given below:



W-1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1.2
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0.6
0.4
0.2
0
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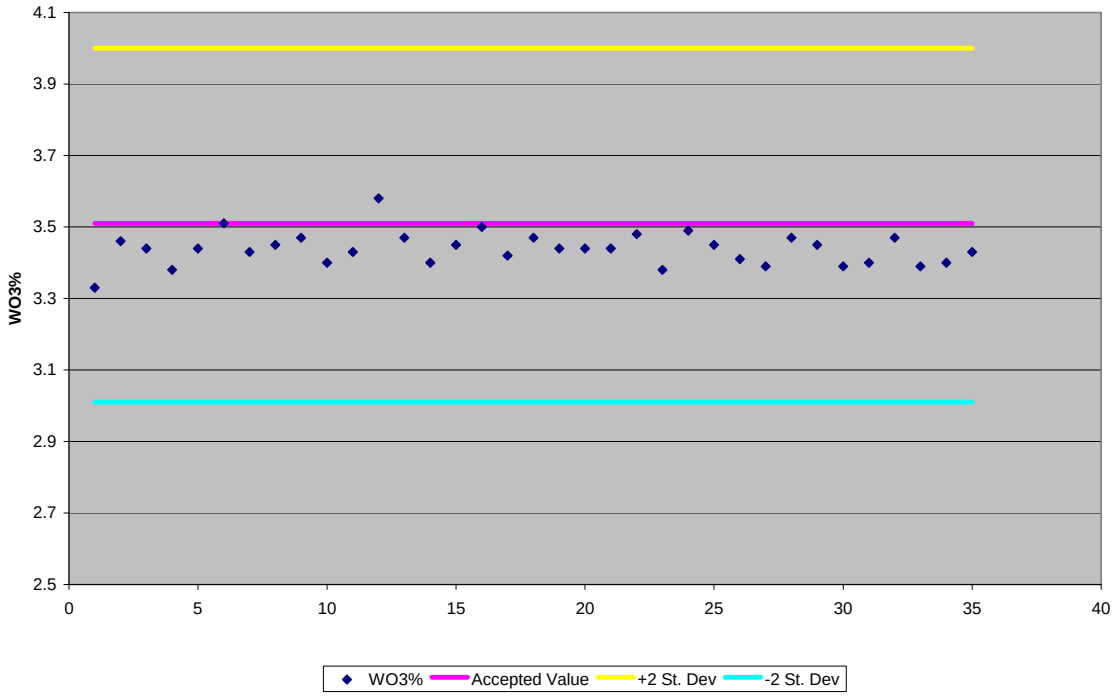
40
50
60
70
%WO3
Accepted Value
+2 St. Dev
-2 St. Dev

W-2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3.9
3.7
3.5
3.3
3.1
2.9
2.7
2.5
0
5
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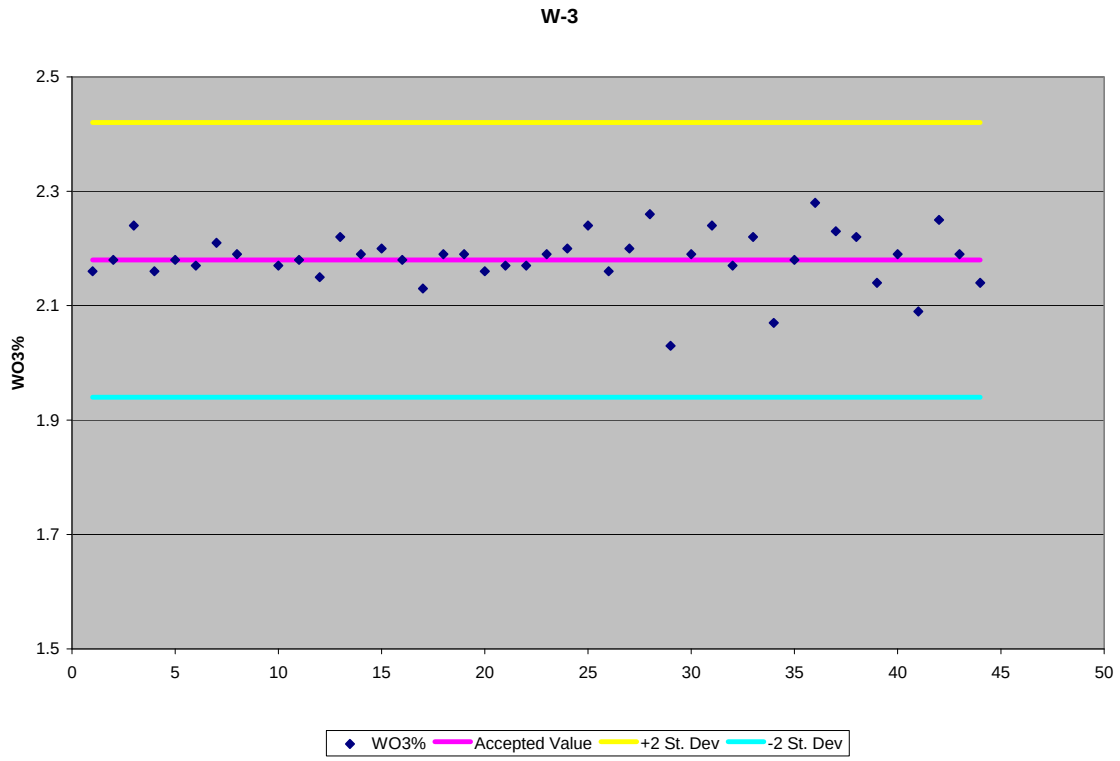
Accepted Value
+2 St. Dev
-2 St. Dev



Comparison of Cantung Assay Lab to Global Discovery Lab

Type of Diamond Drilling	No. of Assays	Cantung %WO3	Global Discovery %WO3
Defn Diamond Drilling	66	2.10	2.14
Exploration Diamond Drilling	684	2.62	2.87
Average	750	2.58	2.81

A total of 750 samples grading more than 1%WO3 were submitted to Global Discovery Labs for comparison. It was noted that Cantung assays were lower than that being reported by Global Discovery, similar to that observed when the higher grade standard (W2) was assayed – see graph above. As a result 85 samples were re-assayed by the Cantung Lab (the samples with the greatest discrepancies). The results are given below.

Comparison of Cantung Assay Lab to Global Discovery Lab and Re-assay

Type of Diamond Drilling	No. of Assays	Cantung %WO3	Global Discovery %WO3	Cantung Re-assay %WO3
Defn Diamond Drilling	8	2.70	2.85	2.38
Exploration Diamond Drilling	77	2.79	4.28	4.16
Average	85	2.78	4.13	3.99

The re-assayed samples are much closer to those reported by Global. Work is continuing to validate the remaining differences. For the purposes of the Resource/Reserve calculation the first (and generally lower) value was used to ensure that grade estimates were conservative.

12 SAMPLE PREPARATION, ANALYSES AND SECURITY

Most drill core samples from the E Zone were assayed at Rossbacher Laboratories, Burnaby, B.C., utilizing hot hydrochloric acid digestion followed by colorimetric finish. The method of sample preparation and analysis was designed by Amax Inc. for application at its Cimax, Colorado mine. Rossbacher used a set of standard samples developed by Amax. Check assays were carried out at Chemex Laboratories Ltd., and Bondar-Clegg Ltd., both in North Vancouver, B.C. Between 1984 and 1986, samples were assayed at the Cantung mine laboratory using X-ray analysis.

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Check assays were performed from time to time at the ALS Chemex laboratory, North Vancouver, BC, which is ISO 9000 certified. Assays on concentrates were performed at the mine assay laboratory by gravimetric method, involving digestion in hot hydrochloric and nitric acid followed by gravimetric finish. Umpire and check assays on concentrates were performed at Alfred H. Knight laboratory, Spartanburg, South Carolina.

No special assay security provisions were taken at the mine, as none were deemed necessary.

13 DATA VERIFICATION

Archival drillhole assay data were corroborated through reconciliation of average diluted recoverable reserves grade against the mine average production mucking grade for the period from February 2002 until September 30, 2003. The average production mucking grade for this period was reportedly 1.72% WO_3 and the corresponding diluted recoverable ore reserve grade 1.73% WO_3, which represents a grade variance (loss) of –1%. Mill head grade for the period was 1.67% WO_3, which compares well with mucked grade. This suggests that diluted recoverable ore reserve estimates are reasonably accurate on a global basis. This suggests, by extension, that assaying has been reasonably accurate.

Month	blast/mtd	muck/mtd	reserve WO3	muck %WO3	blast/stu	muck/stu
Oct-06 Total	15,529	28,186	1.78	1.57	27,710	44,243
Nov-06 Total	22,744	34,538	1.53	1.09	34,773	37,489
Dec-06 Total	20,362	36,017	1.72	1.18	35,072	42,565
Jan-07 Total	14,116	28,483	1.10	1.20	15,545	34,205
Feb-07 Total	15,958	23,647	1.57	1.46	25,080	34,530
Mar-07 Total	21,761	25,504	1.43	1.49	31,025	38,108
Apr-07 Total	11,477	33,488	1.22	1.41	13,955	47,220
May-07 Total	22,496	32,786	1.35	1.11	30,448	36,474
Jun-07 Total	27,840	26,751	1.22	0.99	33,996	26,547
Jul-07 Total	21,306	31,445	1.32	1.32	28,058	41,460
Aug-07 Total	23,149	28,268	0.96	0.95	22,227	26,965
Sep-07 Total	15,516	23,490	1.28	0.99	19,834	23,154
Grand Total	232,253	352,603	1.37	1.23	317,722	432,959

Comparison of Reserve/Budget grade to mucked (achieved at Mill 2006)

LEVEL	blasted tons	reserve grd	adjusted tons	adjusted grade	blasted stu	mucked stu
1600 Total	275	0.80	275	0.11	220	31
3700 Total	15,873	1.04	14,666	0.87	16,476	12,824
3740 Total	10,374	1.21	10,406	1.22	12,546	12,714
3776 Total	2,404	1.00	2,404	0.81	2,404	1,955
3810 Total	8,991	0.99	10,944	1.08	8,896	11,859
3812 Total	15,266	0.89	15,280	0.97	13,576	14,878
3870 Total	-	-	702	1.22	-	855
3950 Total	400	1.15	-	-	460	-
4000 Total	6,677	0.91	8,480	0.99	6,084	8,426
4050 Total	7,275	0.90	7,866	0.71	6,548	5,569
4100 Total	7,664	0.92	9,002	0.76	7,062	6,836
3880 Total	3,080	1.00	4,638	1.00	3,080	4,638
NIR Reserve	75,199	0.99	80,024	0.95	74,271	75,947
1089 Total	13,521	0.94	17,593	0.97	12,699	17,097
1350 Total	4,279	1.04	1,008	0.58	4,450	584
3740 Total	1,138	1.10	1,302	1.01	1,252	1,319
3812 Total	2,080	1.30	1,981	0.90	2,704	1,792
3854 Total	20,383	1.09	27,718	1.08	22,144	29,910
3870 Total	6,595	1.01	7,058	1.05	6,688	7,437
3950 Total	76,247	1.25	103,879	1.15	95,127	119,795
4050 Total	33,106	1.05	30,662	1.16	34,679	35,662
4125 Total	32,853	1.29	75,257	0.96	42,321	72,024
4170 Total	4,285	1.05	5,323	0.84	4,489	4,498
4200 Total	25,017	0.94	31,476	0.88	23,442	27,629
4350 Total	-	-	767	0.77	-	592
In Reserve	219,504	1.14	304,497	1.05	249,995	318,339
Grand Total	297,783	1.10	389,159	1.03	327,346	398,924

Comparison of Reserve/Budget grade to mucked (achieved at Mill 2007) – NIR refers to mining outside of Reserves (Not In Reserves)

14 ADJACENT PROPERTIES

The Northwest Territories mining recorders claim sheets 105H/16 and 105 I/01 show no third party claims tied on to the NATC Cantung property, and none in the immediate vicinity.

15 MINERAL PROCESSING AND METALLURGICAL TESTING

The mill processing facilities at Cantung comprise primary crushing and coarse ore storage installations, secondary and tertiary crushing, fine ore storage, general gravity and flotation building with offices and a maintenance shop, backfill preparation building (inactive), reagents and supplies storage building and an assay lab. Although the mill was designed to process 1,000 tons per day, it has achieved continuous processing rates of up to 1,300 tons per day. The Life of Mine Plan (LOMP) details an average processing tonnage of 1,100 tons per day at a recovery rate of 79.0% of WO_3. Final products will be approximately 330 tons per month of gravity concentrate (G1), containing 60% to 70 % WO_3 at 59.3% recovery and approximately 100 tons per month of flotation concentrate containing 47% WO_3 at 19.7% recovery. These target numbers appear to be obtainable based on projected ore metallurgical characteristics and past performance attained by the operation. A process flow sheet is shown in Figure 15-1.

PRIMARY CRUSHING

Ore is handled from the stockpile by a loader or directly dumped from haulage truck into a 30 ton receiving bin equipped with 42 in x 10 ft apron feeder, which, in turn, feeds a 42 in x 48 in jaw crusher. The jaw crusher is set to produce a nominal five inch crushed product. A conveyor transports crushed ore into a 1,000 ton capacity coarse ore bin. This bin acts as a surge bin for the secondary crushing circuit.

SECONDARY & TERTIARY CRUSHING

A vibratory feeder and a conveyor feed a 4¼ ft (secondary) standard cone crusher set at 1 inch. The crushed ore is discharged via conveyor to a vibrating screen equipped with a 7/16 in. x four inch slotted screen. The oversize feeds a 4¼ ft (tertiary) short-head cone crusher set at 3/8 in. The tertiary crusher discharge combines with the secondary crusher discharge to feed the screen in a closed-circuit recycle. Screened undersize (minus 7/16 in.) product is conveyed to two fine ore bins ahead of the grinding mills in the concentrator. Dust is controlled by the use of a wet scrubber with the discharge slurry returning to the mill as a recycle.

GRINDING, CLASSIFICATION AND TALC FLOTATION

The grinding circuit consists of a primary 9 ft x 12 ft rod mill, powered by a 450 hp motor, a secondary 7 ft x 10 ft rod mill powered by a 200 hp motor, and a secondary auxiliary 6'10" x 6' ball mill powered by a 125 hp motor. The primary rod mill is fed from the two fine ore bins via a conveyor and discharges ground ore slurry into a sump for pumping to primary cyclones. The cyclones overflow is discharged by gravity to "talc" flotation and the underflow is pumped to vibrating Derrick Screens for sizing.

Talc complicates scheelite flotation and therefore it is floated first and sent to mill tails. If the talc content of the "talc" cell concentrate is relatively low, the concentrate goes to the copper circuit for copper scavenging prior to being tailed. If the talc content is high, the stream is tailed directly. The flotation tails go to two 40 ft diameter triple-tray thickeners in parallel, which also receive gravity circuit tails ahead of scheelite flotation. The screen undersize goes to a 40 ft diameter triple-tray thickener. Normally, the screen oversize is gravity fed to a dewatering classifier, from which the sand feeds the secondary rod mill. Classifier overflow and the secondary rod mill discharge merge with the primary rod mill discharge in the pump box. When increased grinding capacity is required, the (auxiliary) secondary ball mill is operated in parallel with the secondary rod mill. In this configuration, the Derrick Screen oversize is dewatered with a 15" cyclone where the cyclone underflow is split between the secondary ball mill feed and the dewatering classifier feed. The cyclone overflow joins the dewatering classifier overflow and discharges to the rod mill discharge pump-box. The secondary ball mill discharge is pumped to the same location.

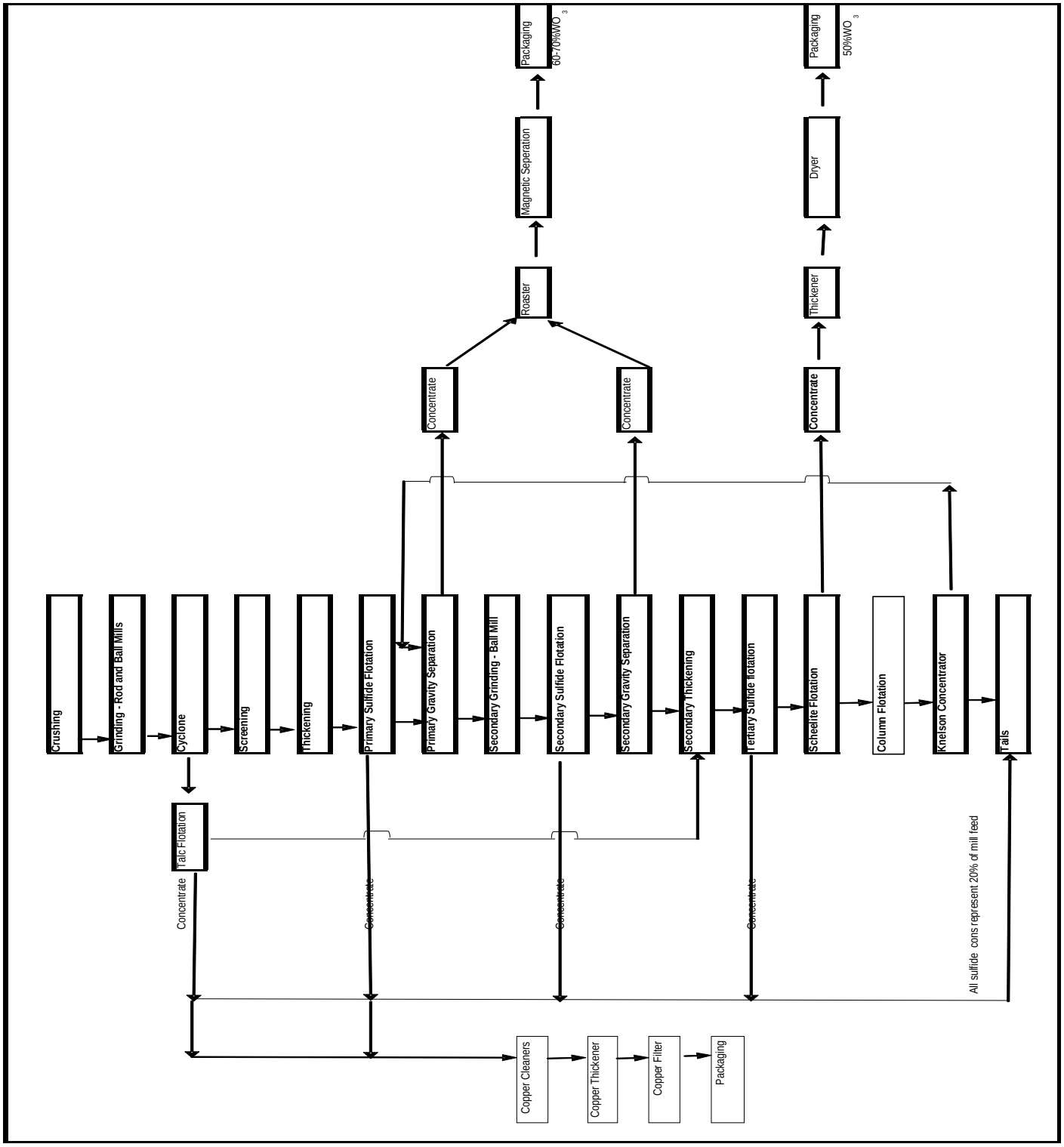
SULPHIDE FLOTATION

Underflow from the thickener, after conditioning with appropriate promoters, collectors, depressants, and frothers, is floated for its copper content, and subsequently for its residual sulphide content. The copper rougher concentrate is sent to the copper circuit while the sulphide scavenger concentrate is sent directly to mill final tails. The sulphide scavenger flotation tailing is sent to the gravity circuit.

GRAVITY SEPARATION

Sulphide flotation tails are distributed to triple-deck shaking tables for rougher concentration of scheelite. Concentrate from these tables is cleaned on single-deck tables before being pumped to the dewatering classifier that feeds the dryer. Rougher table tails are de-slimed with a cyclone. The cyclone overflow (slimes and excess water) is sent to the scheelite flotation thickeners while the underflow sand is reground in a single pass through a 6 ft dia. x 8 ft ball mill. The ball mill discharge is passed through cyclones which direct the slimes to the scheelite thickeners and the sands to a secondary sulphide flotation step whereby freshly liberated sulphides are removed prior to the flow being sent to triple-deck tables for scavenging of gravity recoverable scheelite. The concentrate from these tables is cleaned on single-deck tables with final concentrates joining other concentrates in the dewatering classifier ahead of drying. The tailings from the scavenging table circuit are pumped to the scheelite thickeners to prepare feed for scheelite flotation.

FIGURE15-1 PROCESS FLOW SHEET



The gravity circuit can be adjusted to produce a range of G1 concentrate grades; production of higher grade G1 increases gravity circuit losses such that the volume of flotation concentrate production increases. .

SCHEELITE FLOTATION CONCENTRATE

In general, the flotation feed consists of gravity circuit cyclone overflow products, talc flotation tails and secondary gravity tails. The thickened underflow slurry from the thickeners is treated with a frother and passed through a tertiary sulphide bank to remove residual sulphides and talc, after which the material is sent to conditioners where it is treated with a conventional pH regulator, depressants, collectors and a frother. The mechanical rougher, scavenger flotation banks and scavenger column produce their respective concentrates, which are then cleaned in conventional cleaner flotation cells and re-cleaned in column cells to produce a marketable-grade final concentrate. The flotation concentrate is thickened in a 20 ft thickener, filtered, and then dried in a rotary furnace to reduce moisture before being loaded into bags for shipment to markets.

DRYING AND MAGNETIC SEPARATION

The cleaner table gravity concentrate contains, on average, 55% to 65% WO3. It is dewatered in a spiral classifier before entering the roaster (dryer). The roaster is equipped with cooling screws, which help cool the dryer discharge as it is transported to magnetic separators by use of a bucket elevator system. Magnetic separation is accomplished in two stages. The first stage consists of two roll type separators that produce a high grade product with their rejects being further treated by a secondary stage. The secondary stage consists of a single rare earth magnet cross belt and three electro magnetic units fixed over a moving belt. The concentrates from both stages are combined to produce the final product, while the high sulfur rejects from each stage are returned to the mill circuit for re-processing.

CONCENTRATE HANDLING AND STORAGE

Dried concentrate is packed in two ton plastic tote bags for shipment to the customers. Bagged concentrate is stored in covered areas before being shipped. The tote bags are handled with a small forklift.

COPPER CIRCUIT

The present copper circuit takes copper rougher concentrate and "talc" flotation concentrate and cleans it with mechanical cells in three stages; the first and second stage tailings report to mill final tails, while the third stage tail returns to second cleaner feed. The third cleaner concentrate is thickened and subsequently filtered on a belt filter prior to packaging in bags for shipment.

TAILINGS DISPOSAL

Tailings are pumped to tailings ponds No. 4 for disposal and storage. Solution from the tailings ponds is pumped to polishing pond No. 5, from which it passes to the environment by exfiltration. Tailings pond No. 4 was an exfiltration pond until 2007 when it was upgraded to store tailings. Pond 5 was constructed in 2006 and utilized in 2007 for exfiltration No tailings were used for mine backfill.

In 2001, the embankment of Tailings pond No. 3 was raised by two metres, with an additional two metres added in 2003, and a further 1.5 metres lift added in 2005. The current crest elevation of tails pond 5 is at 3,765 ft..

Tailings pond No. 5 was completed in the fall of 2006 to an elevation of 3740 ft., 20 feet below it's design elevation of 3760 ft. Tails pond 5 was originally designed to become the primary tails disposal pond as tails pond 3 reached capacity in late 2006. As noted below, tails pond 5 became the designated exfiltration pond in early 2007. Due to its change in function, tails pond 5 is being modified by the addition of 33 ft wide support wedge of material to the upstream face. This is expected to be completed in the 2009 construction season.

In 2006 it became clear that polishing pond #4, which received the decant water from tails pond 3 was rapidly blinding off and was no longer exfiltrating efficiently. Though a number of attempts were made to re-establish exfiltration (such as dredging and excavating), it became clear that it had reached the end of its life as an exfiltration pond. After studying the options, and noticing how well TP5 exfiltrated, the decision was made to use TP4 as a tails pond, and pump the supernatant water to TP5 for disposal by exfiltration. Upon receiving approval from the MVLWB in February 2007, tails deposition was started into tails pond 4.

In 2007, tails pond 4 was raised from its original elevation of 3690 ft to 3715 feet, providing tails storage capacity for production into late 2008. In 2008 tails pond 4 was raised to 3730 ft elevation to provide tails storage capacity until late 2009. In 2009 tails pond 4 is scheduled to be raised, to a planned 3742.5 ft elevation, which will provide tails storage capacity until mid/late 2010.

At the time of this writing (July, 2009), the mill's Zimpro hydraulic backfill pumps are being refurbished for pumping of cycloned tailings underground in the second half of 2009; the slimes and excess water will continue to be pumped to tails pond 4. Beyond return of hydraulic backfill to the mine, initial planning is underway to investigate possible scenarios including further lifts on existing Tailings Ponds 3 & 4, and building a new tails pond.

Capital costs include an allowance for completing the dam lift on Tailings Ponds 4 & 5.

LABORATORY

There is an assay laboratory on site, which has been used for sample preparation and assaying services for the mine and mill,. The laboratory QA/QC testing with other labs is monitored and managed by the Geology Department, reference material and control samples are used in each assay run in the lab.

PROCESS RECOVERY

Recovery is calculated using the assays of the mill tails and recovered concentrates in conjunction with the concentrate weights and mill feed tonnage. As a check on recoveries, the sampled mill feed assay is checked against the back calculated feed assay; if a significant discrepancy is noted, conveyor weightometer calibration and sampling systems are immediately checked.

PLANNED MILL CHANGES

In July of 2009, the copper circuit will be upgraded through the installation of a 20 foot high by 20 inch diameter cleaner column to replace the second and third stage mechanical cleaners; this is expected to slightly improve both concentrate grade and recovery through the reduction of the circulating load. At the same time, provision is being made for subsequent installation of a copper regrind mill to allow liberation and recovery of copper in the middling fraction.

As mentioned in the “Tailings Disposal” section above, the existing Zimpro hydraulic backfill pumps are being refurbished for use in the second half of 2009.

16 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

MINERAL RESOURCE AND MINERAL RESERVE SUMMARY

Mineral Resources for the Cantung Mine, as of July 1, 2009 are listed below in Table 16-1. These Mineral Resources encompass both audited resources in the underground mine, as well as those recently updated for the Open Pit and PUG (Pit deposit, Underground ore) Zones.

TABLE 16-1 CANTUNG INDICATED MINERAL RESOURCES

North American Tungsten Corporation Ltd. - Cantung Mine

Zone	*Tons*	*Grade (WO_3 %)*	*STU'S*
West Extension	*132,597*	*1.20*	*158,537*
West Extension Below 3700el	*379,763*	*1.38*	*524,473*
E-Zone	*24,183*	*1.97*	*47,738*
Shop Zone	-	-	-
Main Zone Pillars	*414,090*	*1.26*	*520,691*
Central Flats	*29,023*	*1.07*	*31,183*
South Flats	*40,255*	*1.64*	*66,154*
PUG	*479,118*	*1.17*	*562,857*
Stockpile	*6,447*	*0.73*	*4,706*
TOTAL Indicated Resources	***1,505,476***	***1.27***	***1,916,339***

Notes:
4. Mineral Resources conform to CIM and NI43-101 requirements.
5. Mineral Resources are estimated at a cutoff grade of 0.8% WO_3 for underground as well as Pit and Pug
6. All Mineral Resources are listed as INDICATED

Mineral Resources are inclusive of Mineral Reserves; excess resources may at some time in the future become reserves, however, at present they cannot be included in the estimate of Mineral Reserves. The Mineral Reserves include material for which there is a mining plan, and at least a conceptual design. Mineral Reserves for the Cantung Mine, as of July 1, 2009, are summarized in Table 16-2 below.

TABLE 16-2 CANTUNG PROBABLE MINERAL RESERVE

Zone	*Tons*	*Grade (WO_3 %)*	*STU'S*
West Extension	*95,666*	*1.08*	*103,271*
West Extension Below 3700el	*271,451*	*1.07*	*291,340*
West Extension Below 3570el	*148,187*	*1.11*	*164,146*
E-Zone	*23,967*	*1.09*	*26,023*
Main Zone Pillars	*376,554*	*1.06*	*400,360*
Central Flats	*22,750*	*0.87*	*19,775*
South Flats	*45,287*	*1.33*	*60,444*
PUG	*30,390*	*1.17*	*35,536*
Stockpile	*6,447*	*0.73*	*4,706*
TOTAL Probable Reserves	***1,020,699***	***1.08***	***1,105,602***

Notes:
1. Mineral Reserves conform to CIM and NI43-101 requirements.
2. All Mineral Reserves are classified as Probable.
3. Mineral Reserves are estimated at a cutoff grade of 0.80% WO_3.
4. A minimum mining width of 15 feet was used.

When production is taken into account, Mineral Reserves have increased since the previous estimate. Increases are due to exploration of new zones, inclusion of lower-grade areas rendered economic by higher prices, and planned pillar recovery in previously mined areas through the use of longhole mining methods.

ESTIMATION METHODOLOGY

UNDERGROUND MINE

NATCL mine personnel updated the Mineral Resources estimate for the underground mine. The update was carried out using commercially available software.

Minesight/Compass was used to create a 3D block model of the various ore bodies. Mine openings were generated in AutoCad/Promine and entered into the project. The openings were not included in the calculations per se but were used to limit material remaining to be mined. Block size was 10 ft x 10 ft x 10 ft (X x Y x Z).

The model was oriented parallel to the grid EW and NS directions (i.e. not rotated). It is apparent that work undertaken by Scott Wilson RPA in July 2008, that modelling constraints need to be tightened. This should have a positive effect on grade calculations in the more steeply dipping areas of the mine.

OPEN PIT AND PUG ZONES

In 2006, Scott Wilson RPA generated a 3D Block model of the Open Pit and PUG using Gemcom. According to Scott Wilson RPA " a subset of 189 holes were selected for use in grade interpolation in the Open Pit/PUG block model. Included in this subset are the 15 most recent holes drilled in 2005. In total, the 189 drillholes in the Open Pit/PUG subset encompass 4,162 sampled intervals, and of these, 3,845 samples were used for grade interpolation."

In 2007 the model was exported to Minesight. The missing surface data was incorporated into the model. The mineralized lens were slightly modified to better match lithology. The estimate was carried out using a block model constrained with wireframe solid models of the principal lithologic units, and was essentially an update of the block model created for the 2006 estimate. Grade was estimated into the blocks using Inverse Distance Cubed weighting. The block model was constructed using Minesight software. Block size was 10 ft x 10 ft x 10 ft (X x Y x Z), and the model was oriented parallel to the grid EW and NS directions (i.e. not rotated).

The Minesight model was compared to the 2006 model completed by Scott Wilson RPA. While lithological boundaries were honoured to limit the "smearing" of grades, individual rock types were given the same code. The rationale being that the bulk of the remaining resource was confined to the "Swiss Cheese Limestone".

The gross results were comparable to that obtained by Scott Wilson RPA. A cutoff of 0.8% WO3 was applied to the resource compared to the 0.5% used by Scott Wilson RPA. This resulted in 472,000 tons at 1.3% WO3 meeting the criteria. (Scott Wilson RPA arrived at 448,000 tons at 1.4% WO3 using a 0.8% cutoff)

BLOCK MODEL METHODOLOGY

For the 2008 estimate of the underground Mineral Resources, Cantung mine staff did not cap high grade WO_3. It is of the opinion of the author that caps should be applied to composites and not individual assays as the tendency of mine personnel is to selectively sample very high but small intersections of scheelite even though the adjacent samples

are of the same lithology. Time did not permit a detailed analysis of the high grade composites but by using inverse cubing the impact of these relatively few samples is minimal (most of the historical high grade samples are in areas already mined out).

The search parameters used in the reserve estimate are significantly smaller than previously employed, to a maximum of 150 ft (down from 270 feet). Several estimates were made using different search radius but the results were almost identical. This is in large part due to using a maximum of 10 composites in total and a maximum of 3 per drill hole for interpolation. These requirements are usually met before the search ellipsoid has looked more than 50 feet.

As for the Open Pit and PUG, the estimate was carried out using a block model constrained with wireframe solid models of the principal lithologic units. Grade was estimated into the blocks using Inverse Distance Cubed weighting. The block model was constructed using Minesight software. Block size was 10 ft x 10 ft x 10 ft (X x Y x Z), and the model was oriented parallel to the grid EW and NS directions (i.e. not rotated).

TABLE 16-3 SEARCH PARAMETERS
North American Tungsten Corporation Ltd.-Cantung Mine

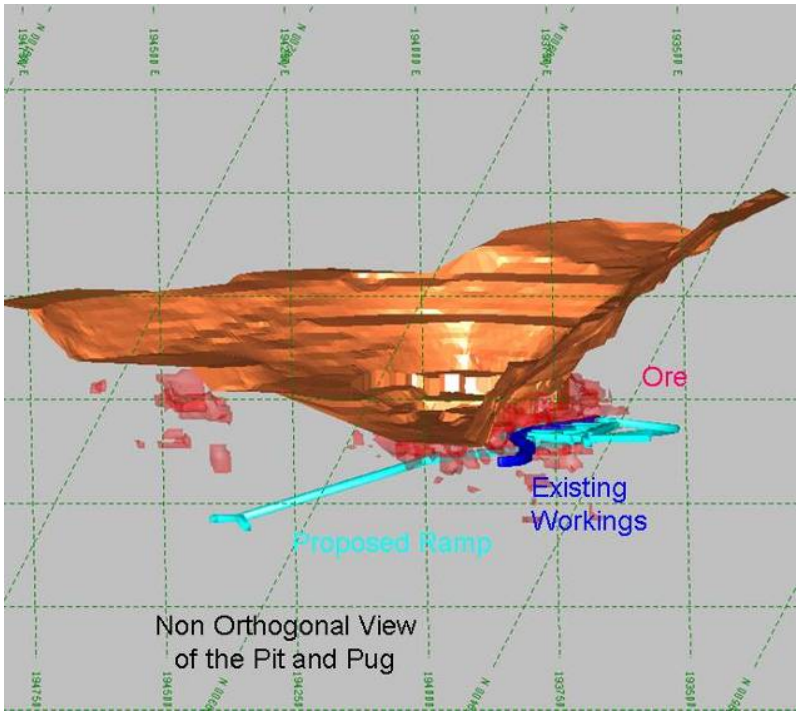
Pass	Search Radius (ft)			No. of Composites		
	Major	Semi	Minor	Min.	Max.	Max/hole
1	150	75	40	1	10	3

Cantung personal carried out validation of the block model by visual inspection, and by comparison of the global block to those reported using manual methods as well as to follow testholes. The block grades appeared to honour the drillhole grades reasonably well.

CUT-OFF GRADES

A cut-off grade of 0.80% WO_3 was applied to the block model to estimate Mineral Resources for the Open Pit/PUG and the entire E Zone Orebody. It is apparent that more

work needs to be done on the open pit/PUG before it can be upgraded to a Reserve. Much of the remaining material is amenable to underground mining only.



RESOURCE CLASSIFICATION

Underground Mineral Resources were classified as follows:

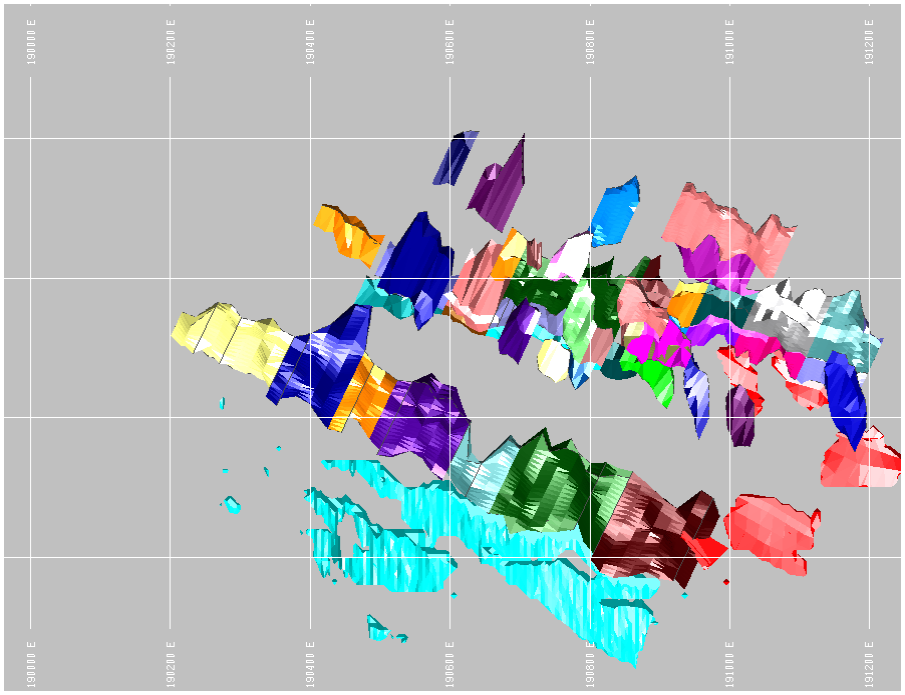
Indicated Mineral Resources were those that were either:

- Blocks outlined that fell within a 50 ft radius of a diamond drill hole. Initial calculations were on a 12.5 ft measured, 25 ft indicated and a 50 ft inferred basis but it was apparent that these constraints were too harsh as indicated in previous work undertaken by Scott Wilson RPA. As a result all data calculated to one of these three parameters was redefined as "indicated"

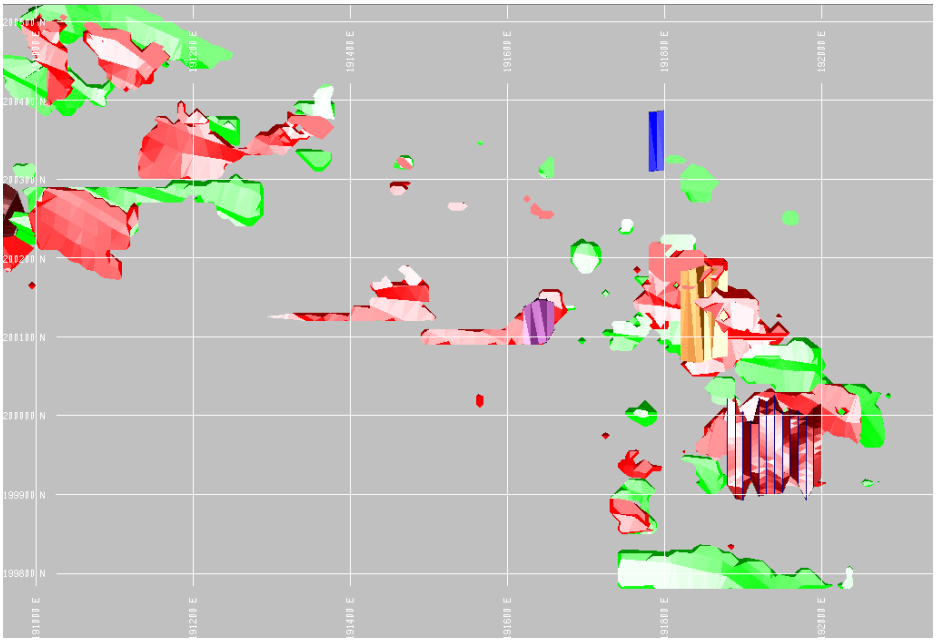
Open pit Mineral Resources were classified as follows:

- Blocks outlined that fell within a 100 foot radius of a diamond drill hole.

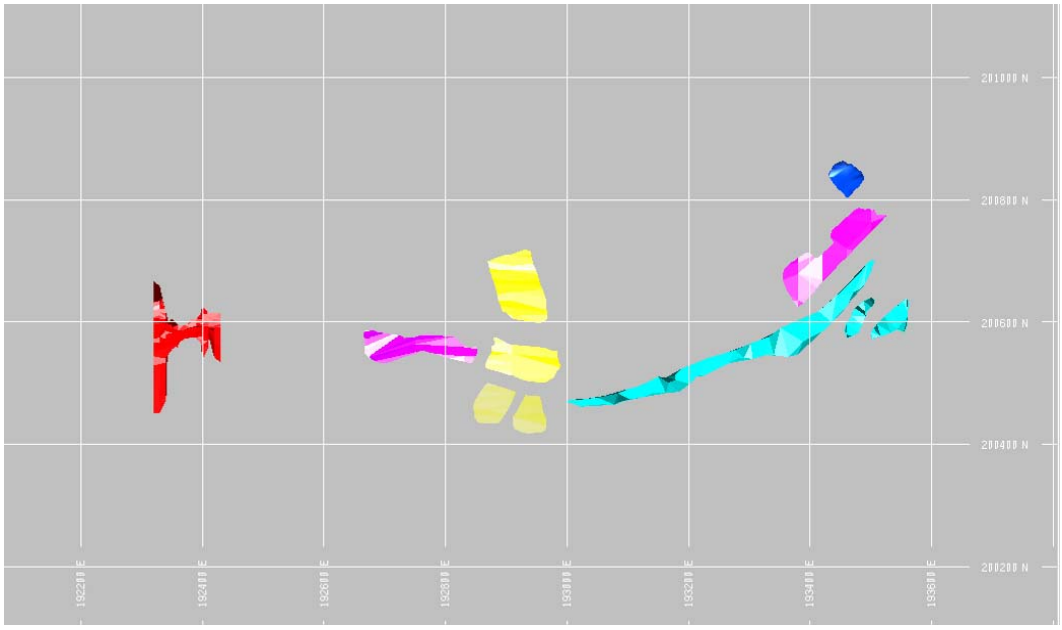
Inferred Resources were not reported as they are for the most part quite small (due to limiting the model to lithological codes obtained by modeling of the lenses).



Location Blocks used in Resource Estimate (West Extension and below 3700)



Location Blocks used in Resource Estimate (Central Flats)



Location Blocks used in Resource Estimate (Pillars and South Flats)

MINERAL RESERVES

The Mineral Reserve estimate for the Cantung Mine is provided above in Table 16-2. No Mineral Reserves were estimated for the Open Pit pending redesign of the pit and separation of the underground PUG Zone from the Open Pit resource blocks. A small reserve was estimated in the PUG Zone immediately adjacent to current workings. The remainder of the PUG resource require further design and economic analysis before they can be added to reserves.

Mineral Reserves for the underground were estimated by applying extraction and dilution estimates to the insitu Mineral Resources. Dilution was applied in a manner specific to the ore body characteristics, configuration, and extraction methods, in accordance with the lengthy experience of mine operation. Dilution was added at a grade of 0.1% WO_3. Some of the Mineral Resources were deliberately excluded from the Mineral Reserves owing to access or design constraints. These Mineral Resources remain in the inventory as material that may become mineable at some future time.

WEST EXTENSION AND E-ZONE

The West Extension comprises primarily polygonal blocks through an area of the mine that has not been worked before. As such, this material does not encompass pillars for the most part. The E Zone is in the older part of the mine and comprises stope remnants and pillars.

Tons and grade were determined from a conceptual stope design for each block, which took into account the thickness and orientation of the ore. Wall rock dilution was added to the block based on historical averages. Extraction percentages are expected to average 85% in the West Extension and 85%-90% in the E-Zone. After dilution and extraction parameters were applied, the remaining material was summed and assigned to the Probable Mineral Reserves category.

MAIN ZONE

The Main Zone consists of pillars that will be recovered by advancing drifts below them, drilling longhole uppers in a fan pattern to blast both the pillar and a drawpoint cone underneath. Material in the cone is anticipated to be mostly waste. Muck will be extracted until ore grade material starts to appear at the drawpoint. From that point onward the muck will be trammed to the mill. This part of the mine has been backfilled with unconsolidated material, so ore pillars have been designed to be left around the perimeter of the stope in order to hold back the waste. Occasionally the ore pillar fails and the resulting inrush of waste prevents the extraction of the entire pillar. However, it is common for the ore pillar to hold, resulting in very high recoveries and very low dilution.

The recovery and dilution for this zone have been estimated based on past experience. Recovery for this zone ranges from 75% to 95%, while the dilution has been estimated at 20% to 35%.

SOUTH FLATS

This is also pillar material, although the backfill comprises sand from the tails and is anticipated to have more strength than the rock fill. The current conceptual mining plan

is to rehabilitate old working to gain access, followed by a retreat sequence of small longhole stopes from within the orebody. Dilution from the sand was estimated to be 25% of the total pillar volumes, and extraction was estimated to be 90%.

CLASSIFICATION

All Mineral Resources in the underground mine are in the Indicated category. Accordingly, all Mineral Reserves have been assigned to the Probable category. The classification of the Mineral Reserves has been done according to the rules and guidelines set forth in NI43-101 in accordance with CIM guidelines.

17 OTHER RELEVANT DATA AND INFORMATION

MINING OPERATIONS

The Cantung Mine comprises underground and open pit operations, producing ore at a rate of 1,100 stpd. The underground mine was developed as a multilevel operation based on the E-Zone (main ore body), which was extensively mined in the past, and the narrower West Extension, which has been mined only recently. Underground areas form the current Mineral Reserves.

The open pit ore body contains the Open Pit and PUG Zones, for which current Mineral Resources have been estimated. Open Pit mining has taken place in the past, and as recently as the summer of 2006. The PUG Zone, located in the wall of the pit, has been explored with drifting and diamond drilling. Ore from both sources has historically been blended with feed from underground.

MINING METHODS

In the past, the mine used a variety of mining methods including room and pillar, cut and fill, longhole stoping with and without delayed backfill, and pillar-remnant ore recovery using different techniques. The primary mining method was cut and fill, using breasting or benching techniques for ore extraction. Waste rock was used as backfill and a working platform for subsequent mining lifts when breasting.

Currently, longhole methods are planned for the majority of the remaining reserves, both for pillar recovery and for primary mining in areas with favourable geometry. Access drifts are driven under the old workings, providing drill locations for upholes into remnant pillars above. The drill patterns form a draw cone from the access up to the base of the ore – this waste is mucked first after blasting, and discarded. In some cases, the pillars are surrounded by unconsolidated waste fill from previous cut and fill mining, and higher levels of dilution are expected as a result. In other cases, the pillars are surrounded by void space, and extraction is expected to be lower, as some ore will be

blasted outwards into the old workings and will not be recovered. To reduce the possibility of dilution from waste backfill and loss into the open stope longhole drill patterns are designed to leave a skin of rock around the pillar perimeter. In most cases this skin fails during or after the broken ore is removed allowing a higher than expected recovery rate and lower than expected dilution.

Grade control is achieved through close monitoring of mining faces by geologists and engineering staff to assess the grades and mark up the ore contacts. Grades are estimated at the faces through visual inspection using a UV light. Face and muck pile samples are also collected and assayed for mill feed grade estimation.

GROUND CONDITIONS AND ROCK MECHANICS CONSIDERATIONS

The Cantung Mine is in relatively good physical condition. Ground conditions can be classified as generally good to very good, with the exception of localized weaker parts where the ground has deteriorated due to mining extraction, due to the occurrence of weaker rocks and structures, or a combination of both.

Within the ore body envelope, there are occasional weaker zones, mostly attributed to structural settings and these areas require more extensive ground control work than in other areas in order to maintain safe access and working conditions.

The primary access and infrastructure openings are well supported, large in size, and driven in good to very good ground. Primary ground support consists of different lengths of mechanical and friction type rock bolting, wire mesh screening, and strapping. Local ground conditions dictate the type of application, spacing, and length of rock bolts used.

There are areas in the old workings where pillars have failed and the hanging wall has deteriorated. Some parts of the remnant ore extraction zones have wide spans, in excess of 30 ft, across the intermediate backs. Wide-span back areas are supported with rebar and split set rock bolts, cable bolts and wire mesh screen. The area of hanging wall failure is expected to expand as pillar mining progresses; however, no threats to active

areas are anticipated. Geotechnical monitoring of key areas and regular review of ground support practices and procedures are carried out based on the results.

Pakalnis & Associates, geomechanics specialists, conducted a ground control audit on February 15 to 19, 2006. The audit included a review of ground conditions of stopes and mining areas, geometrics of critical back spans, ground support, and pillar recovery. Pakalnis & Associates made the following recommendations:

- Minimization of the amount of undercut through the use of a "rammer jammer" or some alternative way to provide tight fill
- Re-evaluation of intersections for the use of rebar and screen, particularly in areas where the span has exceeded the critical span
- The use of a higher-capacity mechanical bolt (8.6 ton) in addition to pull tests to determine the realized strength
- The use of rebar and screen in development drifts in response to deterioration from secondary blast and stress damage
- The implementation of a design criteria or methodical engineering approach to their mining activities in combinations with past practices and experiences.

Pakalnis & Associates conducted a follow-up ground control audit on March 9 to 12, 2008. The audit included a review of the February 2006 ground support recommendations and implementation of same. Ground conditions of stopes and mining areas, geometrics of critical back spans, ground support, and pillar recovery were again reviewed along with support standards in use.

Pakalnis & Associates made the following recommendations:

- Address the induced stress deterioration in the West Extension through seismic support (rebar, straps, chainlink) along with developing a 3D model to minimize adverse geometries/mine sequences.
- The use of Shotcrete where weak rock mass/adverse faulting are encountered.
- Ground control standards as presently employed should continue.

MINING AREAS

The Cantung Mine workings extend vertically from 3600 up to the 4350 level and cover a strike length of approximately 5,000 ft. In order of size, the key underground mining reserve areas are:

- Main Zone (Pillar Recovery)
- West Extension (below 3700)
- West Extension (below 3570)
- West Extension
- South Flats Pillar Zone
- PUG
- E-Zone (Primary Mining)
- Central Flats

Mining areas outside of Mineral Reserves include:

- Open Pit

MAIN ZONE

The Main Zone remnants are predominantly pillars of different shapes and types left in the central portion of the mined out E-zone. Between 2007 and 2009, undercut development was completed and many of the Main Zone pillars were extracted. Lessons learned during the initial pillar excavations allowed planning to reduce future pillar extraction dilution and losses.

During 2009, an intensive data mining program was launched to evaluate whether any additional tons could be found in the Main Zone. This resulted in a number of discoveries. In total, 195,440 tons of 1.17%WO_3 was added to the reserves. This has been an amazing success and is planned to continue until all remnant pillars have been identified and evaluated.

FIGURE 17-1 MINE LAYOUT

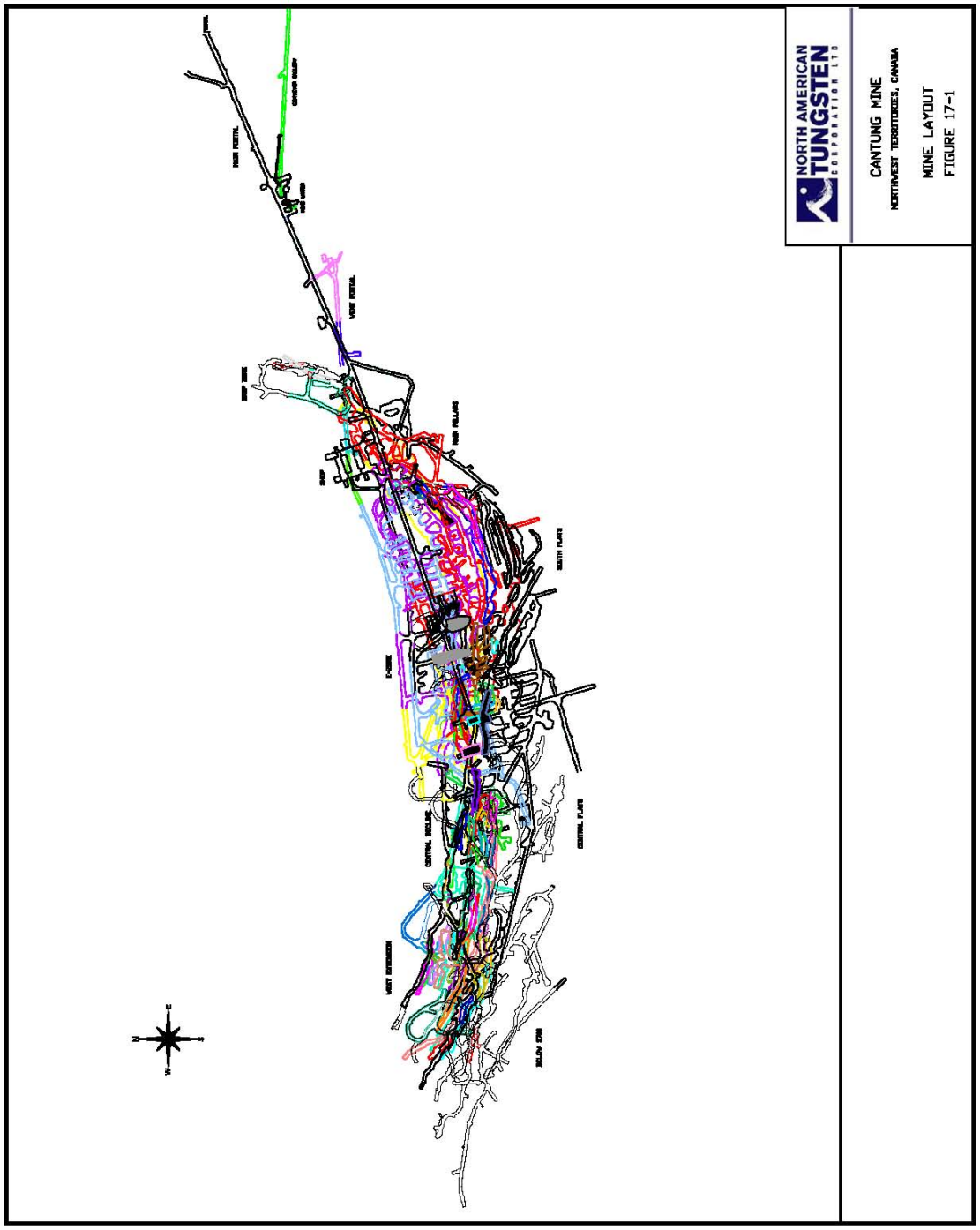


FIGURE 17-2 MAIN ZONE

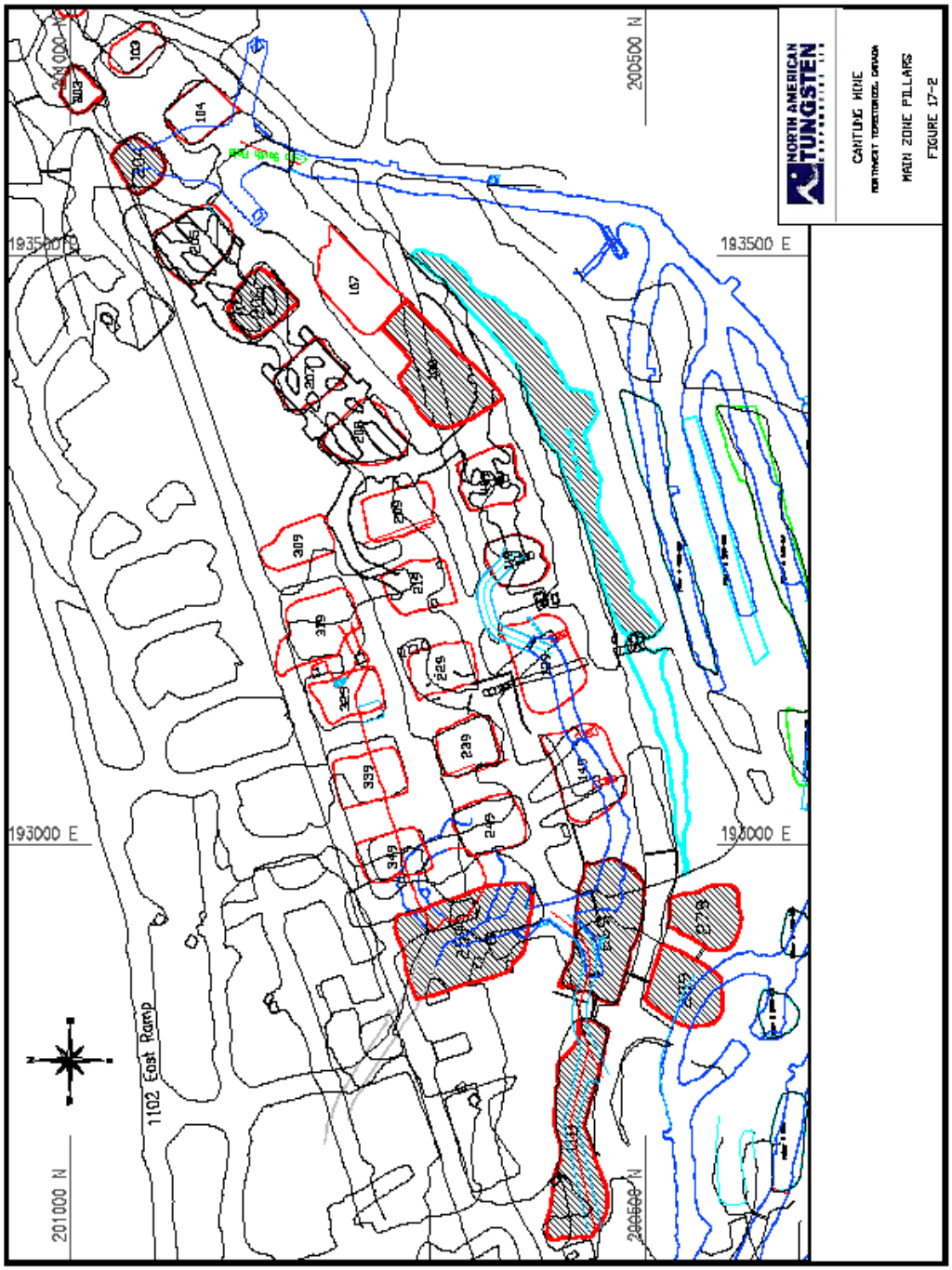
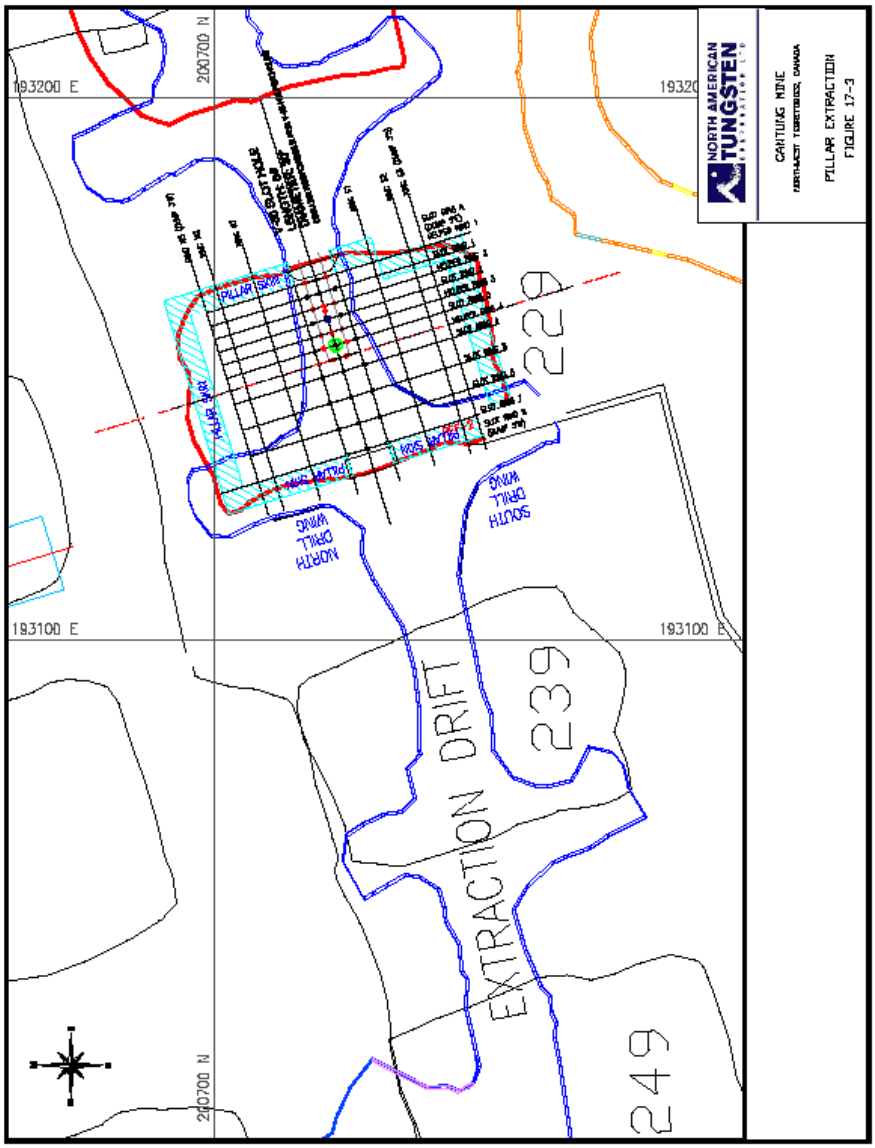


FIGURE 17-3 PILLAR EXTRACTION



WEST EXTENSION

The West Extension is located at the western end of the 3950 haulage drift level and extends westward and below this level. This area was explored by diamond drilling prior to 1986 and was first developed for ore production in 2001. The ore was initially extracted by cut and fill methods, using waste rock as backfill material and later by longhole retreat methods leaving open stopes.

The 2005/2006 production from the West Extension was below previous resource estimates for a number of reasons:

- Higher than expected dilution
- Use of lower cut-off grades for grade control (i.e. more low-grade rounds sent to mill)
- Narrow and patchy mineralization causing continuity problems

Over the summer of 2006, West Extension Mineral Reserves were re-estimated by Cantung Mine personnel. Dilution reflecting recent experience was applied. Low grade control cut-off grades are no longer necessary, as long hole tons from pillar recovery are now available to form the majority of mill feed. Greater selection has been applied to West Extension mineralization, eliminating narrow or isolated areas from reserves. Additional sill development and two long hole stopes were mined during 2007 and 2008. Stope sequence modeling to mine the remainder of the West Extension was completed in early 2009 to minimize stress related issues. To date during 2009, 3 longhole stopes have been extracted with excellent recovery and dilution. Reserves for this block have been reduced by 67,421 tons at 1.10% WO_3. Mining of this zone is ongoing and will provide a substantial amount of the ore feed for the remainder of the year.

FIGURE 17-4 WEST EXTENSION 109 ZONE LONGITUDINAL SECTION

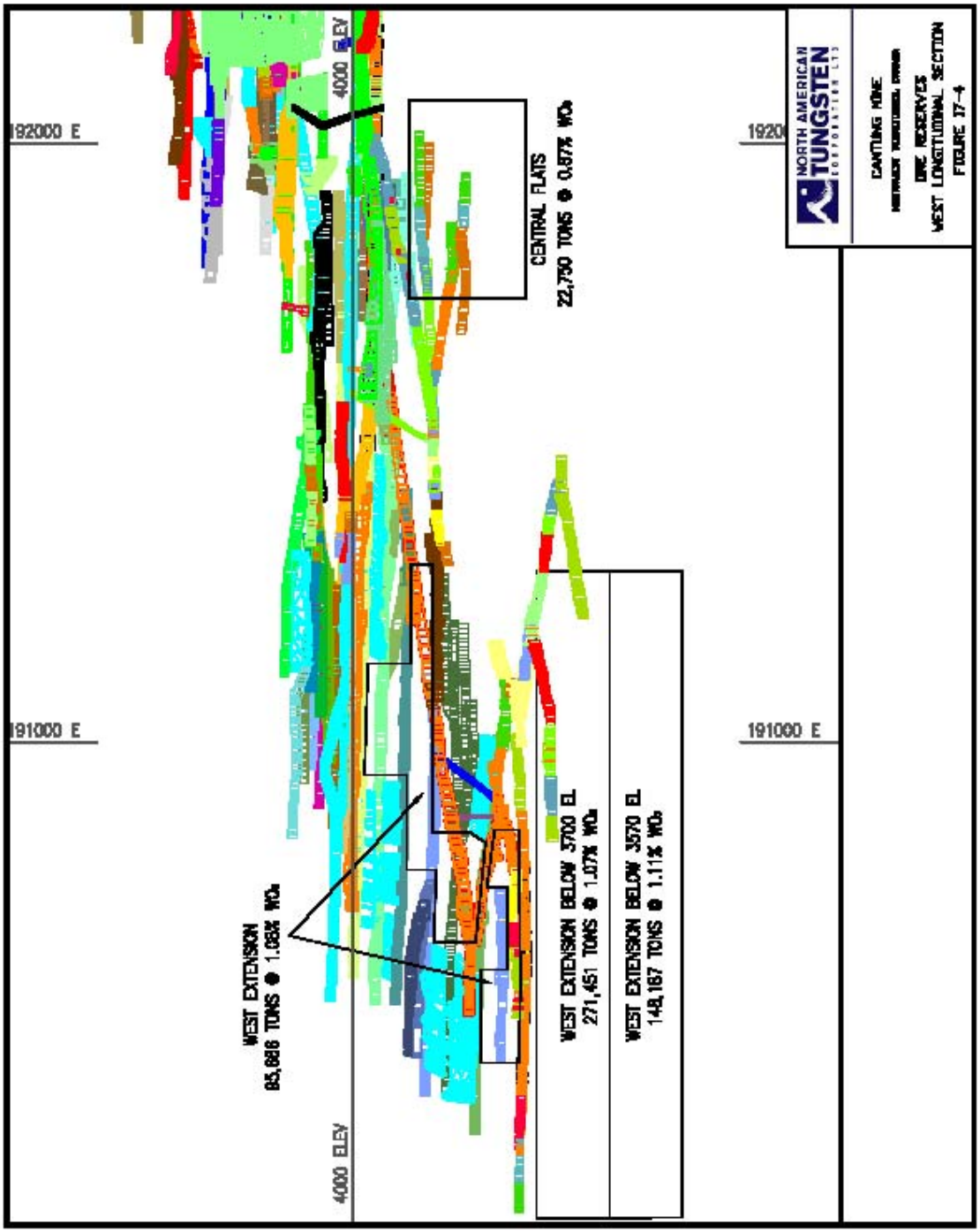
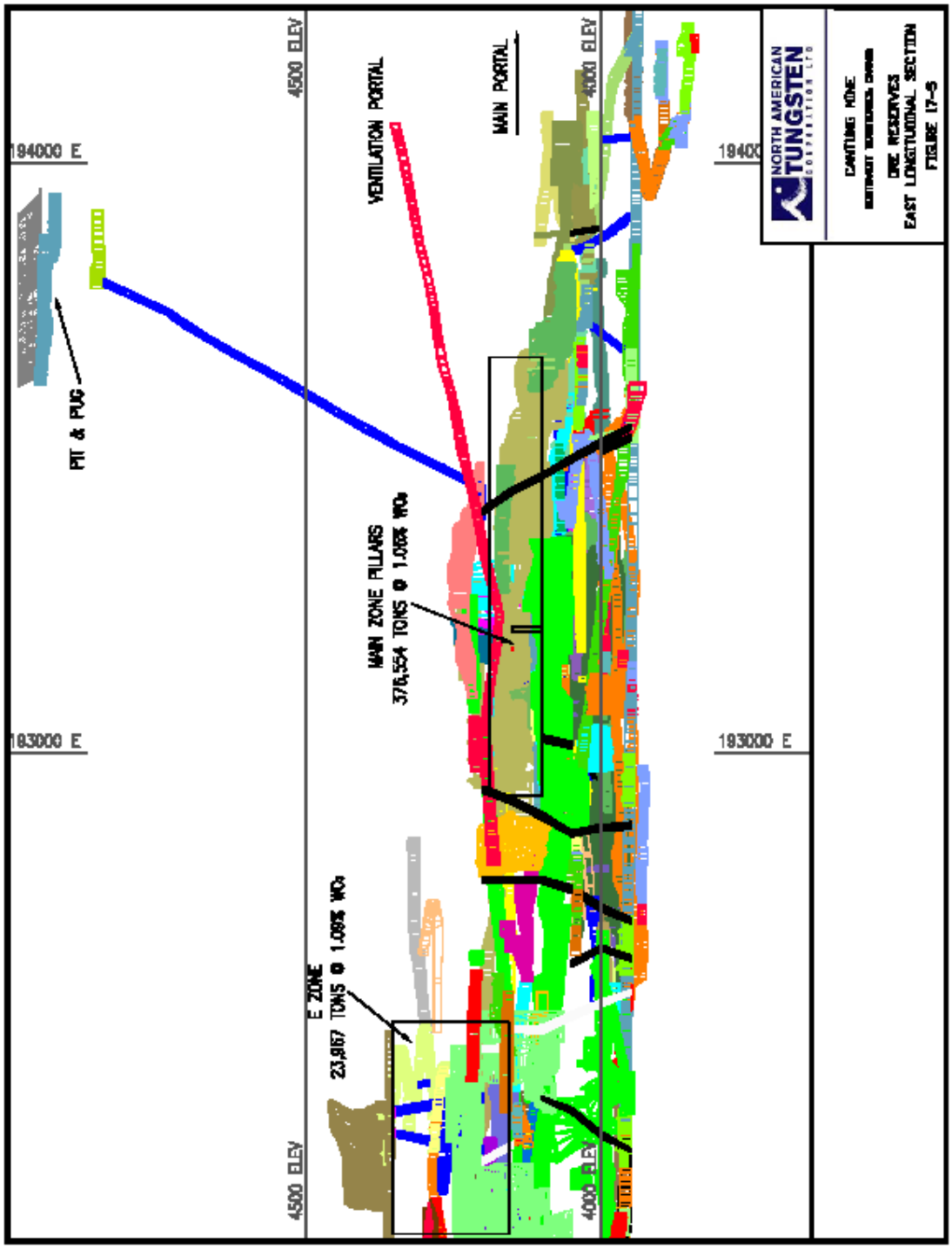


FIGURE 17-5 WEST EXTENSION 101 ZONE LONGITUDINAL SECTION

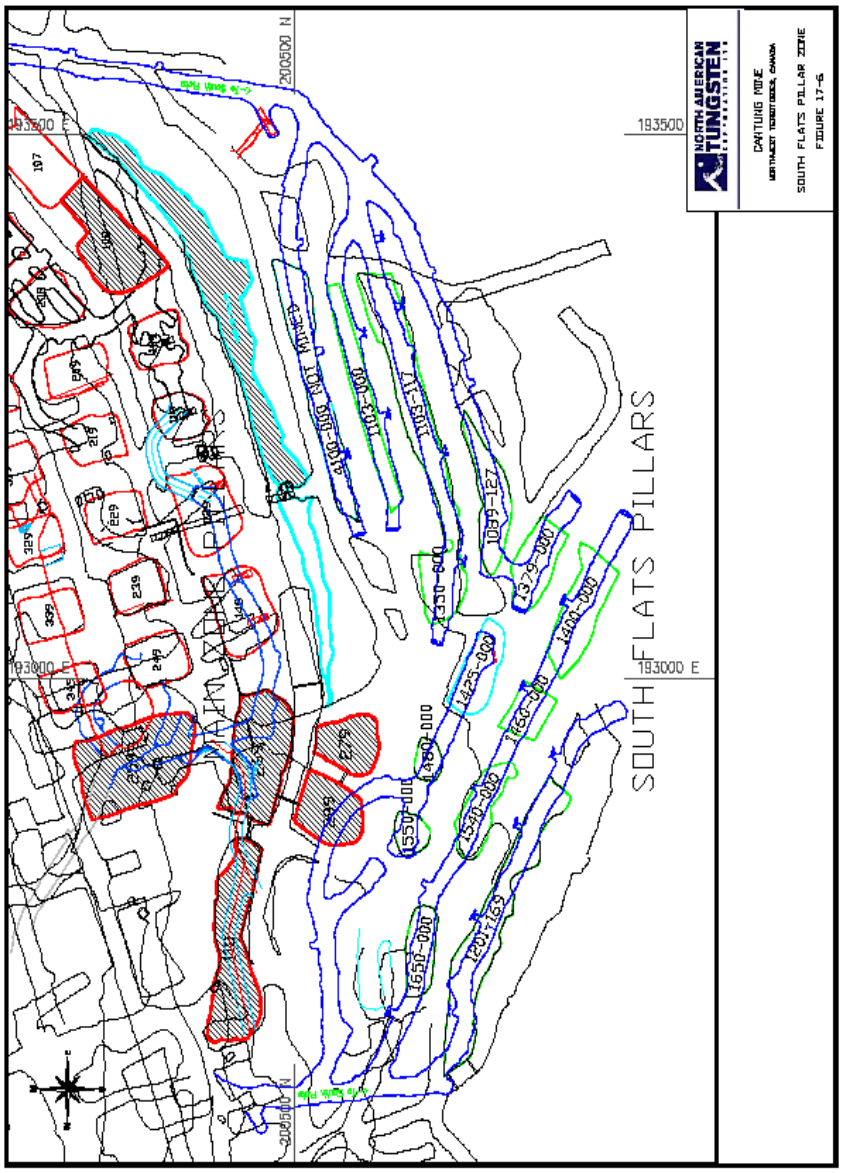


South Flats

The South Flats Pillar Zone comprises the mined out areas on the south side of the E-Zone orebody on the 4100 and 4050 levels. The area was mined and backfilled, leaving long rib pillars that are generally 15 ft to 30 ft in width. During 2007 and 2008, extraction of the remaining pillars was achieved by mining an undercut drift (ramped down from 3950 level) and drilling longholes up into each of the pillars. Each undercut drift accessed several pillars which were mined in a retreating sequence. By the end of 2008, all undercut development was completed and all the South Flats pillars had been extracted.

During 2009, an intensive data mining program was launched to evaluate whether any additional tons could be found in the South Flats. This resulted in a number of discoveries. Subsequently, access was re-established into this area, rehabilitation of old workings has commenced and should be complete early in the 3rd quarter. This will allow for a small amount of ore development, followed by the extraction of a number of small longhole stopes in a retreat sequence. Reserves in this area now stand at 45,287 tons at 1.33% WO_3.

FIGURE 17-6 SOUTH FLATS PILLAR ZONE



WEST EXTENSION (BELOW 3700 LEVEL)

The West Extension zone below 3700 Level (lowest mine development) is located at the western end of the 3950 haulage drift level and extends from the 3700 ft elevation to the 3570 ft elevation. This area was discovered and explored by diamond drilling during 2008. It was later infilled and expanded by additional diamond drilling in 2009, resulting in an expansion of the reserve of 123,002 tons at 1.09%WO_3. Development of an access decline ramp is ongoing to access the lowest level of this zone. The upper levels are now undergoing ore development. Longhole mining of this zone will take place throughout the Life of Mine.

WEST EXTENSION (BELOW 3570 LEVEL)

The West Extension zone below 3570 Level is located directly down dip from the West Extension below 3700 Level and extends from the 3570 ft elevation to the 3450 ft elevation. Diamond drilling in 2009 resulted in an expanded resource and the inclusion into the reserve for this zone. There are now 148,187 tons at 1.11% WO_3 in the reserves in this zone. This area can be accessed from the same decline ramp as the West Extension zone below 3700 area.

CENTRAL FLATS

The Central Flats Zone is located down dip of the western end of the E Zone stopes and on strike centrally between the South Flats and the West Extension. The zone extends from the 3920 ft elevation to the 3700 ft elevation and is accessed by a decline ramp developed off the 3950 haulage drift level in 2008. This area was partially explored by diamond drilling prior to 1986 and was not previously included in resource estimates. Ore development to test the zone was carried out during 2008 resulting in the addition of mining reserves. Drift and slash (on retreat) mining is ongoing for the relatively flat lying discontinuous veins in this zone.

E-ZONE

The E-Zone was, historically, the main mining zone located in the central portion of the mine. The ore body extends vertically above and below the 3950 haulage level. Remnant stopes and pillars range from 4100 level to 4400 level. The last few remaining pillars will be mined during the remaining Life of Mine.

SHOP ZONE

The Shop Zone is an area of mineralization located behind the shop on 3950 level. The zone was developed and the majority mined by longhole methods in 2008. The remainder was mined in the first quarter 2009. This area will now become a fill location during the commissioning of the new backfill plant.

OPEN PIT

The open pit mine is located west of the main underground ore body, at the 4900 level. Access is limited to the summer months, as the steep road is prone to icing and avalanche danger during the winter. The open pit was idle from 1976 to 2004 due to unfavourable economics.

The pit was mined in the summers of 2005 and 2006 using a local contractor from Watson Lake. The pit ore was hauled over a three mile haulage road to a stockpile located in the vicinity of the primary crusher, directly above the mill. The ore, grading approximately 0.5% WO_3, was blended with underground feed whenever underground production lagged below planned levels.

Mining was carried out by use of conventional open pit methods. The design parameters for the pit utilized a triple bench with the bench height being 20 ft, 25 ft safety berm, and 12% grade for the haul road. In addition, to accommodate geotechnical constraints, an overall pit slope of 45^o was used, with the exception of those sections of the wall that transect the East Fault Block. The pit sectors transected by the East Fault Block required a reduced pit slope of 40^o for a portion of the wall.

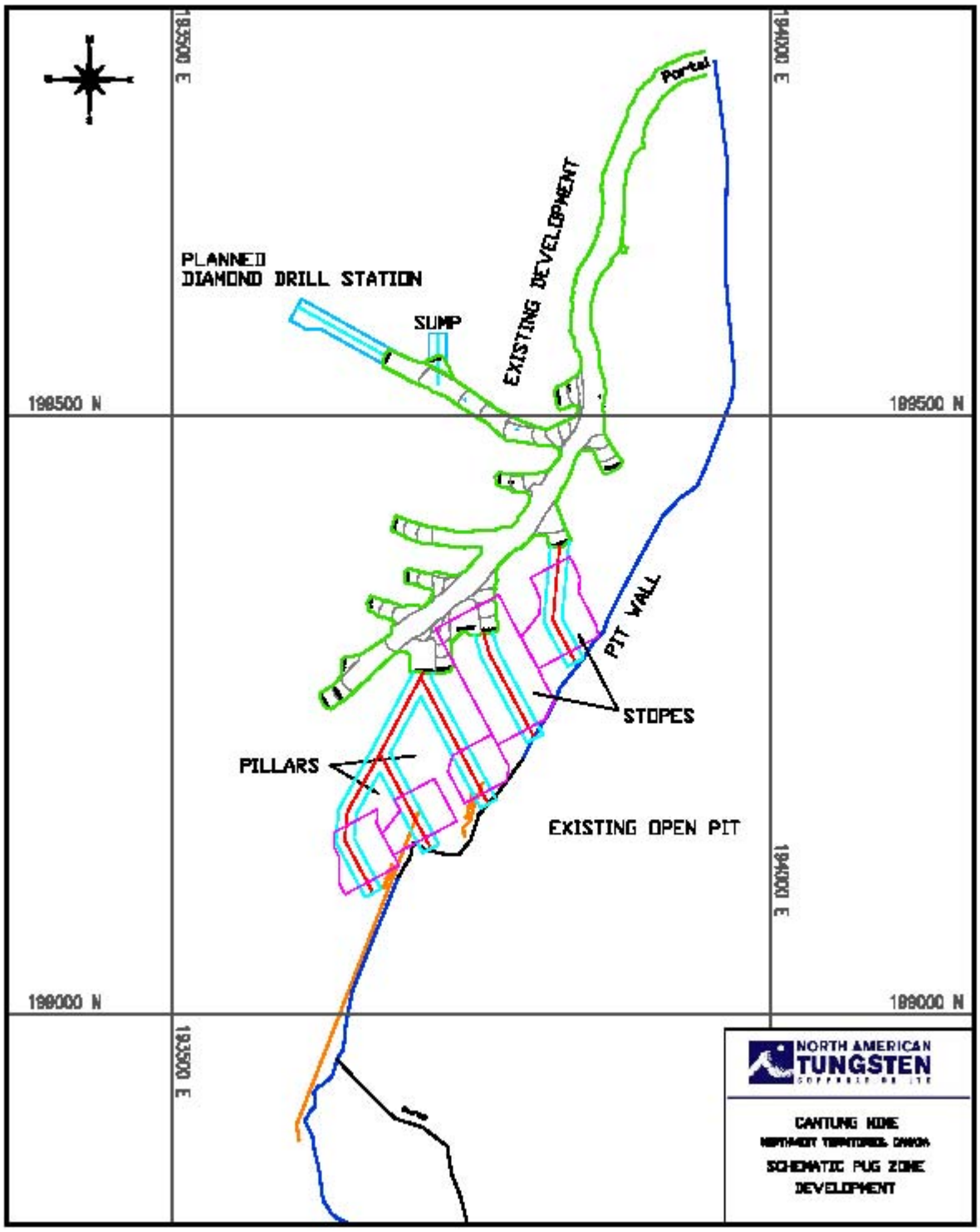
More design work is required in order to move the Open Pit Mineral Resource into Mineral Reserves.

PUG ZONE

The PUG zone is an extension of the open pit ore body, contained within the wall of the pit. It has been defined by drilling and exploration drifting. A small reserve has been

calculated based on a block of ore immediately adjacent to current workings that can be mined by longhole methods. The ore from the PUG will be hauled to the mill stockpile via the open pit haulage road. More design work is required in order to move the remainder of the PUG Zone Mineral Resource into Mineral Reserves.

Figure 17-7 PUG Zone



LIFE OF MINE PRODUCTION SCHEDULE

The mine production schedule is based on providing ore from nine sources to the processing facilities at an average rate of 1,100 tons per day. These sources include the Main Zone Pillars, West Extension, West Extension (Below 3700), West Extension (Below 3570), South Flats, Central Flats, E-Zone, PUG and some stockpiled material. To demonstrate that the Underground Mineral Reserves are an economically mineable part of Mineral Resources, the Open Pit and PUG Zones (outside of Mineral Reserves) are not included in the production schedule and discounted cash flow analysis. The Open Pit and PUG Zones require further work before they can be included in Mineral Reserves. Table 17-1 shows the production ore tonnes for each zone and the relative grades.

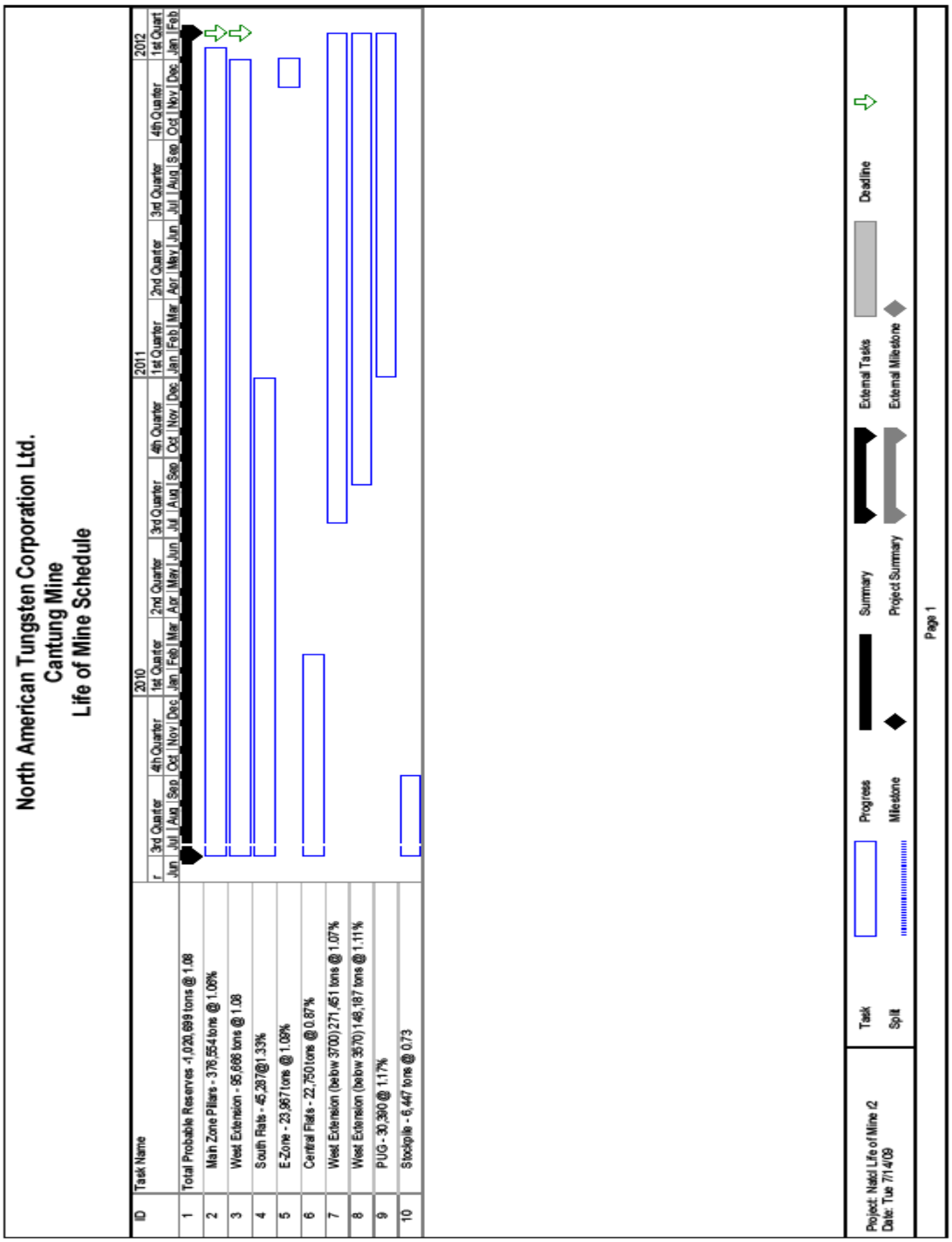
TABLE 17-1 PRODUCTION TONS BY ZONE

North American Tungsten Corporation Ltd.-Cantung Mine

Zone	Tonnage (tons)	Grade (%WO_3)
West Extension	95,666	1.08
West Extension Below 3700 L	271,451	1.07
West Extension Below 3570 L	148,187	1.11
E Zone	23,967	1.09
Main Zone Pillar	376,554	1.06
Central Flats	22,750	0.87
South Flats	45,287	1.33
PUG	30,390	1.17
Stockpile	**6,447**	0.73
TOTAL	1,020,699	1.08

The majority of the mill feed will be from the underground mine. Stockpiled material will be blended with underground ore and processed in the mill. Underground Mineral Reserves are scheduled from July 2009 to January 2012, 2.5 years of mining. The production schedule is shown in Figure 17-8.

FIGURE 17-8 LIFE OF MINE PRODUCTION SCHEDULE



Underground waste development requirements are scheduled to decline over the mine life, with development essentially complete by the end of 2009. Ongoing development totalling 4,000 ft (90,000 tons) includes completion of ramp access and connections in the West Extension Zone below 3700 Level, pillar undercuts in the Main Zones, and ramp access and connections in the Central Flats Zone.

Stope preparation comprises advance zone and mining block development with the necessary construction and service activities for providing a safe and productive environment in the mine. In general, the stope preparation process focuses on stope access, ore transport/transfer development, ventilation, and backfill delivery systems installation.

Stope sequencing is scheduled, wherever possible, to obtain a uniform and metallurgically acceptable blend of ore to the mill. The existing sill pillars are relatively narrow with a high rock stress, which limit flexibility in the sequencing of West Extension stopes.

The underground mine has experienced problems in the past in maintaining the production rate, due largely to a period of changeover from predominately cut and fill methods to predominately long hole methods, requiring extensive stope preparation lead time. Through 2009 ore will be sourced from development, cut and fill, pillar recovery and longhole stoping. Upon completion of stope preparation longhole methods will be the predominate source of ore in the latter part of the mine life.

MOBILE EQUIPMENT

The majority of the site mobile equipment belongs to NATCL. Some light and heavy vehicles are leased or rented. The mobile mining fleet comprises different makes and ages of equipment pieces. Although some of the units are relatively old, the life of the operation is short, and equipment replacement will not be required. The underground mobile fleet is listed in the following table.

TABLE 17-2 UNDERGROUND MOBILE EQUIPMENT
North American Tungsten Corporation Ltd.- Cantung Mine

Type	Units
6 yard LHD	5
3.5yard LHD (EJC 210)	1
3.5 yard LHD (Elphinestone)	1
2.0 yard LHD (JCI 220)	1
1.5 yard LHD (Wagner)	1
26 Ton Truck (EJC 426)	2
30 Ton Truck (EJC430)	3
2 Boom Jumbo (Tamrock)	3
1-Boom Jumbo (CMD)	1
Rock Bolter (Mclean)	1
Stopemaster Long Hole Machine	1
Grader John Deere 772	1
Scissor lift JUT	2
Boom Truck Getman	1
Tractor Kubota	5
Dozer Cat D3	1
Telehandler Cat 220	1

Surface equipment is listed in the table below:

TABLE 17-3 SURFACE MOBILE EQUIPMENT
North American Tungsten Corporation Ltd.-Cantung Mine

Type	Units
Champion Grader	1
D6D Dozer	1
Cat Loaders	2
Ambulance	1
Fire Truck	1
Fuel truck	1
Hiab flat deck	1
Grove 22 t crane	1
5 Ton Steam Truck	1
Small fork lift	4
Excavator / Rock Breaker	1

INFRASTRUCTURE

UNDERGROUND

The main access to the mine is via an adit collared in close proximity to the mill at 3950 level. The concrete-paved adit serves as the main ore haulage drift for the mine and also as a return airway for mine ventilation. Fresh air is delivered to the mine via an intake ventilation adit collared at the 4350 level. The ventilation adit is connected with a decline, serving as an escape way or an emergency access to the mine.

On both sides of the main haulage drift are five loadout stations, spaced several hundred feet apart. These loadout stations receive broken muck via raises from the mining areas above. Muck from the loadout stations is transferred by loader into a truck, which hauls the ore to the mill stockpile/crushing station.

The mine has a number of internal ramps connecting different levels and ore zones. A majority of the ramps are of large cross section and driven on a moderate gradient from 10% to 12%.

SHOPS & MATERIAL STORAGE

The mine has an underground maintenance shop with a warehouse, located on the 3950 level off the main haulage drift. The maintenance shop is a multi-chamber excavation with large service bays and warehousing facilities. The back and walls are well supported and appear to be in very good condition. The shop maintenance bays are equipped with overhead cranes ranging from 5 ton to 15 ton capacity. Electrical repair and welding stations are part of the shop service infrastructure. The warehouse is large and stocked with a sizable inventory of parts. The shop has a lunchroom equipped for emergency situations and a separate escapeway, in a fresh airway, to surface.

There are open field storage areas and crib facilities located in different parts of the mine. They are stocked with typical mining consumables, such as rock bolts, wire mesh screen, pipe, fittings, and timber needed for construction and ground support applications.

POWER

Mine site electric power is obtained from the powerhouse via the site electrical distribution system. The electric power is delivered to the mine substations at 4160V and transformed to 600V. From the mine substations, power is distributed via electric cables to different areas of the mine to feed the underground mobile and stationary equipment.

TABLE 17-4 POWER GENERATION EQUIPMENT
North American Tungsten Corporation Ltd.- Cantung Mine

Type	Units
Caterpillar 3512	5
Caterpillar 3516	2
Caterpillar 3612	1
Caterpillar 3406B	2

WATER

The mine is generally dry, with flow out the 3950 level adit estimated to be approximately 30 gpm. The water from the mine workings above the 3950 level is drained by gravity via ditches and a number of decant holes and raises down to the 3950 haulage drift. The West Extension workings, below the 3950 level, are dewatered by use of sump pumps and pipelines discharging water to the 3950 adit ditch. The quality of mine drainage water is monitored in accordance with the regulatory requirements.

Mine process water is delivered from the main water storage tank to the mine via a piping system. The mine has an extensive underground water pipe line system feeding the shop and all key production and development areas. Potable water is brought into the mine in small containers.

COMPRESSED AIR

Compressed air is delivered to the mine via steel pipe from a compressor house located close to the mine access portal at the 3950 level.

TABLE 17-5 COMPRESSED AIR EQUIPMENT
North American Tungsten Corporation Ltd.- Cantung Mine

Type	Units
Sullair LS-25 200hp Electric	2
Atlas Copco GA1107PAK Electric	1
Sullair 1600 PDQ Portable Diesel	2

VENTILATION

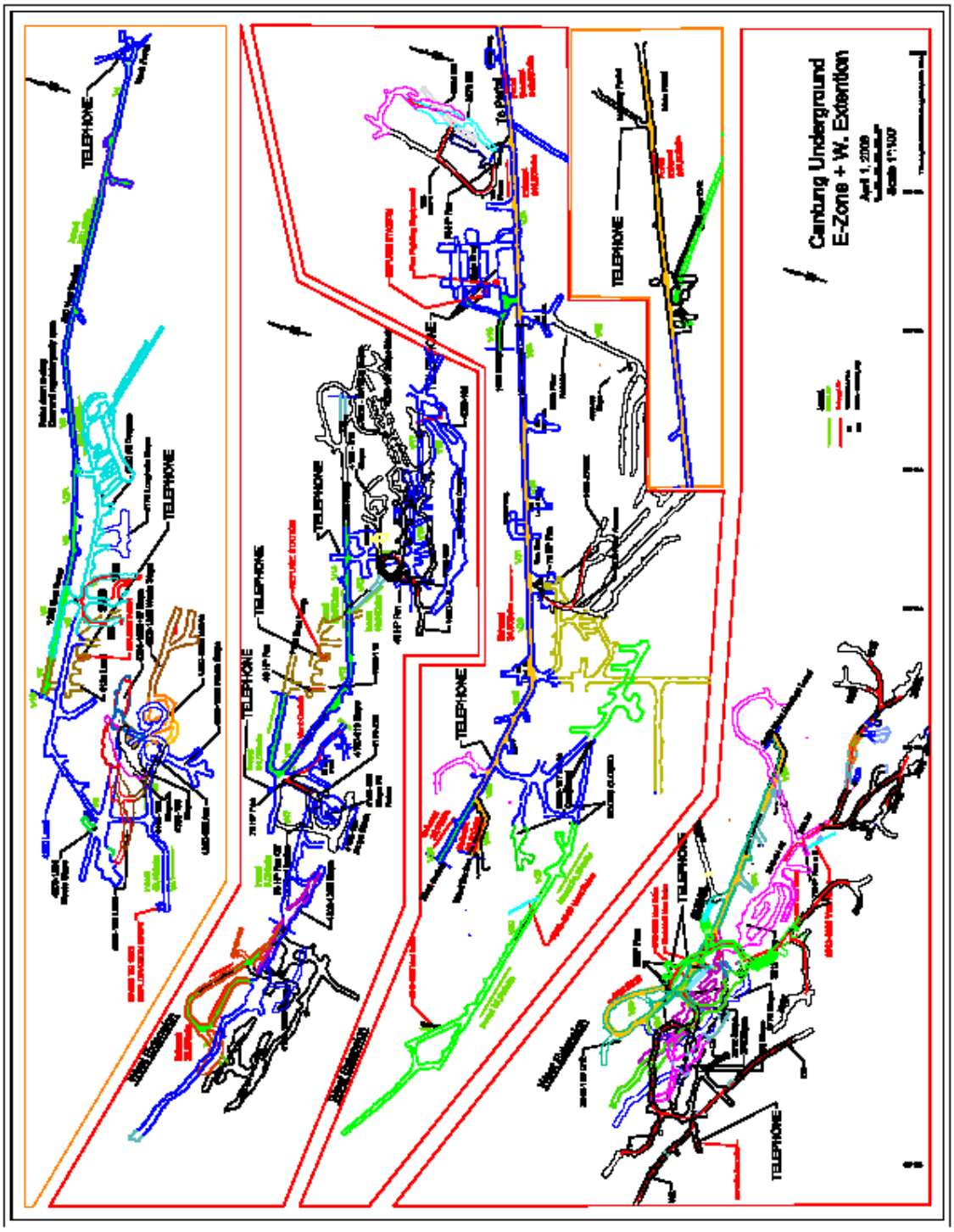
Two intake fans, installed in parallel, deliver 230,000 cfm of fresh air to the mine. These fans are located at the 4350 level adit on surface. The installation includes a set of propane burners for heating the air in winter to prevent freezing of the intake drift. The air heaters are equipped with 12 million BTU burners. The fans push the air down the mine through various levels. The underground airflow is controlled by a number of ventilation doors, raises, and regulators. Auxiliary fans and ducting provide ventilation in development and blind areas of the mine. The mine ventilation air exhausts back to surface via the 3950 level haulage adit.

The ventilation schematic is shown in Figure 17-9.

VEHICLE SERVICE

Vehicle maintenance is carried out in the underground shop. The UG maintenance shop is well designed and furbished for providing a wide variety of services for the whole underground equipment fleet. All regular and major maintenance services are done at this location. Major engine rebuilds are done off-site.

FIGURE 17-9 MINE VENTILATION SCHEMATIC



SURFACE

The key site facilities, including: Apartment Blocks, Condominiums, First Aid Room, Kitchen, Shops, Warehouses, offices, and other service buildings appear generally in good condition.

The camp consists of apartment buildings and kitchen facilities. Employees, contractors, and site visitors are accommodated in an 80 person apartment complex and in staff rooms above the main office. The site can accommodate up to 140 people at one time.

The site has a large number of offices. Practically, each operation at the site has an office, or a number of offices, as in the case of the processing facilities and the mine dry building. Each office is equipped with a telephone linked to the site satellite communication system. Most of the offices are provided with computers linked to the site network.

The site main offices are located in a separate building and will accommodate the mine manager, maintenance superintendent, human resources, safety, and accounting departments. First Aid and employee training facilities are located in the same building.

The site surface shop is located close to the warehouse and processing facilities. It provides service to all surface mobile equipment and provides a repair facility for other miscellaneous work. The shop is well designed and equipped with an overhead crane and welding and pipe fitting stations.

Materials are stored in several locations at the site. A heated central warehouse is located close to the mill and maintenance shop. In addition to the warehouse, there are several cold storage buildings and outdoor storage areas. All of the buildings are in good order.

Water is sourced from the Flat River in accordance with the Water Licence. The water usage is restricted by the Water Licence to less than 45,000 m^3 per week. The water is treated and used as potable and process water. The water pump house has its own backup power generator.

The site is supplied with electric power from a single powerhouse, equipped with diesel generators. Total installed power at the site is approximately 8.5 MW and the demand in cold weather approaches 4.5 MW. Fuel consumption for power generation is approximately 22,000 litres per day. Waste heat from the genset cooling system is recovered to heat the mill and other building facilities.

Diesel fuel is stored in two 360,000 litre tanks at the site. Diesel fuel from the main tanks is delivered to the powerhouse and roaster by gravity via a five centimetre diameter pipeline, equipped with a number of control valves. Additionally, there are day tanks in the powerhouse with a capacity of 18,000 litres.

Outside the powerhouse, adjacent to the administration building, there are spare diesel tanks with a total capacity of 13,000 litres. Gasoline is stored in a 9,000 litre tank, equipped with a distribution pump for fuelling light vehicles. The underground mobile equipment is fuelled from a diesel tank located at the portal.

Propane is used for camp heating, cooking, and mine intake air heating. There are numerous propane storage tanks at different locations on the site and at the mine air intake fan station. Tanker trucks deliver propane, diesel, and gasoline to the tanks on site.

All sewage is discharged to the Tailings Containment Area in accordance with the Water Licence provision.

The site has a small garbage incinerator located at the garbage dump. Site garbage is incinerated at this installation and the residue, and other solid non-combustible waste, is

buried at the existing garbage dump in a former borrow pit approximately three kilometres southeast of the town site.

Hazardous waste is handled, stored, and disposed of in accordance with applicable regulations. PCB materials previously stored in a permitted facility at the site were removed for destruction in 2002. There are several transformers in service, with only 2 of these transformers containing PCB's.

TRANSPORTATION

Although the mine is situated in the Northwest Territories, the town of Watson Lake, Yukon Territory, is the staging area for trucking the tungsten concentrates and for supplying the mine site.

Travel by road between the mine site and Watson Lake takes four to five hours. Travel by plane between Whitehorse and the mine can take up to two hours, depending upon the type of aircraft used.

The airstrip is a 1,219 m long VFR rated gravel strip. It has been maintained during mine closures in the past and was reopened in 2005. The airstrip needs periodic grading to level the surface.

Employees who live outside the Yukon are transported by plane between standard points of hire and the site. NATCL charters private aircraft (Northern Thunderbird Air) from Vancouver to Prince George and/or Smithers to transport the majority of the workforce. From Whitehorse, employees are transported by vehicle to the mine. Pickup of employees is made in Watson Lake and other eastern Yukon communities.

Emergency transportation, particularly medical evacuation, will be by whatever means are possible in the prevailing weather and road conditions. Fixed-wing aircraft, helicopter, bus, ambulance, or a company vehicle could be used in an emergency situation.

Concentrates are shipped from the mine site to customers in two-tonne plastic tote bags by truck. Trucks delivering materials to the mine site backhaul the concentrate.

The mine is responsible for maintaining the access road from the mine site to Km 134. The Yukon government is responsible for maintaining the remainder of the road from Km 134 to Watson Lake.

SAFETY

NATCL provides first aid coverage for the employees. Certified first aid attendants who meet the requirements of the WSCC of the NWT are employed full time and provide 24 hour first aid service. The mine has a fully equipped first aid room located in the main office building and a satellite first aid room at the mine dry. NATCL maintains an emergency transportation vehicle (ambulance) for the transportation of injured or sick personnel. In case of critical emergency need, helicopter or a plane evacuation from the site to Whitehorse or Watson Lake can be arranged through EMS dispatch out of Whitehorse Yukon.

A comprehensive and current compilation of procedures is maintained at the mine site satisfying the legislation of the Mines Health and Safety Act for the NWT.

All levels of personnel hold responsibilities for safety in their areas. The Site Safety Officer supports management, supervision, area trainers and workers through the following:

- Ensuring compliance to the regulations of the Mines Health and Safety Act of the NWT
- Training of employees in the safety aspects of their work and promote safe work habits
- Keeping records of employees safety training
- Developing and maintaining current applicable procedures
- Selecting appropriate safety and emergency response equipment
- Ensuring the competency of emergency response teams

- Carrying out site safety inspections to ensure compliance with regulations and regulatory standards
- Co chair and manage the activities of the Occupational Health and Safety Committee
- Ensure that a current Emergency Response Plan is in place and all employees are aware and competent to their responsibilities under the plan.
- Reporting and recording as required

Each new employee undergoes an induction and training program appropriate to his/her experience level and department of employment.

The mine has an Occupational Health & Safety Committee and its activities are conducted in accordance with applicable NWT regulations. All accidents and incidents (including spills) are reported and investigated with the intent of preventing recurrence. NATCL maintains mine rescue services at the mine site. The Mine Rescue Team operates from a room located at the mine dry building. NATC provides ongoing mine rescue training to meet the requirements of the regulations. The key mine underground workings and facilities such as the refuge stations, maintenance shop, lunch rooms, electric substations, load out, and other important areas are equipped with telephones. This network is connected with the site telephone system. In case of an underground emergency, the mine utilizes an ethyl mercaptan stench gas system for warning underground employees. This system relies on injecting the ethyl mercaptan gas into the compressed air lines and into the fresh air at the intake fan station.

MANPOWER

The CanTung mine is organized as a single status fly-in / fly-out 365 day operation. NATC vehicles transport Northern employees from Whitehorse and Watson Lake to the mine site. Southern employees are chartered to/from site with 2 Beech 1900 aircrafts on each Wednesday's crew rotation. The charter pick up points are Vancouver, Campbell River, Prince George & Smithers, BC. Most employees work on a rotation schedule, nominally three weeks on and three weeks off, 12 hours per day. Variances for longer

shifts and for averaging of overtime over the six week work cycle (42 hour average work week) have been obtained and are renewed on a yearly basis.

Before the mine closure in 2003, the operation had 173 employees. The budgeted manpower number for fiscal year 2008/2009 is set at 225, plus an additional 8 positions are allocated to the Capital Development 3600 Ramp. Current manpower levels, as of June 30, 2009 are summarized in Table 17-6. Manpower numbers reflect total payroll, with approximately half of the hourly employees and more than half of the staff on site at any given time.

TABLE 17-6 MANPOWER SUMMARY
North American Tungsten Corporation Ltd.-Cantung Mine

Department	Hourly	Staff	Total	Budget
Mine/Eng/Geology	86	24	110	110
Capital Development Ramp	8	-	8	8
Mill	43	15	58	59
Administration	3	14	17	17
Surface	29	6	35	36
Environmental	-	3	3	3
TOTAL	169	62	231	233

Contracted manpower in addition to the above includes janitorial & catering (usually 9-10 people on site at all times), ore trucking (4 people on site at all times) and diamond & percussion drillers (usually around 8 drillers on site at all times).

ORGANIZATION CHART

The Cantung mine is organized and operated in a similar way as in the last operational period. The key personnel responsible for the operation and its divisions are listed below with a brief description of their reports.

The General Mine Manager is responsible for the whole operation and reports to the Vancouver-based C.O.O. The General Mine Manager's direct reports are the Mine

Superintendent, Technical Services Superintendent, Chief Geologist, Mill Superintendent, Maintenance Superintendent, Human Resources / Administration Superintendent, Warehouse Superintendent, Environmental Superintendent and Site Safety Officers. The Assistant General Mine Manager is in charge of the operation in the absence of the General Mine Manager. When the Department Superintendents are not on site, their Assistant Superintendents or designates are responsible to carry out the duties of the Superintendents.

The Mine Superintendent is responsible for all mining operations. Reporting to the Mine Superintendent are the Mine General Foreman, Underground Trainer and Shift Bosses.

The Mill Superintendent is responsible for the operation of the crusher, mill, assay laboratory, backfill plant and tailings dam. Reporting to the Mill Superintendent are the Chief Assayer, Maintenance Supervisor, Mill Trainer and Metallurgist. The 4 mill shift crews on site report to the Mill Superintendent or designate.

A Mill Shift Boss supervises each shift crew. The shift crew consists of primary crusher operator, secondary-tertiary crusher operator, grinding plant operator, gravity-roasting-magnetic separation plant operator, flotation plant operator, reagents operator and laborer.

The Maintenance Superintendent is responsible for maintaining the powerhouse, housing units, road, water supply, equipment both on surface and underground, drainage/sewerage, garbage disposal, snow removal and avalanche control and for minor construction works on the site. Reporting to the Maintenance Superintendent are the Underground Maintenance Supervisors, Electrical Supervisors and Surface Maintenance Supervisors. The maintenance crews report to their respective Supervisors. The crew consists of journeyman surface and underground heavy duty mechanics, journeyman surface and underground electricians, journeyman plumber/gasfitters, powerhouse

operators, heavy equipment operators, journeyman carpenters, camp utility, along with apprentices/laborers.

The Human Resources / Administration Superintendent coordinates some of the on-site services. The Human Resource / Administration Superintendent is responsible for overseeing camp catering and janitorial contractors, personnel and administration management (including recruitment and terminations), coordination of personnel transportation, complying with NWT Labour Standards, developing and implementing site policies and procedures, and working closely with the Payroll department at the Vancouver Head Office. Reporting to the Human Resources / Administration Superintendent is the camp catering contractor. The site Clerk/Receptionist assists the Human Resources / Administration Superintendent.

The Warehouse Superintendent is responsible for the overall management, direction and co-ordination of all warehouse operations and functions, including but not limited to; overseeing the purchasing, warehousing, and logistics. Specifically, he is responsible for freight and concentrate haulage, coordinating tender packages for bid, transportation, storage, and security of hazardous goods.

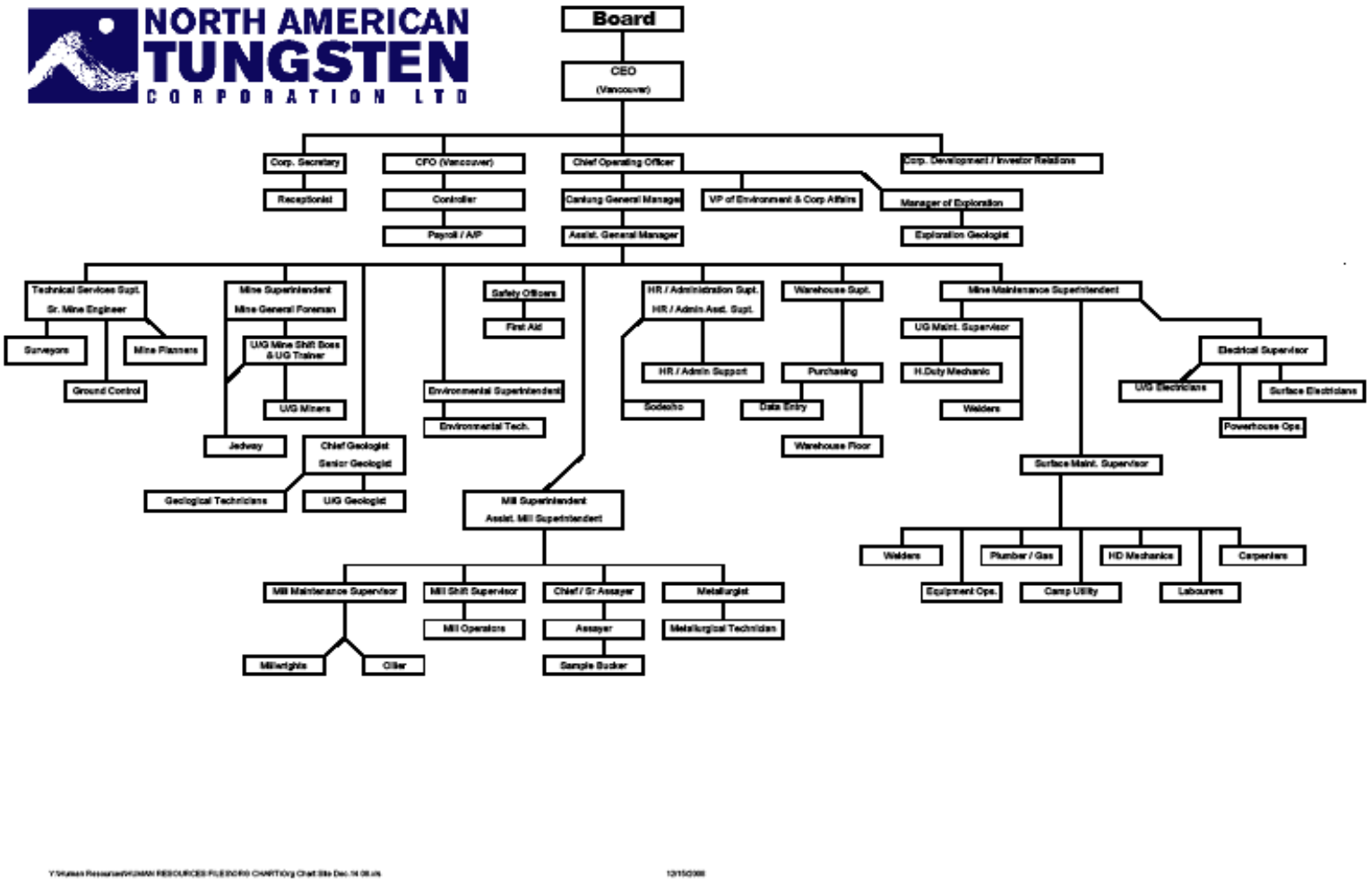
The Environmental Superintendent is responsible to oversee the care, custody, compliance and control of environmental regulatory approvals, permits and licenses, including monitoring and reporting of regulatory requirements. Specifically, he is responsible to manage the Site Spill Contingency Plan and Emergency Procedures; manage the Environmental Monitoring and Surveillance Programs; monitor sewer treatment plant, tailings pond and mill water intake; and to work closely with all regulatory agencies (MVLWB, MMER & EEM), Governments, First Nations and NGO's.

The Site Safety Officer is responsible to ensure that all work is being conducted in compliance with the legislative requirements of the Mine Health and Safety Act of the NWT and company policies and procedures. These responsibilities include, but are not

limited to: on-site training (including basic First Aid, WHMIS and Transportation of Dangerous Goods); ongoing assessment of safety hazards, providing recommendations and long-term planning; maintaining site emergency preparedness and emergency response plans; ensuring competent emergency response personnel, managing first aid services; investigating reportable events; WSCC claims management; employee inductions; managing the activities of the OHSC, Departments and Regulatory Agencies; and site safety inspections, meetings and tours and all required reporting and recording required under the NWT legislation and company policies.

All accounting, finance, sales, payroll and major contract administration is done in the Vancouver head office.

TABLE 17-7 ORGANIZATIONAL CHART



ENVIRONMENTAL CONSIDERATIONS

The Cantung Mine is in compliance with applicable regulations. The following is a summary from the 2008 report, with updated information supplied by NATCL:

PERMITS

On December 5, 2003 NATCL received notification from the Mackenzie Valley Land and Water Board (MVLWB) of the renewal of the type "A" Water License (the license) for a period of five years, expiring on November 29, 2008. The Water Licence outlines the permitted water use and includes a surveillance program and criteria for discharge. There are also a number of conditions related to the operation. The water license was extended by 60 days to January 28, 2009 as outlined below.

In July 2007, NATCL applied to the MVLWB for a 5 year renewal to the license. The renewal process is a public process involving public consultation, comment review and public hearings. The original public hearings scheduled for July 23-25, 2008 were postponed by the MVLWB at the request of the hosting communities due to personal tragedies in both small communities. Due to this delay NATC was requested to apply to the MVLWB for a 60 day license extension, which was approved by the Minister of Indian and Northern Affairs on September 8, 2008.

The public hearings for the five year license renewal took place on October 28-30, 2008, with the new proposed license forwarded on December 9, 2008 by the MVLWB to the Minister of INAC for his approval. The new 5 year term water license was issued on January 30, 2009.

The security deposit required under the prior license was $7,900,000 (which was and is posted in support of the license). The renewed license requires that NATCL post an additional security deposit of $5,200,000 over time (see Mine Closure, below). NATC negotiated the terms of the form of security deposit with INAC, which has jurisdiction over such an arrangement and to whose benefit the deposits are to be posted, and entered

into the Reclamation Security Agreement (RSA). NATCL has posted a total of $3,900,000 in cash and $6,600,000 in the required form of secured promissory note pursuant to the RSA. The total security posted in favour of INAC is $10,500,000 which fulfills the security requirements of the Water License up to July 1, 2009. The amounts owing are secured against NATCL's assets by way of a General Security Agreement (GSA).

The RSA provides for the cash components payable to INAC to increase under certain events. Any funds in excess of ultimate reclamation costs will be returned to NATCL.

MINE CLOSURE CONSIDERATIONS AND REQUIREMENTS

In the past, there have been a number of mine abandonment and reclamation plans prepared for the Cantung site. As required in the water license, the most recent plan for final abandonment and reclamation of the mine was submitted by NATCL to the MVLWB in November 2007. In February 2008, the MVLWB informed NATCL that they could not approve the plan as submitted, and following an agreement with the MVLWB, NATC submitted an updated Closure & Reclamation Plan (CRP), to the MVLWB on March 31, 2009.

Mine closure cost estimates were included in all reclamation submissions. Additional mine closure cost estimates have been prepared for NATCL, the MVLWB and INAC. The range of closure cost estimates is shown in the table below. The MVLWB selected the reclamation security of $13.1 million for the 2009 license based upon the estimates up to June 2008. As part of the present ongoing license renewal process, the security estimates have been updated by NATC and Brodie Consulting, as shown in the table below.

TABLE 17-8 RECLAMATION COST ESTIMATES
North American Tungsten Corporation Ltd. - Cantung Mine

Prepared by	Date Prepared	for	Closure Cost Estimate ($millions)
EBA	Nov 2001	NATC	2.3
EBA	Oct 2002	NATC	2.5 to 3
Brodie Consulting	Oct 2002	MVLWB	34.5
NATC	July 2003	NATC	1.9
MVLWB Security	Dec 2003	MVLWB	7.9
NATC	Nov 2007	NATC	3.6
Brodie Consulting	June 2008	DIAND	13.1

TAXES AND ROYALTIES

The cash flow estimate contained in this report has been completed on a pre-tax basis. Royalties of 1% of net revenue, payable to Teck Resources Ltd., have been applied to the cash flow estimate.

CAPITAL AND OPERATING COST ESTIMATES

CAPITAL COSTS

The total capital costs for the remainder of the mine life are estimated to be $6.9 million.

Mine capital includes an allowance for exploration drilling, ramp development below 3700 level and a used ITH 4" diameter drill. Mill capital includes an acid leach circuit and a regrind mill for the copper circuit. Environmental capital includes costs for environmental site assessment studies. Tailings capital includes a dam lift on Tailings Pond Nos. 4 and 5. Power equipment capital includes an allowance for overhaul of power generation sets.

TABLE 17-10 SUMMARY OF CAPITAL COSTS
North American Tungsten Corporation Ltd.-Cantung Mine

	COST (C$ '000)	
ACTIVITIES	**YTD 3rd Qtr Fiscal 2009**	**Remainder of Mine Life**
Mine	1,540	3,750
Mill	280	375
Power/Equipment	760	1,100
Tailings	310	1,250
Other	22	450
TOTAL	2,912	6,925

OPERATING COSTS

Operating costs for the Life of Mine Plan have been based on the requirements of the production schedule. Costs were estimated based on recent and historical site experience and current supplier contracts and pricing. Labour costs are based on the current payroll.

TABLE 17-11 SUMMARY OF OPERATING COSTS
North American Tungsten Corporation Ltd.-Cantung Mine
2009 YTD

ACTIVITIES	UNIT COST (C$/ton)
Mining	53.69
Milling	22.34
Plant and Site Services	32.67
Site Administration	25.28
Underground Equipment	10.29
Corporate and Whitehorse Office	7.95
TOTAL	**152.22**

The total estimated unit cost for the project $152.22 per ton milled, including head office costs. This cost is based on processing 1,100 tons/day of ore and producing two types of concentrates, G1 and Flotation.

Monthly total operating costs are forecast to be in the order of $5.0 million.

MINE

The estimated cost of mining is substantially higher in comparison with the costs attained during previous years, due to higher rates for labour and consumables such as explosives and ground support.

Open pit and PUG Zone mining costs are not included in the cash flow estimate.

MILL

The milling cost is estimated to be $22.34 per ton milled. This cost is in line with past performance when adjusted for inflation and higher costs of materials, energy, and consumables.

PLANT SERVICES

The plant unit cost is estimated to be $32.67 (surface plus power) per ton milled. No major changes are expected to take place in the site services.

SITE ADMINISTRATION

The administration unit cost is estimated to be $25.28 (site administration, Sodexho, employee transportation) per ton milled. Head office costs are estimated to be $7.95 per ton milled in addition to the site administration costs. Increased costs for manpower, employee transportation, and insurance result in substantially higher costs than in the past.

MARKETS/CONTRACTS

Cantung will produce two product lines of concentrate: a premium gravity concentrate (G1) containing approximately 65% WO_3, accounting for 75% of the production output and a flotation grade concentrate containing 45% to 50% WO_3, accounting for 25%. As discussed in the Mineral Processing section, concentrates may be blended in various configurations to maximize revenue.

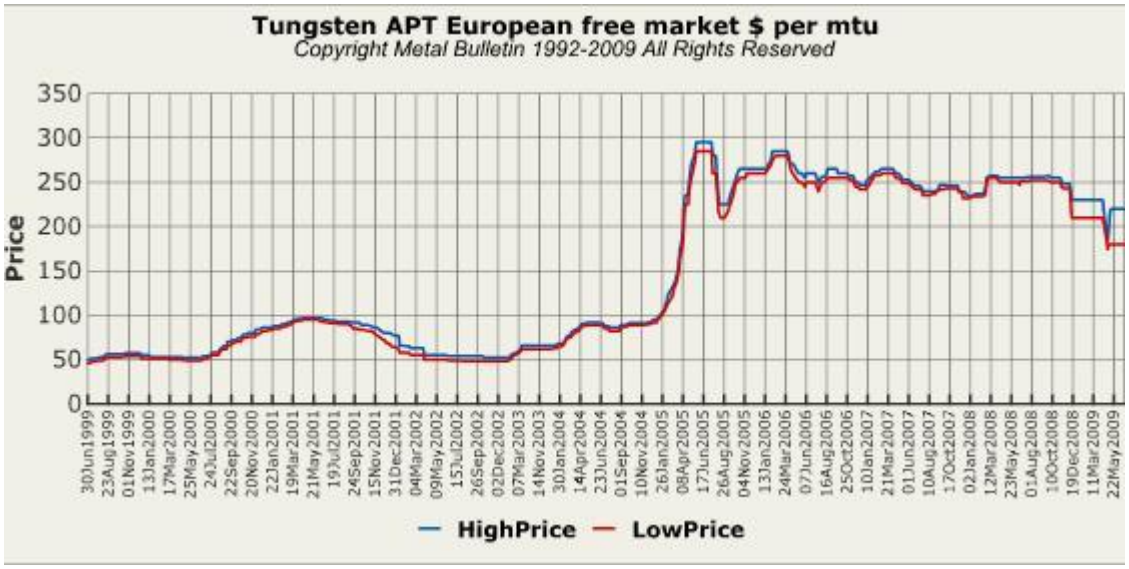
NATCL sells the G1 product at prices based on free market values for ammonium paratungstate (APT). Flotation concentrate is sold directly into the market or converted to APT through tolling arrangements prior to sale. Customers for the Cantung products include North American, European, and Chinese APT producers.

NATCL's competitors are the tungsten producers within China, the Beralt mine in Portugal, and, on a smaller scale, producers within Russia, Africa, South America, Thailand, and Vietnam. Although China is unable to export concentrate, NATC must compete against Chinese mines to supply to APT producers within China.

PRICING

June 2009 London Metal Bulletin (LMB) European free market price quotation for APT is approximately US$200 per MTU. Before 2005, prices were fairly consistent in the range of US$40 to US$90 per MTU, with a median of approximately US$60 per MTU. See the following Figure 17-10

FIGURE 17-10 TEN YEAR AVERAGE TUNGSTEN PRICES



For cash flow estimation, Cantung revenue is based on a G1 product price of US$205 per MTU.

MARKET OUTLOOK

According to the U.S. Geological Survey (USGS), global reserves in 2004 were 2,900,000 tons of contained tungsten, with China accounting for the largest reserves at 1,800,000 tons followed by Canada with 260,000 tons and by Russia with 250,000 tons.

Current global tungsten consumption is approximately 85,000 tonnes and is expected to increase to 110,000 tonnes over the next five years. The estimated production for the Cantung mine for fiscal year 2009 is approximately 3,100 tonnes of WO3 or 2,450 tonnes of contained tungsten, representing approximately 3% of estimated global demand.

In addition to the sale of concentrates, NATCL is currently exploring new product potential as part of a joint venture with a nanotechnology manufacturing company. NATCL will provide material for downstream processing into tungsten powders, and new tungsten composites with applications primarily in the automotive and sporting sectors with a focus on lead replacement.

ECONOMIC ANALYSIS

The Pre-Tax Cash Flow Projection shown in Table 17-9 has been generated from the life of mine physicals as shown in Table 17-2 and capital and operating cost data. The Cash Flow starts in July 2009 (the Mineral Reserve estimation date), and is organized by NATCL's fiscal year, which runs from October to September. A summary of the key criteria is provided below.

ECONOMIC CRITERIA

PHYSICALS

- Mine life: 2.5 years
- Total mill feed: 1,020,999 tons at a grade of 1.08% WO_3
- Operations 365 days per year
- Mill throughput of 1,100 tons per day from underground, or approximately 400,000 tons per year.
- Metallurgy as per mill performance:
  - Tungsten recovery 79.0%
  - Gravity concentrate (G1)
    - Grade 65%
    - Distribution 75%
    - Recovery relative to mill feed 59.3%
  - Flotation concentrate
    - Grade 47%
    - Distribution 25%
    - Recovery relative to mill feed 19.7%

REVENUE

- Tungsten selling price over entire life of mine
  - US$205/MTU for G1 product
  - US$245/MTU for APT converted from flotation concentrate less conversion charges and process losses

- Revenue recognized at the time of production
- Average exchange rate US$1: $C1.16
- Teck Resources Ltd. royalty 1%
- Insurance, Freight & Marketing charges of $280/ton
- Moisture content <1% (Flotation product)

COSTS

- Sustaining capital: $6.9 million
- Exploration: $1.4 million
- The average operating cost over the mine life, including head office cost, is estimated to be $152.22 per ton milled

CASH FLOW MODEL

Considering the Cantung Mine on a stand-alone basis, the undiscounted pre-tax cash flow totals CDN$9.7 million over the remaining mine life. As an operating mine without significant capital requirements, cash flow is anticipated to be positive over the course of the mine life.

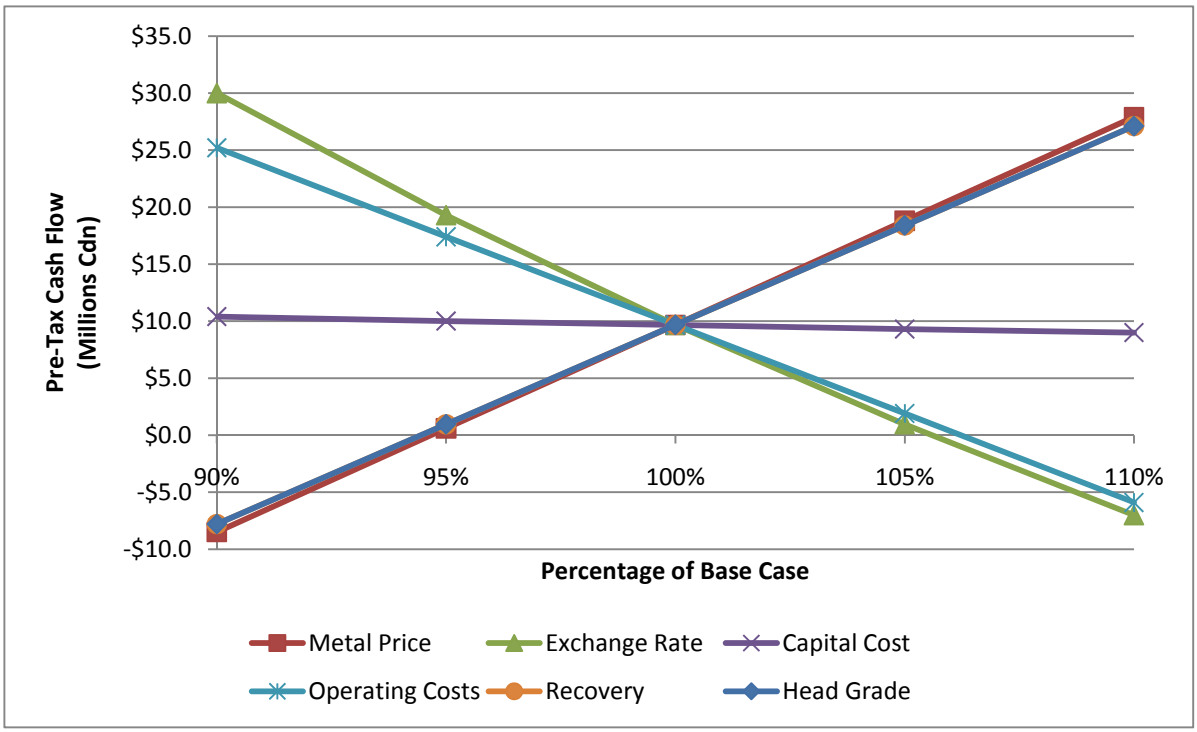
The site Unit Cost of Production is CDN$187 per MTU of WO_3. A low discount rate is appropriate due to the short mine life, and the lower risk associated with an operating mine. The Net Present Value (NPV) at a 6% discount rate is $9.3 million. This is a 2009 constant dollar model and, as mine life is relatively short (2.5 years), introduction of inflation/deflation criteria to the model will make little difference to NPV figures.

PROJECT SENSITIVITY

Figure 18-10 shows the project sensitivity to the following factors:

- Tungsten price
- Operating costs
- C$:US$ exchange rate
- Head grade
- Mill recovery

FIGURE 17-11 SENSITIVITY ANALYSIS



The Cantung Mine is most sensitive to exchange rates, product prices, and head grades. The relative impact on undiscounted pre-tax cash flow on changes in operational and cost assumptions and estimates are shown in the table below.

TABLE 17-12 SENSITIVITY ANALYSES

North American Tungsten Corporation Ltd.-Cantung Mine

	-10%	-5%	Base Case	+5%	+10%
Head Grade (%)	0.97	1.03	1.08	1.13	1.19
Pre-tax Cash Flow (million)	$-7.8	$1.0	$9.7	$18.4	$27.1
Metal Price ($/MTU)	184.50	194.75	205.00	215.25	225.50
Pre-tax Cash Flow (million)	$-8.5	$0.6	$9.7	$18.8	$27.9
Exchange Rate (C$/US$)	0.774	0.817	0.860	0.903	0.946
Pre-tax Cash Flow (million)	$30.0	$19.3	$9.7	$0.96	$-7.0
Capital Costs (million)	$6.2	$6.6	$6.9	$7.2	$7.6
Pre-tax Cash Flow (million)	$10.4	$10.0	$9.7	$9.3	$9.0
Operating Costs (million)	$139.8	$147.6	$155.4	$163.2	$170.9
Pre-tax Cash Flow (million)	$25.2	$17.4	$9.7	$1.9	$-5.9
Recovery (%)	71.1	75.1	79.0	83.0	86.9
Pre-tax Cash Flow (million)	$-7.8	$1.0	$9.7	$18.4	$27.1

18 INTERPRETATION AND CONCLUSIONS

In NATCL's opinion, the Cantung Mine has the advantages of considerable operating history, low capital requirements, and established contacts with suppliers and customers. The Mine has operated successfully in the past, however, it should be noted that it is a relatively high cost producer, and has experienced numerous shutdowns during periods of low tungsten prices and product demand. In NATCL's opinion, the key risk to mine profitability lies in tungsten price sustainability, marketing of concentrate products and mined head grades for the remainder of the mine life.

When production is taken into account, Mineral Reserves have increased since the previous estimate of October 1, 2008. The increase is due to exploration of new zones, inclusion of lower-grade areas rendered economic by higher prices, and planned pillar recovery in previously mined areas through the use of longhole mining methods.

There are Mineral Resources in the Open Pit/PUG Zone that could potentially be mined. Past open pit and PUG designs proposed production in the order of more than one year of mill feed.

As long as development and stope preparation continues in a timely manner, longhole mining should provide steady production at a lower cost than cut and fill mining. Longhole pillar mining carries a risk of lower grades from higher dilution, however, production estimates carry a reasonable and appropriate allowance for expected dilution.

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20 SIGNATURE PAGE

This report titled "Technical Report on the Cantung Mine, Northwest Territories, Canada" and dated August 18, 2009, was prepared by and signed by the following authors:

"signed"

Dated at Vancouver, BC
September 30th , 2009

J. Britt Reid, P. Eng.
Chief Operating Officer

"signed"

Dated at Vancouver, BC
September 30th , 2009

Finley J. Bakker, P. Geo.
Chief Geologist

"signed"

Dated at Vancouver, BC
September 30th , 2009

Robert D. Baldwin, P. Eng.
Senior Mining Engineer

21 CERTIFICATE OF QUALIFICATIONS

J. BRITT REID

I, J. Britt Reid, P.Eng., as an author of this report entitled "Technical Report on the Cantung Mine, Northwest Territories, Canada", prepared for North American Tungsten Corporation Ltd., and dated August 18, 2009 do hereby certify that:

I am the Chief Operating Officer with North American Tungsten Corporation Ltd. of Suite 1640 – 1188 West Georgia Street, Vancouver BC V6E 4A2.

1. I am a graduate of the University of British Columbia, in 1974 with a Bachelor of Applied Science degree in Mineral Engineering.

2. I am registered as a Professional Engineer in the Province of British Columbia (License.# 12061). I have worked continuously as a mining/mineral processing engineer for a total of 35 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Mine operational experience at 5 different mines ranging from Junior Engineer to Mine Manager
   - Project evaluation, feasibility studies, engineering and construction at three mines
   - Vice President of Operations in charge of 2 mining operations in Latin America
   - Chief Operating Officer of a tungsten mining company with 1 mine and 1 project in Canada.

3. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI43-101.

4. I visit the Cantung Mine on a regular basis.

5. I am responsible for overall preparation of the Technical Report.

6. I have had prior involvement with the property that is the subject of the Technical Report. The nature of my prior involvement includes working at Cantung in 1985 and 1986 and I have been the Chief Operating Officer of North American Tungsten Corporation Ltd. since January 2007.

7. I am not independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101.

8. I have read National Instrument 43-101, and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

9. To the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Dated 30th day of September, 2009

"signed"

J. Britt Reid, P. Eng.

FINLEY J. BAKKER

I, Finley J. Bakker, P.Geo. do hereby certify that:

1. I am Chief Geologist, working at the Cantung Mine

   North American Tungsten Ltd
   #1640 - 1188 West Georgia Street
   Vancouver, BC V6E 4A2
   Ph: (604)684-5300
   Fax: (604)684-2992
   fbakker@natcl.ca

2. I graduated with a degree in BSc. Honours in Geology from the McMaster University in 1979.

3. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia (1991).

4. I have worked as a geologist for a total of 30 years since my graduation from university.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. My relevant experience for the purpose of the Technical Report is:
   Chief Geologist at three Mines
   19 months total experience at the Cantung Mine
   Have undertaken Resource calculations for 28 years
   Was QP for Resources and Reserves for Boliden
   Consultant geologist on a number of exploration and mining projects.
   Exploration Manager at VMS deposit.
   Exploration Geologist and Mine Geologist at a number of mines.
   Used MineSight/Compass software used in calculating the Mineral Resource for 20 years.

6. I am responsible for the preparation of the Mineral Resource section of the technical report titled "**TECHNICAL REPORT ON THE CANTUNG MINE, NORTHWEST TERRITORIES, CANADA**" and dated August 18, 2009.

7. I have had prior involvement with the property that is the subject of the Technical Report. The nature of my prior involvement I have worked at the site from November 2006 to September 2007 and from April 2008 to current.

8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

9. I am not independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101.

10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated 30th day of September, 2009

"signed"

Finley J. Bakker, P. Geo.

ROBERT D. BALDWIN

I, Robert D. Baldwin, P.Eng, as an author of this report entitled "Technical Report on the Cantung Mine, Northwest Territories, Canada", prepared for North American Tungsten Corporation Ltd., and dated June 30, 2009, do hereby certify that:

1. I am a Senior Mining Engineer with North American Tungsten Corporation Ltd. of #1640-1188 West Georgia St., Vancouver, BC V6E 4A2 and work at the Cantung Mine.

2. I am a graduate of the University of British Columbia, Vancouver, British Columbia, Canada, in 1993 with a Bachelor of Applied Science in Geological Engineering.

3. I am registered as a Professional Engineer in the Province's of British Columbia and Ontario. I have worked as a Mining Engineer for a total of 16 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Mining Engineer at 4 North American Underground Hardrock Mines.
   - One and a half years Engineering for a contractor in Ontario.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI43-101.

5. I have been employed at the Cantung Mine Since October 1, 2008

6. I am responsible for the mining reserve portion of the Technical Report.

7. I am an employee of North American Tungsten Corporation Ltd. and not independent.

8. I have read National Instrument 43-101, and the "Technical Report On the CanTung Mine, Northwest Territories, Canada" dated August 18, 2009 has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

9. To the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Dated 30th day of September, 2009

"signed"

Robert D. Baldwin, P.Eng