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INTERIM MANAGEMENT DISCUSSION AND ANALYSIS Q1 2015

North American Tungsten Corporation Ltd. (the "Company") is engaged in tungsten mining and related activities which includes the acquisition, exploration, development and processing of ores and concentrates. The Company owns the Cantung operating mine in the Northwest Territories; the Mactung development project on the border of Yukon and the Northwest Territories; and other exploration prospects.

This discussion and analysis of financial position and results of operations of the Company, the Management Discussion and Analysis ("MD&A"), is prepared as of February 23, 2015. This MD&A reviews the business of the Company and compares the Company's financial results for the quarter ended December 31, 2014 (Q1 2015) with those of the quarter ended December 31, 2013 (Q1 2014).

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2014. The September 30, 2014 consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Note 2 of the consolidated financial statements for the year ended September 30, 2014 discloses a summary of the Company's significant accounting policies.

All dollar ($) figures in the tables are in thousands of Canadian ("CDN") dollars unless otherwise specified (except per share, option prices, warrant prices and per unit information). The Company's presentation and functional currency is the CDN dollar.

Additional information relating to the Company is available on SEDAR at www.sedar.com. The Company's common shares trade under the symbol NTC on the TSX Venture Exchange ("TSX-V").

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

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OVERVIEW

The Company is one of the most significant tungsten miners outside of China and expects to remain so for the foreseeable future. In November 2014 the Company filed a National Instrument 43-101 ("NI43-101") technical report for the Cantung mine which reported probable mineral reserves of 1.82 million tons and extended the life of mine beyond 2017. Diamond and in-fill drilling continues with the goal to further extend the life of the Cantung mine. In addition, the Company's large Mactung project which received environmental approval in September 2014, when developed, would enable the Company to continue to be a major world supplier of tungsten concentrates.

Improvements in process

An improvement program substantially completed at the Cantung mine has increased the tonnage processed from 1,100 tons of ore per day at the start of fiscal 2013 to over 1,250 tons per day in Q1 2015. Efforts continue to be made to increase tonnage by an additional 10% in throughput. Under the mill improvement program, various low cost improvements permit higher throughput together with higher metallurgical recoveries, allowing for the processing from potentially lower average grade ore, which reduces cut-off grade and further extends the life of the mine. For Q1 2015 the Company's production significantly improved with 83,549 MTUs produced at a mill feed grade of 0.98% WO_3 and metallurgical recovery of 81.1%.

Efforts are being made to further increase metallurgical recovery from present levels. Management identified other areas of potential improvement in the mill to increase recovery which are expected to be completed by Q3 2015. With the improvements to date and planned future improvements, management is optimistic that higher recoveries can be achieved.

At the Mactung project, continued progress is being made on permitting and community relations. The Company continues to engage with government officials and the First Nations to progress through the permitting process.

Results

Results for Q1 2015 significantly improved compared to Q1 2014. Gross margin from operations was $4.0 million for Q1 2015, up significantly from the negative $1.6 million gross margin for Q1 2014. The positive result from mining operations covered corporate overhead costs however was insufficient to cover substantial interest and financing costs and foreign exchange loss. There was a net loss of $0.2 million for Q1 2015 compared to a net loss of $4.5 million for Q1 2014.

Due to the continuing decline in APT prices, the Company is in the process of reviewing mine operating costs and corporate costs to identify areas of cost reduction for the remainder of fiscal 2015.

Cash inflows from operations before changes in non-cash working capital were positive at $3.7 million for Q1 2015 compared to cash outflows from operations before changes in non-cash working capital of $0.5 million for Q1 2014.

Capital spending

Management continues to limit capital spending to essential programs necessary to realise the mine plan. The Company continued with its comprehensive long term tailings management program with work commencing on the detailed engineering of the dry stack tailings facility in Q1 2015.

Purchase of property, plant and equipment and expenditures on the Mactung project were $1.2 million for Q1 2015 and will rise as the dry stack tailings facility project moves forward.

Financial

The Company's debt level remains high, as is the cost of servicing the debt. Additional amounts of debt have been incurred in Q1 2015.

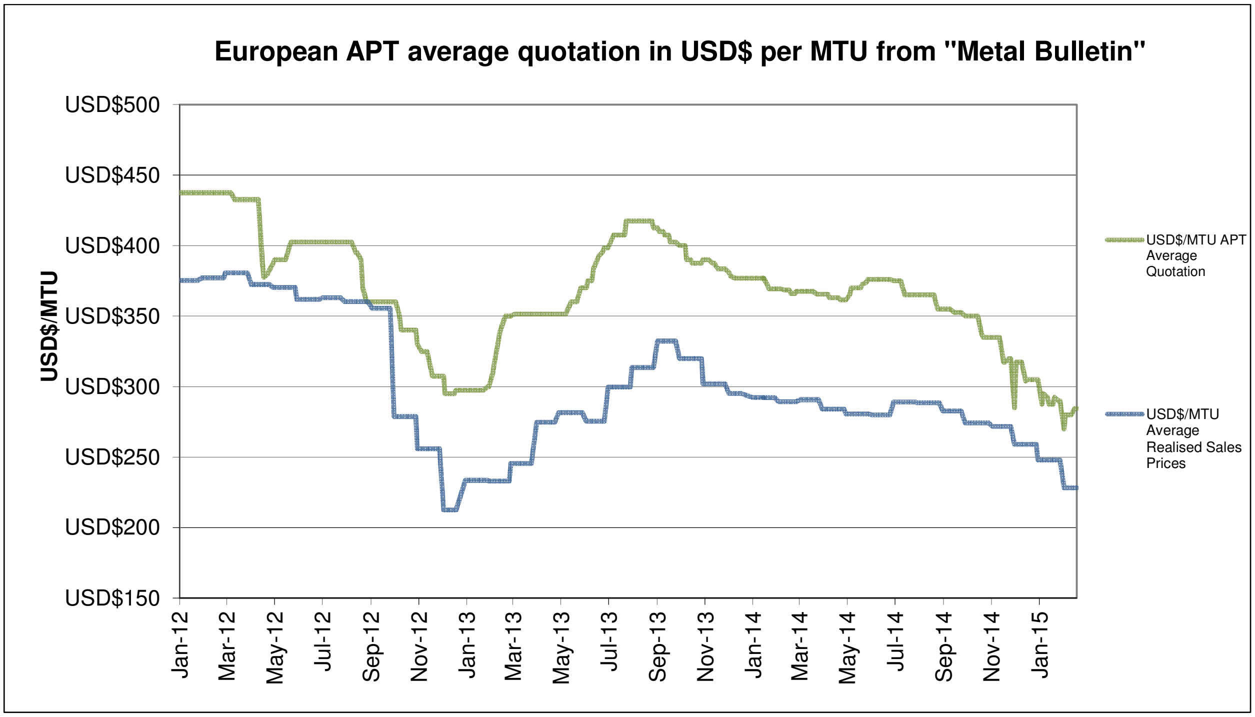
On October 24, 2014, the Company entered into a promissory note with Queenwood Capital Partners II LLC ("Queenwood II") and as of December 31, 2014 the Company has drawn the full USD$3.0 million of the promissory note. A condition of the amendment to the Callidus Capital Corporation ("Callidus") loan was that Queenwood II loan the Company the undrawn amount of USD$2.0 million under this promissory note prior to execution of the extension.

On December 30, 2014, the Company extended the scheduled final repayment date of the Callidus loan to May 31, 2016 and borrowed additional funds of $3.65 million. Of the additional funds received, $2.0 million was used to repay a promissory note with a former mining contractor that matured on December 31, 2014. The repayment of any principal amounts to debenture holders and Queenwood II is fully subordinated to the repayment of the Callidus loan.

Additional steps are required to improve liquidity, reduce the working capital deficit, increase profits from operations and reduce outstanding debt. Additional financing may be required for necessary capital investments.

TUNGSTEN PRICE

The Company sells its products based on the average Metal Bulletin ammonium paratungstate ("APT") European Free Market Quotations in United States Dollars ("USD"). Accordingly, the Company's results of operations are subject to market fluctuations in APT prices that are beyond the control of the Company, as there is no market to hedge APT or tungsten concentrate prices. The average quotation was USD$327/MTU at December 31, 2014 and was USD$285/MTU at February 20, 2015. The following table shows historical APT quotations and the Company's average realised sales prices since January 2012 in USD per MTU.



OPERATIONS UPDATE

Cantung Mine

The following summary table highlights the production results for the three months ended December 31, 2014:

	Q1 2015	Q1 2014
Tonnes milled	104,666	94,887
Grade	0.98	0.87
Recovery %	81.1	75.5
MTUs produced	83,549	62,068

The production results for Q1 2015 increased significantly from the comparable 2014 period. The increase in production was driven by higher mill throughput, mill feed grade and metallurgical recovery.

The Company continued its diamond and in-fill drilling with the goal to further extend the life of the Cantung mine. The Company acquired an additional development drill (January 2015) and a scoop (November 2014) under financing leases to support the development of future production areas of the mine. The Company continues to explore and evaluate potential ore targets in the vicinity of the Cantung ore body.

The mill process improvement project that commenced in 2013 is substantially complete. The Company has seen an improvement to metallurgical recoveries, a result of the improvement project. The mill processes continue to be adjusted in order to achieve consistent results and recovery targets. The completion of the optimization will require some minor additions of equipment and/or the replacement of some existing equipment.

The improvement project plan is to increase the mill throughput by upwards of 20% from prior year levels and to increase the total metallurgical recovery by increasing the effectiveness of the gravity and flotation circuits. To provide the additional tons required after the mill throughput is increased, open-pit mining campaigns are being utilized to supplement underground mining.

The Company is in the process of finalizing the detailed engineering for the dry stack tailings facility to allow for deposition of tailings underground and on the surface without construction of additional tailings ponds. To support the additional power requirements of the mine, the Company has invested in a new generator and power distribution system in Q2 2015.

The capital investment for these projects will be funded from operations and from new financings, if available.

Cantung Reserves and Resources

In November 2014 the Company filed a technical report entitled "Technical Report on the Cantung Mine, Northwest Territories, Canada" dated September 19, 2014 disclosing resources and reserves as of July 31, 2014 which was prepared in compliance with NI43-101 – *Standards for Disclosure for Mineral Projects*. The report was authored by Brian Delaney, P.Eng and Finley J. Bakker, P. Geo who are respectively the Assistant Mine Manager and Superintendent of Technical Services at the Cantung mine. The report disclosed probable mineral reserves of 1.82 million tons with a grade of 0.81% WO_3. The updated reserves support a mine life beyond 2017.

The report also disclosed indicated resources of 3.84 million tons with a grade of 0.97% WO_3 which include the probable mineral reserves. As well, the report disclosed inferred mineral resources of 1.4 million tons with a grade of 0.80% WO_3.

The Company continues exploration of the Cantung deposit and continues diamond and in-fill drilling to add to the reserves and resources with a view to extending the Cantung mine life.

Additional information on the Cantung mine and the NI43-101 technical report thereon is available on the Company's website at http://www.natungsten.com/s/Cantung.asp.

Mactung Project

In 2014, the Company received a positive environmental assessment of the Mactung project. The Yukon Environmental and Socio-economic Assessment Board ("YESAB") recommended that the Mactung project "be allowed to proceed without review," subject to terms and conditions that are listed in its final report. YESAB's recommendations were confirmed in Decision Documents issued by the federal and territorial governments. The Decision Documents will form the basis upon which the Yukon Water Board will regulate mining at Mactung.

The Company continues to engage in positive discussions and negotiations with the First Nations in the area as their continued support is important to the future success of the Mactung project.

Information on the Mactung project is available on the Company's website at http://www.natungsten.com/s/Mactung.asp.

FINANCE

A cash conservation policy that was initiated in 2013 continued and capital expenditures continue to be limited to necessary investment. Capital expenditures for Q1 2015 were $1.2 million and were mainly for mining equipment assets, capitalised underground development and detailed engineering for the dry stack tailings facility. Capital expenditures are expected to increase for the remainder of fiscal 2015 with anticipated investment in the dry stack tailings facility and new power distribution and power generation equipment, necessary to achieve the mine plan.

In Q1 2015 the Company realised a net loss of $0.2 million with positive cash flows from operating activities of $0.1 million. The gross margin from operations was $4.0 million. The positive result from mining operations covered corporate overhead costs however was insufficient to cover substantial interest and financing costs and foreign exchange loss.

During Q1 2015 the Company executed a promissory note with Queenwood II and as of December 31, 2014 the Company has drawn the USD$3.0 million of the promissory note.

During Q1 2015 the Company extended the scheduled final repayment date of the Callidus loan to May 31, 2016 and borrowed additional funds of $3.65 million. The interest rate and monthly principal repayment terms remain unchanged. Of the additional funds received, $2.0 million was used to repay a promissory note with a former mining contractor that matured on December 31, 2014. The repayment of principal amounts to debenture holders and Queenwood II is fully subordinated to the repayment of the Callidus loan.

The Company is dependent on continued support from stakeholders, lenders and customers. The Company will need to maintain strong cash flows from operations which requires increased mill throughput and recovery from the Cantung mine. Necessary capital expenditures for fiscal 2015 required to meet the updated mine plan will be funded from operations and from new financings as necessary.

In addition, it will be necessary to continue to roll-over, extend, replace or refinance existing loan facilities as they mature or arrange new financing. Future operations will also be impacted by market conditions, prices for tungsten concentrate and the ability of the Cantung mine to maintain positive cash flows from operations while containing non-operating outlays as necessary.

SUMMARIZED FINANCIAL RESULTS

Operating highlights	For the three months ended December 31, 2014		December 31, 2013	
Tonnes milled		104,666		94,887
Feed grade % WO_3		0.98		0.87
Recovery %		81.1		75.5
Tungsten concentrate produced (MTUs)		83,549		62,068
Tungsten concentrate sold (MTUs)		69,162		62,188
Average realised sales price $USD/MTU	$	268	$	305
Average realised sales price $CDN/MTU	$	305	$	321
Cost of sales per MTU[1] (USD)	$	217	$	330
Cost of sales per MTU[1] (CDN)	$	246	$	347
Copper sold (lbs)		116,289		121,877
Copper revenue (in $000's)	$	435	$	520
Quarterly average USD$ foreign exchange rate (USD$1 to CDN)	$	1.136	$	1.050
Financial data (in $000's)				
Revenues	$	21,498	$	20,462
Cost of sales:				
Mine operating costs:				
Mine		6,467	$	6,928
Mill		3,490	$	3,265
Power generation and surface maintenance		4,620	$	4,830
Site administration and environmental		3,654	$	3,587
Mine operating costs:		18,231	$	18,610
Inventory change, adjustments and write-downs		(2,602)	$	1,095
Amortization and depreciation		1,267	$	1,744
Freight and handling		376	$	428
Royalties		211	$	200
Cost of sales:		17,483	$	22,077
Gross margin[2]	$	4,015	$	(1,615)
Net loss	$	(210)	$	(4,529)
EBITDA[3]	$	4,613	$	(693)

1) Cost of sales per MTU is determined by dividing cost of sales less copper revenue by the number of MTUs sold during the period.

2) Gross margin is determined by taking revenue less cost of sales. Gross margin is not an IFRS measure.

3) EBITDA = Net income (loss) before income taxes, interest and financing costs, interest income, depreciation and amortization, accretion of financial liabilities, foreign exchange loss and impairment of property, plant and equipment. For additional information, see the "Non-IFRS Measures" section of this MD&A.

REVIEW OF FINANCIAL RESULTS

Q1 2015 compared to Q1 2014 for mine operating results

Net loss for Q1 2015 was $0.2 million or ($0.00) per share (basic and diluted), compared to net loss of $4.5 million or ($0.02) per share in Q1 2014. The net loss for Q1 2015 was impacted by the following factors:

- Tonnage and grade of ore mined at the Cantung mine have fluctuated in recent years. In Q1 2015, the average ore grade processed of 0.98% WO_3 was above the average of Q1 2014. The 83,549 MTUs produced was substantially improved compared with the 62,068 MTUs in Q1 2014. This higher production reflected in lower unit costs with $4.0 million of income generated from Cantung operations.
- Revenue was $21.5 million on sales of 69,162 MTUs with an average realised sales price of $305/MTU (USD$268/MTU) and cost of sales of $246/MTU for a margin of $59/MTU compared to revenue in Q1 2014 of $20.5 million on sales of 62,188 MTUs with an average realised sales price of $321/MTU (USD$305/MTU) and cost of sales of $347/MTU for a negative margin of $26/MTU. Included in revenue of $21.5 million was $0.4 million for the sale of copper which is a by-product of the tungsten mining compared to $0.5 million in Q1 2014. Due to winter road conditions and the holiday season, there were delays in product being delivered to customers resulting in 20,062 MTUs of inventory in transit as at December 31, 2014.
- Metallurgical recoveries were positively impacted by the mill improvement project and the higher grade of ore milled in the quarter. Tungsten concentrate production for Q1 2015 was 83,549 MTUs from a mill feed of 104,666 tonnes with an average grade of 0.98% WO_3 and average mill recovery of 81.1% compared to production of 62,068 MTUs from a mill feed of 94,887 tonnes with an average grade of 0.87% WO_3 and average mill recovery of 75.5%. Production for Q1 2015 exceeded target levels due to higher than planned mill feed grade which resulted in higher recovery.
- Total mine operating costs were stable with $18.2 million incurred in Q1 2015 compared to $18.6 million in Q1 2014. The Company continues to benefit from declining diesel prices. Cost of sales decreased by 21% to $17.5 million in Q1 2015 compared to $22.1 million in Q1 2014. Cost of sales decreased due to increased production resulting in lower unit production costs.

Expenses

Financial data (in $000's)	For the three months ended December 31, 2014	December 31, 2013	Change
Interest and financing costs	$ 1,683	$ 1,052	$ 631
Foreign exchange loss	1,380	518	862
General and administrative	674	642	32
Accretion of financial liabilities	546	572	(26)
Exploration	-	119	(119)
Share-based compensation	-	32	(32)
Loss on revaluation of derivatives	-	29	(29)
Gain on disposal of assets	(5)	-	(5)
Interest and other income	(53)	(50)	(3)
Total	$ 4,225	$ 2,914	$ 1,311

Q1 2015 compared to Q1 2014 for expenses

- Interest and financing costs have increased for Q1 2015 as interest rates on outstanding debt instruments in the quarter are higher than the comparable quarter and the Company holds more debt compared to Q1 2014.
- The foreign exchange loss increased in Q1 2015 as the Company has an increased amount of USD denominated debt and the USD appreciated in value versus the CDN from $1.1200 at September 30, 2014 to $1.1601 at December 31, 2014. In the comparable period the USD appreciated in value versus the CDN from $1.0303 at September 30, 2013 to $1.0636 at December 31, 2013.

SUMMARY OF QUARTERLY INFORMATION

In $000's, except per share amounts and realised sales price per MTU sold	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2
Tungsten concentrate produced (MTUs)	83,549	63,002	59,877	89,116	62,068	67,728	67,433	71,178
Tungsten concentrate sold (MTUs)	69,162	60,095	71,655	69,934	62,218	66,264	71,563	101,723
Average realised sales price $USD/MTU	$ 268	$ 286	$ 282	$ 291	$ 305	$ 317	$ 277	$ 237
Quarterly average USD$ foreign exchange rate (USD$1 to CDN)	$ 1.136	$ 1.090	$ 1.092	$ 1.102	$ 1.050	$ 1.038	$ 1.024	$ 1.009
Revenue	$ 21,498	$ 19,232	$ 22,452	$ 23,063	$ 20,462	$ 22,461	$ 20,954	$ 24,939
Net income (loss)	$ (210)	$ (4,183)	$ (401)	$ 2,467	$ (4,529)	$ 412	$ (6,253)	$ (3,413)
Net income (loss) per share, basic and diluted	$ 0.00	$ (0.02)	$ 0.00	$ 0.01	$ (0.02)	$ 0.00	$ (0.03)	$ (0.01)
Cash flow from operations before changes in non-cash working capital	$ 3,735	$ 1,587	$ 2,669	$ 6,416	$ (489)	$ 3,097	$ (301)	$ 41
Cash flow from operating activities	$ 66	$ 3,912	$ 2,881	$ 1,794	$ 2,208	$ 3,809	$ (1,158)	$ 999

The Company's results are primarily driven by MTUs produced and sold each quarter, the market quotations for APT and fluctuations in the USD/CDN exchange rates. Other significant factors that impacted specific quarters are:

- Q1 2015 was affected by higher production due to improved mill feed grade and metallurgical recoveries, declining APT prices and inventory in transit higher than normal due to winter weather at the end of the quarter.
- Q4 2014 was affected by lower production due to lower mill feed grades and mill interruptions due to the completion of unexpected maintenance and continued adjustments to the newly commissioned equipment associated with the mill enhancement project.
- Q3 2014 was affected by lower production due to lower mill feed grades and lower recoveries during the quarter.
- Q2 2014 had higher production due to improved mill feed grade; however sales of 19,030 MTUs were deferred to Q3 2014 due to the new tungsten delivery contracts.
- Q1 2014 was affected by lower production due to lower mill feed grades.
- Q4 2013 was affected by higher realised sales prices on lower sales volume due to lower production mainly due to lower recoveries during the quarter.
- Q3 2013 was affected by the recognition of the $1.8 million of employment contract settlements to officers and an impairment of property, plant and equipment of $1.8 million.
- Q2 2013 was affected by the recovery in APT prices during the second half of the quarter and tungsten concentrate inventories returning to normal levels.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

Liquidity and Going Concern

Liquidity continues to be a challenge. Continued support from stakeholders, lenders and customers will be important as existing debt matures requiring debt to be rolled-over or refinanced. Support continues but further support is not guaranteed. It is expected that operations will become more profitable as the mill improvement project is completed. Capital expenditures for fiscal 2015 will be funded from operations and from new financings where possible.

The Company produced positive cash flows from operations before adjustments to working capital for the three months ended December 31, 2014 of $3.7 million. All expenditures remain under scrutiny and capital expenditures will continue to be held to investments necessary to achieve the mine plan.

In the longer term, it will be important that high levels of production be consistently achieved. Other significant factors that may impact the Company's financial position include the possible level of future capital spending to develop the Mactung project and outlays that may be required at the Cantung mine particularly for tailings management. The dry stack tailings facility is a significant project to be completed in fiscal 2015. Cash to be generated from future Cantung operations will be subject to the various risks associated with mining and continuing risks of fluctuating feed grades and underground ore output.

For the Company to continue as a going concern we draw your attention to Note 1 of the interim consolidated financial statements for the three months ended December 31, 2014 which provides details on the going concern assumption for the Company.

Liquidity Outlook

Factors that will impact liquidity in the forthcoming months:

- Arranging of financing for capital investment to achieve the mine plan; related party support continues to be indicated however is not guaranteed.
- On a daily and monthly basis, significant fluctuations in results should be expected as there is significant variability in the mill feed tonnes, grade and metallurgical recovery.
- Improvements to the mill process and continued achievement of higher levels of production to support profitable operations and positive cash flows from operations.
- Capital expenditures will be held to necessary expenditures to achieve the mine plan, but will rise during the remainder of fiscal 2015 as the Company moves forward with the dry stacking tailings facility.
- Changes in the market quotations for APT.
- The USD/CDN exchange rate

Statement of financial position (in $000's)	As at December 31, 2014	September 30, 2014	December 31, 2013
Cash and cash equivalents	$ 5,708	$ 363	$ 16
Current assets	$ 24,088	$ 16,623	$ 18,213
Total assets	$ 78,792	$ 71,959	$ 71,784
Current liabilities	$ 62,982	$ 31,810	$ 47,597
Total liabilities	$ 82,055	$ 75,012	$ 74,183
Total financial liabilities includes the following: [1]			
Current financial liabilities	$ 47,854	$ 14,787	$ 28,555
Non-current financial liabilities	$ 9,643	$ 33,808	$ 19,075
	$ 57,497	$ 48,595	$ 47,630
Shareholders' deficit	$ (3,263)	$ (3,053)	$ (2,399)
Statistics:			
Working capital [2]	$ (38,894)	$ (15,187)	$ (29,384)

1 - Total financial liabilities includes current and long-term portions of the Operating Loan, Working Capital Loan, Callidus loan, customer advances, customer loans, debentures, equipment loans, capital leases, notes payable and other financial liabilities.

2 - Current assets less current liabilities

Cash flows for the three months ended December 31, 2014 and 2013

Summarized cash flow activity (in $000's)	For the three months ended December 31, 2014	December 31, 2013	Change
Cash flow from (used in) operating activities before changes in non-cash working capital	$ 3,735	$ (489)	$ 4,224
Change in non-cash working capital	(3,669)	2,697	(6,366)
Provided by (used in) operating activities	66	2,208	(2,142)
Provided by (used in) investing activities	(1,185)	(2,111)	926
Provided by (used in) financing activities	6,375	(246)	6,621
Effect of exchange rate changes on cash and cash equivalents	89	(38)	127
Increase (decrease) in cash and cash equivalents	5,345	(187)	5,532
Cash and cash equivalents, beginning of period	363	203	160
Cash and cash equivalents, end of period	$ 5,708	$ 16	$ 5,692

Q1 2015 compared to Q1 2014 for liquidity and cash flows

Cash flow provided by operating activities was $0.1 million for Q1 2015, a decrease of $2.1 million compared to cash flow provided by operations of $2.2 million for Q1 2014.

In Q1 2015 there was a net loss of $0.2 million and cash flows from operating activities before changes in non-cash working capital of $3.7 million. As a result of improved production and higher than normal levels of inventory in transit due to winter weather in Q1 2015, inventory levels increased. Accounts payable were paid down using cash flow from operations generated in Q1 2015 and proceeds from new financings.

In Q1 2014, there was a net loss of $4.5 million. Production was below target levels in this quarter which created cash constraints that led to an increase in accounts payable, while accounts receivable and inventory decreased.

Cash outflow for investing activities for property, plant and equipment and Mactung development was $1.2 million for Q1 2015 compared to $2.1 million in Q1 2014. During Q1 2015 the Company acquired an underground scoop under a financing lease, continued underground development and commenced detailed engineering for the dry stack tailings facility. In the comparable period, the waste water treatment plant and the mill improvement projects were on-going.

For Q1 2015 there was a net cash inflow from financing activities of $6.4 million as the net proceeds of $3.7 million from the extended Callidus loan were received and used to repay the $2.0 million notes payable to a former mining contractor. Net proceeds of $3.5 million were received from the Queenwood II promissory note, customer advances of $2.2 million were received, net increase in capital leases of $0.4 million, scheduled principal repayments of $0.5 million were made on the Callidus loan and $0.9 million of interest and financing costs were paid. In the comparable quarter there was a cash outflow from financing activities of $0.2 million as the net proceeds of $1.2 million from the debentures and $2.7 million from customer loans were received. Equipment loans and capital leases of $1.3 million, interest and financing costs of $1.1 million, operating loan with HSBC of $1.0 million and notes payable of $0.7 million were paid.

Capital Resources

Loans, capital leases and other debt finance

Outstanding financial debts are as follows:

Financial debt (in $000's)	As at December 31, 2014	As at September 30, 2014	As at December 31, 2013
Current financial debt			
Operating Loan	$ -	$ -	$ 10,112
Working Capital Loan	-	-	12,000
Callidus loan	13,285	10,128	-
Customer advances	2,665	426	2,792
Customer loans	2,726	1,974	-
Debentures	12,136	-	-
Equipment loans and capital leases	304	259	1,651
Notes payable	16,738	2,000	2,000
Total	47,854	14,787	28,555
Non-current financial debt			
Customer advances	3,480	3,360	3,191
Customer loans	5,626	6,090	4,999
Debentures	-	11,564	10,594
Equipment loans and capital leases	537	210	291
Notes payable	-	12,584	-
Total financial debt	$ 57,497	$ 48,595	$ 47,630

The Company is dependent upon continued support from its shareholders, lenders and customers. It will be necessary to roll-over, replace or refinance existing loan facilities as they mature or arrange new financing.

Share issuances

There have been no issuances of common shares by the Company in Q1 2015 or fiscal 2014.

Contractual Obligations

Contractual obligations and commitments	Payments due in the years ended September 30, 2015 [1]	2016	2017	2018	2019	2020	Total
Mactung leases and royalty option payment	$ 1,005	$ 5	$ 5	$ 5	$ 5	$ 5	$ 1,030
Cantung leases	50	50	50	50	50	50	300
Customer advances	2,665	-	3,480	-	-	-	6,145
Customer loans	2,045	2,726	1,878	1,363	340	-	8,352
Capital leases	229	308	267	37	-	-	841
Office leases [2]	177	245	251	84	-	-	757
Equipment purchase and rental contracts	80	-	-	-	-	-	80
	$ 6,251	**$ 3,334**	**$ 5,931**	**$ 1,539**	**$ 395**	**$ 55**	**$ 17,505**

1 - Commitments are for the remainder of fiscal 2015

2 - Includes basic rent and associated common costs under the lease

a. Water license

The MVLWB issued the Company's type "A" Water License ("license"), which expires January 29, 2016.

The security deposit required under the Company's licenses is $11.7 million. The Company has posted $6.0 million in cash and $5.9 million in the form of secured promissory notes pursuant to the Reclamation Security Agreement ("RSA"). The RSA further provides for:

- the Company to post $100 thousand in cash on the 1st of September, 1st of December, 1st of March, and 1st of June to reduce the amounts pledged under the promissory notes until nil is outstanding under the promissory notes;
- the cash components payable to the Government of the Northwest Territories ("GNWT") to increase under certain events.

The Company has provided a RSA which pledges the Mactung property as security for any amounts owing under the license and monies owed by way of secured promissory notes. Any funds in excess of ultimate reclamation costs will be returned to the Company.

During the three months ended December 31, 2014 the Company posted $100 thousand of cash towards the reclamation deposit. The Company is in discussions with the GNWT regarding the amount of estimated future site reclamation cost for an amendment to the water license for the dry stack tailings facility and subsequent renewal of the water license beyond January 29, 2016. As a result the security deposit associated with the license may be amended.

b. Smelter royalties

The Cantung Mine is subject to a 1% net smelter royalty.

c. Mactung smelter royalties

On January 31, 2005 the Company entered into an Amended Royalty Agreement on the Mactung property with Teck Resources Limited ("Teck"). For $100 thousand (paid) Teck granted the Company an option (the "Option") to reduce the Mactung royalty from a 4% net smelter return ("NSR") to a 1% NSR, such Option to be exercisable by the Company upon paying to Teck an additional $1.0 million by the earlier of:

- March 30, 2015; or
- 60 days after the receipt of a water license issued in connection with any proposed development of the properties (as such term is defined in the Mactung Royalty Agreement) for mineral production.

If the Company does not exercise the Option, the Company has the right at any time to repurchase one-half (2%) of the 4% NSR from Teck upon paying $2.5 million.

OTHER INFORMATION

Equity

Outstanding equity securities	As of February 23, 2015	As of September 30, 2014
Common shares	238,123,058	238,123,058
Share options	2,350,000	3,041,666
Warrants	2,000,000	2,000,000

Related Party Transactions

Directors of the Company participated directly and indirectly in the USD$11.0 million Debenture and Convertible Debentures financing as to USD$9.6 million. For the three months ended December 31, 2014 the Company recognised an expense of $0.3 million (three months ended December 31, 2013 - $37 thousand) of interest on these Debentures and Convertible Debentures.

During 2014 the Company executed a USD$12.0 million promissory note with Queenwood II. During the three months ended December 31, 2014 the Company recognised an expense of $0.4 million (three months ended December 31, 2013 - nil) of interest on this Queenwood II note payable.

During the three months ended December 31, 2014 the Company executed a promissory note with Queenwood II for up to a maximum aggregate principal amount of USD$3.0 million. The Company has drawn the full amount on the promissory note. During the three months ended December 31, 2014 the Company recognized an expense of $42 thousand (three months ended December 31, 2013 – nil) of interest on this Queenwood II note payable.

During the three months ended December 31, 2014 the Company recognised $0.3 million (three months ended December 31, 2013 - $0.1 million) for professional and consulting fees to directors or companies related to directors.

The above transactions were in the normal course of operations.

Subsequent Events

There were no subsequent events after December 31, 2014.

Off-Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Financial Instruments

The September 30, 2014 annual consolidated financial statements of the Company disclose the financial instruments of the Company and the associated financial risk exposure.

During the three months ended December 31, 2014, the Company entered into a promissory note with Queenwood II and as of December 31, 2014 the Company has drawn the full USD$3.0 million of the promissory note. Also, the Company extended its Callidus loan facility and borrowed additional funds of $3.65 million. These financial instruments have similar financial risk characteristics to the financial instruments held by the Company at September 30, 2014.

Capital Management

The Company defines its capital as cash and cash equivalents, short-term and long-term financial debt, share capital and contributed surplus. The Company's objectives when managing its capital are:

- to maintain liquidity;
- to ensure that the Company will be able to continue as a going concern; and
- to maximize the return to shareholders while limiting risk exposure.

To assist in the management of the Company's capital, the Company prepares budgets and forecasts which is approved by the Board of Directors. Actual results are reviewed against the budget on a monthly basis and forecasts are updated. The Company may adjust its capital structure by issuing new shares, issuing new debt, replacing existing debt, selling assets to reduce debt and reducing operating and capital expenditure levels.

Additional information regarding capital management is discussed in the Liquidity and Going Concern section of this MD&A.

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements, concerning the Company's operations and planned future developments and other matters. Any statements that involve discussions with respect to predictions, expectations, belief, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or "should", or "believes", or "possible", or stating that certain actions, events or results "may", "could", "might", or "will" be taken to occur or be achieved) are not statements of historical fact and may be "forward-looking statements" and are intended to identify forward-looking statements, which include statements relating to, among other things, the ability of the Company to continue to conduct business successfully. Such forward-looking statements are based on the beliefs of the Company's management as well as on assumptions made by and information currently available to the Company at the time such statements were made. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information.

Forward-looking statements within the management discussion and analysis relating to the Cantung Mine and the Company, may include, but are not limited to, statements regarding the expectations and estimates as to the timing and estimated costs for the completion of capital projects and the effect thereof, projects planned for the future such as an open pit program, the estimated future quotations for APT and the effect thereof, the estimation of mineral reserves and mineral resources and the economic viability thereof, potential results of exploration activities, environmental risks, reclamation obligations and expenses, the availability of qualified employees, the possibility to refinance, roll-over, replace or otherwise extended financial debt as it matures, and the continued support of shareholders, lenders, customers and related parties.

Forward-looking statements within the management discussion and analysis relating to the Mactung project, may include, but are not limited to, statements regarding the expectation and estimates to timing and estimated costs for feasibility and prefeasibility studies, permitting time-lines, evaluation of opportunities, requirements for additional capital, government regulation of mining operations and environmental risks.

In addition, forward-looking statements within this management discussion and analysis may include, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour problems or other unanticipated difficulties with or shortages of labour or interruptions in production; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, delays or the inability to obtain or renew necessary governmental permits; and other risks and uncertainties.

Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, the failure to obtain adequate financing on a timely basis and other risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set forth or incorporated in this management discussion and analysis generally and certain economic and business factors, some of which may be beyond the control of the Company. Some of the important risks and uncertainties that could affect forward-looking statements are described further in this document and in the Company's Annual Information Form.

NON-IFRS MEASURES

Throughout this document, the Company has provided measures prepared in accordance with IFRS, as well as some non-IFRS performance measures as additional information for stakeholders.

Since there is no standard method for calculating non-IFRS measures, they are not a reliable way to compare the Company against other companies. Non-IFRS measures should be used along with other performance measures prepared in accordance with IFRS. The Company has defined its non-IFRS measures in the tables where they are presented and reconciled them with the reported IFRS measures when an IFRS measure exists.

These measures may differ from those used by other companies and may not be directly comparable to such measures as reported by other companies. The Company discloses these measures, which have been derived from its financial statements and applied on a consistent basis, because the Company believes they are of assistance in understanding the results of its operations and financial position and are meant to provide further information about its financial results to stakeholders.

Reconciliation of net loss with EBITDA

EBITDA is calculated as net loss before taxes, interest and financing costs, interest income, depreciation and amortization, accretion of financial liabilities, foreign exchange loss and impairment of property, plant and equipment.

	For the three months ended	
	December 31, 2014	December 31, 2013
Net loss	**$ (210)**	**$ (4,529)**
Add back:		
Interest and financing costs	1,683	1,052
Foreign exchange loss	1,380	518
Depreciation and amortization	1,267	1,744
Accretion of financial liabilities	546	572
Interest income	(53)	(50)
EBITDA	**$ 4,613**	**$ (693)**

Management believes that EBITDA provides useful information as a measure of the results from operations, as it has the non-cash items and the cost of financing the debt removed, which otherwise masks the results.

RISK AND UNCERTAINTIES

The Company operates in the mining industry which is subject to numerous significant risks.

The Company is subject to various risks and uncertainties in its business. In particular, the Company is subject to:

- fluctuating commodity markets, tungsten prices and currency exchange rates;
- risks relating to underground mining;
- fluctuations in actual and estimated production;
- permitting risks and general mining risks;
- other risks affecting the operation and economic viability of the Cantung mine;
- changes in environmental regulations and associated reclamation costs;
- risks of environmental impact associated with mining, particularly risks associated with tailings ponds;
- risks regarding the settlement, refinancing or roll-over of existing debt upon maturity;
- possible difficulties in reducing or deferring capital outlays to ensure adequate net cash flows;
- risks regarding liquidity, availability of additional financing to fund capital expenditures and/or operations and going concern;
- funding availability including the availability of funds to develop the Company's Mactung project; and
- availability of experienced operating personnel.

FINANCIAL AND DISCLOSURE CONTROLS

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI52-109") the Chief Executive Officer and Chief Financial Officer have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the interim consolidated financial statements for the three months ended December 31, 2014 and this accompanying MD&A (together the "Annual Filings").

In contrast to the full certificate under NI52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at www.sedar.com.

GLOSSARY OF TERMS

APT	Ammonium paratungstate is an intermediate product which is one of the principal chemical forms in which tungsten is traded
Concentrates	The valuable fraction of an ore that is left after waste material is removed in processing
Cu	Copper
MB	Metal Bulletin of London that issues high and low quotations for APT (as well as various other metals) on a frequent basis
MTU	Metric tonne unit of 1 percent of a metric tonne (22.046 pounds) of contained WO_3
Scheelite	A brown tetragonal mineral, CaWO4. It is found in pneumatolytic veins associated with quartz, and fluoresces to show a blue color. Scheelite is a mineral of tungsten
STU	Short ton unit is 20 pounds of WO_3 contained in concentrate
Ton	A short ton unit equal to 2,000 pounds
Tonne	A metric unit equal to 2,204.6 pounds (1,000 kilograms)
Tungsten concentrates	Concentrates generally containing between 35 and 75 percent WO_3
W	The elemental symbol for tungsten
WO_3	Tungsten tri-oxide (containing 79.33% W) a compound of tungsten and oxygen
YESAA	Yukon Environmental and Socio-economic Assessment Act
YESAB	Yukon Environmental and Socio-economic Assessment Board