NORTH AMERICAN TUNGSTEN
CORPORATION LTD.

TECHNICAL REPORT ON THE CANTUNG MINE, NORTHWEST TERRITORIES, CANADA

Report for NI 43-101

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TABLE OF CONTENTS

1 SUMMARY 1-1
Executive Summary 1-1
Conclusions and Recommendations 1-3
Economic Analysis 1-4
Technical Summary 1-8
2 INTRODUCTION AND TERMS OF REFERENCE 2-1
3 PROPERTY DESCRIPTION AND LOCATION 3-1
4 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, IINFRASTRUCTURE AND PHYSIOGRAPHY 4-1
Accessibility 4-1
Climate 4-1
Physiography 4-2
Local Resources 4-3
Infrastructure 4-3
5 HISTORY 5-1
6 GEOLOGICAL SETTING 6-1
Regional Geology 6-1
Local and Property Geology 6-3
7 DEPOSIT TYPES 7-1
8 MINERALIZATION 8-1
9 EXPLORATION 9-1
10 DRILLING 10-1
11 SAMPLING METHOD AND APPROACH 11-1
12 SAMPLE PREPARATION, ANALYSES AND SECURITY 12-1
13 DATA VERIFICATION 13-1
14 ADJACENT PROPERTIES 14-1
15 MINERAL PROCESSING AND METALLURGICAL TESTING 15-1
Primary Crushing 15-1
16 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES 16-1
Mineral Resource and Mineral Reserve Summary 16-1
Mineral Reserves 16-13
17 OTHER RELEVANT DATA AND INFORMATION 17-1
Mining Operations 17-1

Reserves 17-5
Infrastructure 17-28
Manpower 17-38
Environmental Considerations 17-43
Capital And Operating Cost Estimates 17-46
Markets/Contracts 17-48
Economic Analysis 17-50
18 INTERPRETATION AND CONCLUSIONS 18-1
19 REFERENCES 19-1
20 SIGNATURE PAGE 20-1

LIST OF TABLES

PAGE

Table 1-1 Cantung Probable Mineral Reserves 1-2
Table 1-2 Sensitivity Analyses 1-7
Table 1-3 Cantung Indicated Mineral Resources 1-13
Table 1-4 Cantung Inferred Mineral Resources 1-13
Table 1-5 Cantung Probable Mineral Reserves 1-14
Table 1-6 Summary of Capital Costs 1-17
Table 1-7 Summary of Mine Operating Costs 1-18
Table 3-1 Leases and Claims Status 3-1
Table 5-1 2008 – 2009 Production Statistics 5-2
Table 16-1 Cantung Indicated Mineral Resources 16-1
Table 16-2 Cantung Inferred Mineral Resources 16-2
Table 16-3 Cantung Probable Mineral Reserve 16-2
Table 16-4 Search Parameters 16-4
Table 16-5 Comparison of October 2009 to October 2010 Resource 16-13
Table 16-6 Cantung Probable Mineral Reserve 16-13
Table 17-1 Production Tons By Zone 17-24
Table 17-2 Underground Mobile Equipment 17-27
Table 17-3 Surface Mobile Equipment 17-28
Table 17-4 Power Generation Equipment 17-30
Table 17-5 Compressed air equipment 17-31
Table 17-6 Manpower Summary 17-38
Table 17-7 Reclamation cost estimates 17-45
Table 17-8 Summary of Capital Costs 17-46
Table 17-9 Summary of Operating Costs 17-47
Table 17-10 Sensitivity Analyses 17-54

LIST OF FIGURES

PAGE

Figure 1-1 Sensitivity Analysis....1-6
Figure 1-2 Ten Year Average Tungsten Prices....1-19
Figure 3-1 Location Map....3-2
Figure 4-1 Site Plan....4-5
Figure 6-1 Regional Geology....6-3
Figure 6-2 Property Geology....6-6
Figure 6-3 Property Geology....6-7
Figure 6-4 Generalized Cross Section....6-8
Figure15-1 Process Flow Sheet....15-5
Figure 16-1 Long Section of Area Below 3700 Showing the 0.8% WO_3 Grade....16-6
Figure 16-2 Non-Orthogonal Cross Section Showing Mineralized Envelope....16-8
Figure 16-3 Long Section Showing the 0.8% WO3 Grade....16-10
Figure 16-4 Cross Section showing Lithologies in Pit underground....16-10
Figure 16-5 Block Model Trimmed to Pit Underground Mineral Resources....16-11
Figure 16-6 Preliminary Mine Design For Pit/PUG....16-11
Figure 16-7 Long Section Showing Ore Blocks used in Reserves....16-15
Figure 17-1 Cantung Mine Reserves....17-4
Figure 17-2 Pit Underground planned incline....17-6
Figure 17-3 Pit Underground Overview....17-7
Figure 17-4 Pit Underground Sections....17-8
Figure 17-5 3600 Area Overview....17-10
Figure 17-6 3600 Area Sections....17-11
Figure 17-7 West Extension Area Mine Plan....17-13
Figure 17-8 Lower Main Zone Mine Plan....17-15
Figure 17-9 Upper Main Zone Mine Plan....17-17
Figure 17-10 Salvage Main Zone Mine Plan....17-19
Figure 17-11 Tessa Main Zone....17-21
Figure 17-12 4050-108 Area Mine Plan....17-23
Figure 17-13 Mine Ventilation Schematic....17-32
Figure 17-14 Organizational Chart....17-42
Figure 17-15 Ten Year Average Tungsten Prices....17-49
Figure 17-16 Sensitivity Analysis....17-53

1 SUMMARY

EXECUTIVE SUMMARY

The Cantung Mine ("Cantung") is a primary producer of tungsten concentrates 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 and from October 2009 to September 2010 also took place. Recent strong tungsten prices allowed North American Tungsten Corporation Ltd. ("NATCL") to re-open the mine for production in October 2010. 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 storage facilities and a tailings storage facility.

The cash flow estimate in this report is based on October 1, 2010 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 OCTOBER 2010
North American Tungsten Corporation Ltd. - Cantung Mine

Zone	Tons	Grade (WO_3%)	STU'S
West Extension 3600 AREA	553,402	1.47	813,650
E Zone Pillars	541,860	1.00	539,701
Pit Underground	598,192	1.05	627,986
TOTAL Probable Reserves	**1,693,454**	**1.17**	**1,981,337**

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.
5. The E Zone Pillars include the West Extension, E-Zone, Main Zone Pillars

The Cantung Mine produces ore at a rate of 1,160 stpd. Mineral Reserves support a mine life of 4 years, ending in Q4 2014 Primary mining methods included, 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 45% 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 sustaining capital requirements after fiscal 2011, and established contracts with key 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, mined grades and mill process recoveries 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 gravity concentrate price scenario of US$262/MTU and US$244/MTU for flotation concentrates 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, 2009. 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.

Based on the new mine plan, the Mineral Resources in the Open Pit/PUG Zone have now been placed into the reserves. Past open pit and PUG designs proposed production in the order of more than one year of mill feed. The new mine plan has production from the PUG Zone in its second year of its Life of Mine Plan.

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 on October 2010 (the Cantung Mill Re-commissioning date), and is organized by the Company's fiscal year, which runs from October to September. A summary of the key criteria is provided below.

ECONOMIC CRITERIA

PHYSICALS

- Mine life: 4.0 years
- Total mill feed: 1,693,454 tons at a grade of 1.17% WO_3
- Operations 365 days per year
- Mill throughput is expected to average 1,160 tons per day over the mine life.
- Metric tonne units produced 1,430,000
- Metallurgy as per recent mill performance:
  - Tungsten recovery 79.5%
  - Gravity concentrate (G1)
    - Grade 65%
    - Distribution 73%
    - Recovery relative to mill feed 58.3%
  - Flotation concentrate
    - Grade 45%
    - Distribution 27%
    - Recovery relative to mill feed 21.2%

REVENUE

- Tungsten selling price over entire life of mine
    - US$262/MTU for G1 product
    - US$244/MTU for flotation products
- Revenue recognized at the time of production
- Exchange rate US$1: $C1.00
- Teck Resources Ltd. royalty of 1%
- Insurance, Freight & Marketing charges of $6.52/mtu
- Moisture content < 1% (Flotation product)

COSTS

- Sustaining capital: $28.9 million
- Mine Development $14.0 million
- The average operating cost over the mine life, including head office cost, is estimated to be $149 per ton milled based on mine operating costs of $233.1 million and head office costs of $18.8 million over the four year mine life.

CASH FLOW MODEL

Considering the Project on a stand-alone basis, the undiscounted pre-tax cash flows are forecast to be CDN$59.7 million over the mine life. Significant capital in the form of equipment and mine development expenditures are required in 2011. Cash flow is anticipated to be positive over the course of the mine life.

The site Unit Cost of Production is CDN$163 per MTU of WO_3. Net Present Value (NPV) at a 6% discount rate, pre-income tax is $52.0 million.

Revenues per unit for 2011 are based on an average Metal Bulletin (“MB”) APT price of $US 309/mtu increasing to $US 325/mtu in years 2012-2014. The current average MB APT price is $US 342.50/mtu from a range of $US 340/mtu to $US 345/mtu.

Mine operating costs are adjusted for inflation at a rate of 3% per annum over the base year. The mine life is projected to be 4 years.

PROJECT SENSITIVITY

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

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

FIGURE 1-1 SENSITIVITY ANALYSIS

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

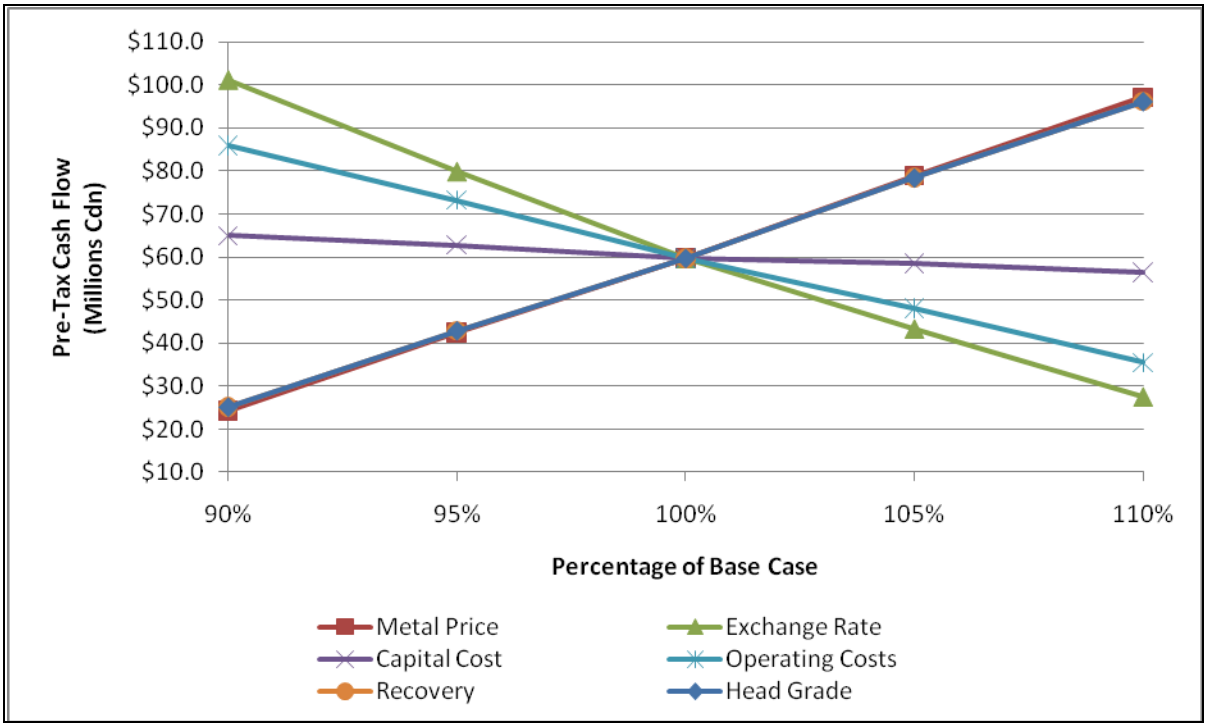


TABLE 1-2 SENSITIVITY ANALYSES
North American Tungsten Corporation Ltd.-Cantung Mine

	-10%	-5%	Base Case	+5%	+10%
Head Grade %	1.05	1.11	1.17	1.23	1.29
Pre-tax Cash Flow (million)	$ 24.2	$ 42.0	$ 59.7	$ 77.5	$ 95.3
Metal Price (US$/MTU)	$ 231.7	$ 244.5	$ 257.4	$ 270.3	$ 283.2
Pre-tax Cash Flow (million)	$ 23.3	$ 41.5	$ 59.7	$ 77.9	$ 96.2
Exchange Rate (C$/US$)	$ 0.90	$ 0.95	$ 1.00	$ 1.05	$ 1.10
Pre-tax Cash Flow (million)	$ 100.2	$ 78.9	$ 59.7	$ 42.4	$ 26.6
Capital Cost (million)	$ 38.5	$ 40.6	$ 42.9	$ 44.9	$ 47.0
Pre-tax Cash Flow (million)	$ 64.0	$ 61.9	$ 59.7	$ 57.6	$ 55.4
Operating Costs (million)	$ 226.7	$ 239.3	$ 251.9	$ 264.5	$ 277.0
Pre-tax Cash Flow (million)	$ 84.9	$ 72.3	$ 59.7	$ 47.1	$ 34.5
Recovery (%)	71.6	75.5	79.5	83.5	87.5
Pre-tax Cash Flow (million)	$ 24.2	$ 42.0	$ 59.7	$ 77.5	$ 95.3

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 its underground mine. 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

- Concentrate storage facilities.
- Tailings ponds and an infiltration 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 about 8.5 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 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

South-eastern Yukon and south-western 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.

Mining at Cantung has been in two deposits, with the West Extension starting this year. These are the original Open Pit orebody, which was mined from 1962 to 1973 (as sporadically since 2000), and the E Zone, which was mined between 1973 and 1986, again between January 2002 and December 2003, and is currently in production, as well as the West Extension. 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 the initial discovery of the Cantung Deposit, there have been approximately 1,900 diamond drill holes recorded for a total of 453,976 feet of drilling. The average depth of the holes is only 239 feet indicating that most drilling has been in close proximity to ore.

Drilling over the last few years and in particular since 2008 has focused on the area below 3700 (the areas 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 with the exception of surface drilling, which was NQ.

The diamond drillhole database for the Cantung mine property, which is complete except for a few of the more recent surface holes, comprises 1,893 drill holes (an additional 182 diamond drill holes since October 2008). Of these, 42 were definition drill holes and 140 were deemed exploration. A total of 38,585 ft was drilled. Four surface holes are included in the total. 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. There was no diamond drilling during fiscal 2010.

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: East Extension Target
Target 4: Shop to PUG Zone
Target 5: Dolomite Target
Target 6: Baker Prospect

In addition there is a high degree of probability that some additional tonnage can be found by “data mining”. In 2008, 26% of tonnage to the mill came from areas outside of reserves. In 2009 this number was 23%.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Mineral Resources for the Cantung Mine, as of October 2010, are listed below in Table 1-3 and Table 1-4.

TABLE 1-3 CANTUNG INDICATED MINERAL RESOURCES
AS OF OCTOBER 2010
North American Tungsten Corporation Ltd. - Cantung Mine

Zone	Tons	Grade (WO_3%)	STU'S
West Extension Below 3700el	344,485	1.49	513,283
West Extension Below 3570el	305,324	1.46	445,773
West Extension	115,601	1.20	138,652
E-Zone	24,183	1.97	47,738
Main Zone Pillars	387,448	1.27	491,461
Central Flats	6,198	1.07	6,646
South Flats	38,990	1.64	64,079
Pit/PUG	1,230,580	0.83	1,021,381
TOTAL Indicated Resources	**2,452,809**	**1.11**	**2,729,013**

Notes:
1. Mineral Resources conform to CIM and NI43-101 requirements.
2. Mineral Resources are estimated at a cutoff grade of 0.5% WO_3 for underground as well as Pit and PUG
3. All Mineral Resources are listed as Indicated
4. Pit/PUG refers to Pit Underground

TABLE 1-4 CANTUNG INFERRED MINERAL RESOURCES
AS OF OCTOBER 2010
North American Tungsten Corporation Ltd. - Cantung Mine

Zone	Tons	Grade (WO_3%)	STU'S
West Extension Below 3700el	571	0.92	525
West Extension Below 3700el	15,371	1.15	17,677
Pit/PUG	417,323	0.83	346,378
TOTAL Inferred Resources	**433,265**	**0.84**	**364,580**

Notes:
1. Mineral Resources conform to CIM and NI43-101 requirements.
2. Mineral Resources are estimated at a cutoff grade of 0.5% WO_3 for underground as well as Pit and PUG
3. All Mineral Resources are listed as Inferred
4. Pit/PUG refers to Pit Underground

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 October 2010 are summarized in Table 1-5 below.

TABLE 1-5 CANTUNG PROBABLE MINERAL RESERVES
AS OF OCTOBER 2010
North American Tungsten Corporation Ltd. - Cantung Mine

Zone	Tons	Grade (WO_3%)	STU'S
West Extension 3600 AREA	553,402	1.47	813,650
E Zone Pillars	541,860	1.00	539,701
Pit Underground	598,192	1.05	627,986
TOTAL Probable Reserves	**1,693,454**	**1.17**	**1,981,337**

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.
5. The E Zone Pillars include the West Extension, E-Zone, Main Zone Pillars

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 virtually all of the remaining reserves, both for pillar recovery and for primary mining in the West Extension and Pit Underground Zones.

MINERAL PROCESSING

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 dry short 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 1,160 tons per day at a recovery rate of 79.5% of WO_3. Final products will be approximately 377 tons per month of gravity concentrate (G1), containing 60% to 70 % WO_3 at 58.3% recovery and approximately 185 tons per month of flotation concentrate containing 45% to 50% WO_3 at 21.2% recovery. These target numbers appear to be obtainable based on projected ore metallurgical characteristics and past performance attained by the operation.

ENVIRONMENTAL CONSIDERATIONS

The Cantung Mine is in compliance on all surveillance networks monitoring and reporting and is working very closely with Regulators to schedule required research and associated reports.

PERMITS

On January 29, 2009 the Company received notification from the Mackenzie Valley Land and Water Board ("MVLWB") of the renewal of the Company's type "A" Water License ("license"). The license was approved for a period of five (5) years commencing January 30, 2009 and expiring January 29, 2014.

The security deposit required under the Company's license is $11,677,839 (includes the August 2010 security amount reduction of $1,422,161 received from the MVLWB), of

which the Company has posted $4.1 million in cash and $7.6 million in the form of secured promissory notes pursuant to the Reclamation Security Agreement ("RSA"). The RSA further provides for:

- the Company to post $100,000 in cash on the 1st of September, 1st of December, 1st of March, and 1st of June (1st payment made on the 1st of September), to reduce the amounts pledged under the promissory notes;
- The cash components payable to DIAND to increase under certain events.

Any security amounts owing under the license and monies owed by way of secured promissory notes are secured by a Security Agreement charging specific assets.

Any funds in excess of ultimate reclamation costs will be returned to the Company.

Subsequent to the year end the Company posted $100,000 of cash and reduced the posted secured promissory notes by $100,000. (Total amount posted as of December 1, 2010 - $4.2 million in cash and $7.5 million in the form of secured promissory notes).

CAPITAL COSTS

The total capital including mine development costs for the remainder of the mine life are estimated to be $42.9 million. Closure costs, and salvage value were not included in capital costs.

TABLE 1-6 SUMMARY OF CAPITAL COSTS
North American Tungsten Corporation Ltd.-Cantung Mine

	COST (C$ '000)
ACTIVITIES	Life Of Mine
Mine	13,042
Mill	2,082
Power/Equipment	4,730
Tailings/Environmental	7,409
Other	1,609
Mine Development	13,995
TOTAL	**42,867**

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. Mine operating costs for fiscal 2011-2014 are forecast to be $149 per ton milled.

TABLE 1-7 SUMMARY OF MINE OPERATING COSTS
North American Tungsten Corporation Ltd.-Cantung Mine
2011-2014 Forecast

ACTIVITIES	UNIT COST (C$/ton)
Mining	60
Milling	24
Surface	30
Administration	35
TOTAL	**149**

MARKETS/CONTRACTS

NATCL sells its gravity and flotation grade products at prices based on a discount to the London Metal Bulletin ("MB") market values for ammonium paratungstate (APT). Concentrates may be blended in various configurations to maximize revenue.

Forecast production volumes from the Cantung mine have been substantially pre-sold for fiscal 2011 and 2012. Advance payments from certain customers totaling nearly $8 million assisted in funding the re-start process. By contrast, the Company suspended production at Cantung in October 2009, by when the book value of unsold product inventories was in the $10 million region.

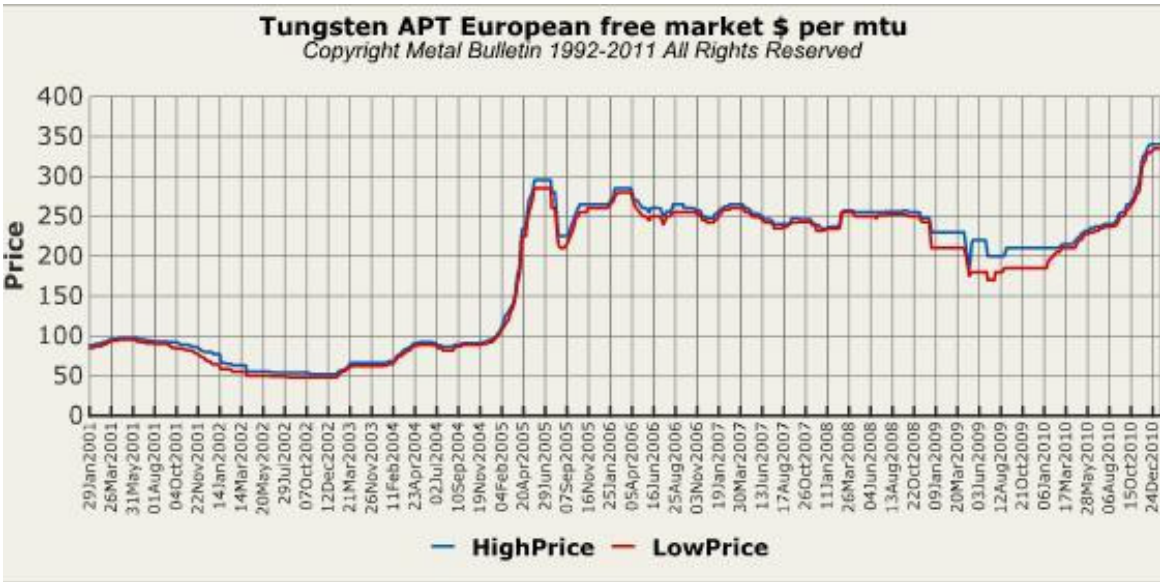
Customers for the Cantung products include North American, European, and Chinese APT and W powder producers.

North American Tungsten's ("the Company") 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, the Company must compete against Chinese mines to supply to APT producers within China.

PRICING

The MB European quotation for APT (from which concentrate prices are derived by varying formulae) has risen to US$342.50/MTU based on a range of (US$340-345). That average has risen 84% from a monthly low of US$186.50/MTU in July 2009. The September 2010 closing average price was US$250.22/MTU.

FIGURE 1-2 TEN YEAR AVERAGE TUNGSTEN PRICES



In the cash flow, revenue is based on a G1 gravity product price of US$262/mtu and the forecast price for flotation concentrates is US$244/mtu over the life of the mine. The foreign exchange rate of $US to $ CDN is 1.00 to 1.00.

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 and 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 of mineral reserves, mining methods, plans, and costs and preparation of this report was carried out under the direction of Kevin Fitzpatrick, PEng. 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 and consultants:

- Ken Collison PEng, Consultant
- Benjamin, W. Mossman, PEng , Consultant
- Ken Fedak, General Mine Manager
- 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
Bbl	barrels
Btu	British thermal units
C$	Canadian dollars
Cal	calorie
CFM	cubic feet 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
Gal	Imperial gallon
g/L	gram per litre
g/t	gram per tonne
Gpm	Imperial gallons per minute
Hr	hour
Ha	hectare
Hp	horsepower
In	inch
J	joule
Kcal	kilocalorie
Kg	kilogram
Km	kilometre
km/hr	kilometre per hour
kPa	Kilopascal
kVA	kilovolt-amperes
kW	Kilowatt
kWh	kilowatt-hour
L	Liter
L/s	litres per second
m	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
ppm	part per million
psia	pound per square inch absolute
psig	pound per square inch gauge
RL	relative elevation
s	second
t	short ton
tpy	short ton per year
tpd	short ton per day
STU	Short ton unit
T	metric tonne
Tpy	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
y	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.

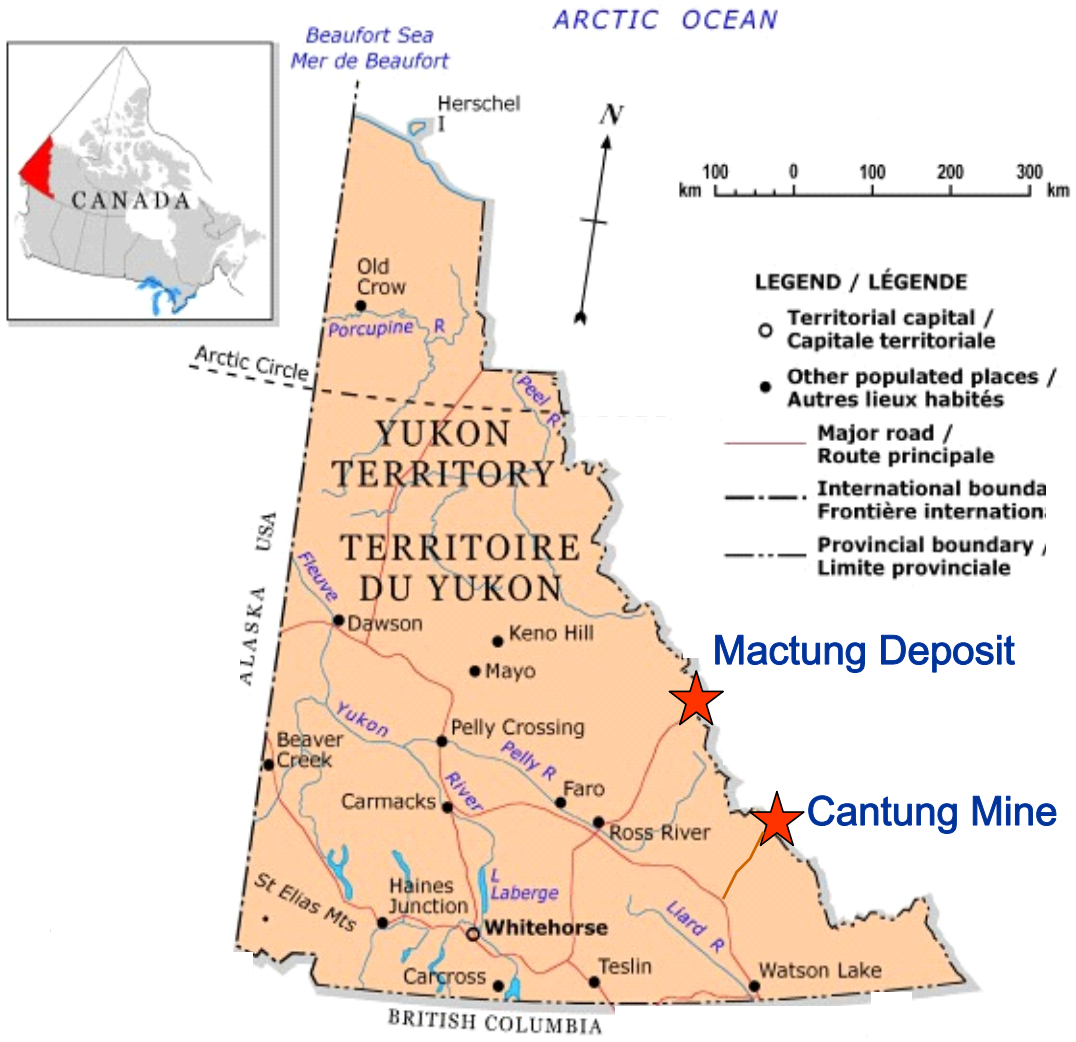
LAND TENURE

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	3875	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, IINFRASTRUCTURE 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 4-1, 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.

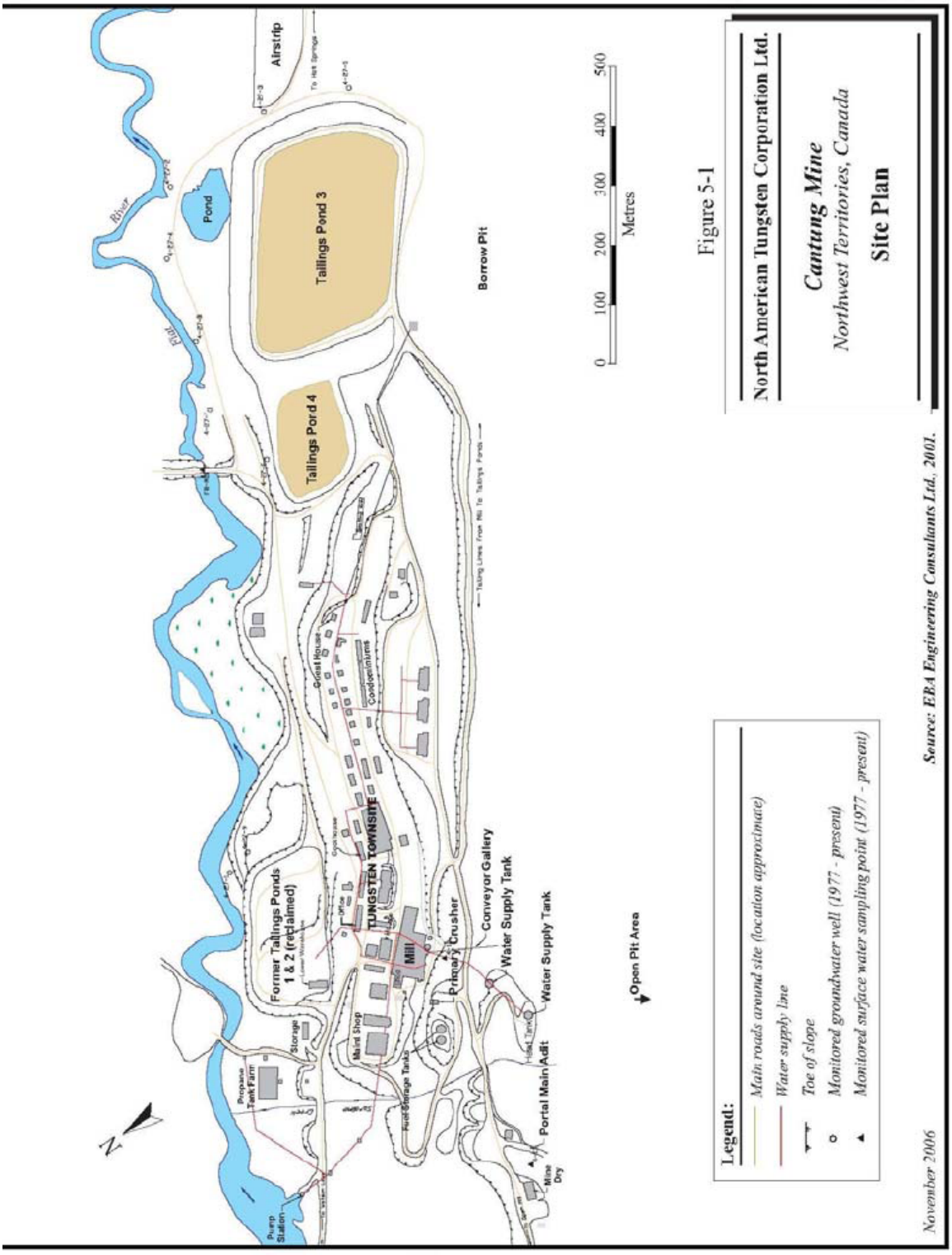
- Tailings ponds and a infiltration pond.
- A backfill plant.
- A warehouse for reagents and other supplies.
- A pumping station.
- Two diesel fuel tanks, each of a capacity of 360,000 litres.

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 about of 8.5 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 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. Note the Cantung mine suspended operations in October 2009 and resumed production on October 8, 2010.

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	100,206	1.19	77.4%
4th Qtr 2009	103,123	1.06	78.6%

6 GEOLOGICAL SETTING

REGIONAL GEOLOGY

South-eastern Yukon and south-western 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).

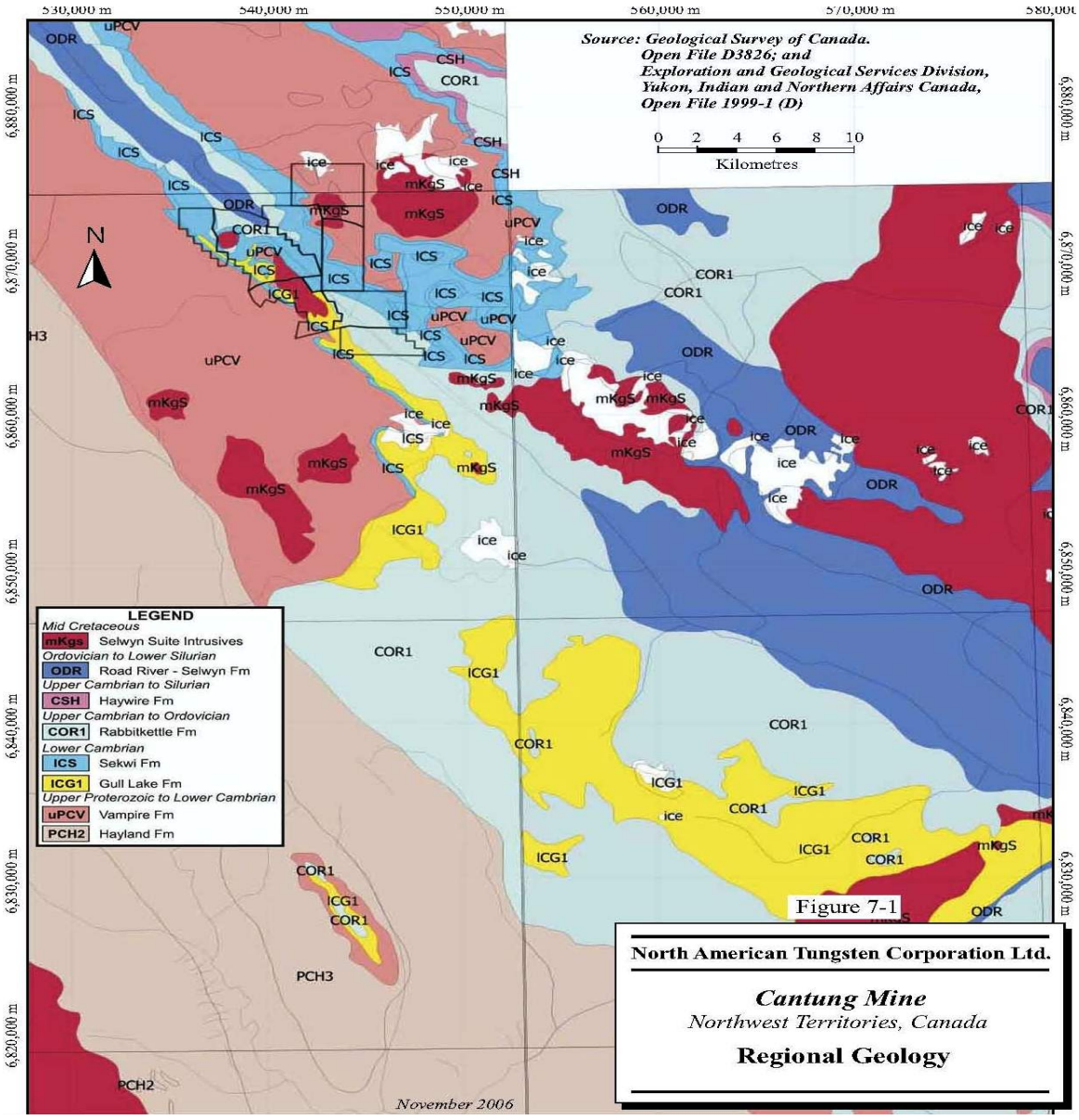
Basement rocks comprise upwards of 3,000 m of fine-grained Proterozoic clastic sediments, predominantly slate and phyllite, referred to as the Grit Unit. At the onset of the Cambrian, a thin layer of calcareous siltstone, the Swiss Cheese Limestone Unit, which contains distinctive limestone nodules, 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 town site, 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, north-easterly-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 has re-installed a copper circuit. Test work 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

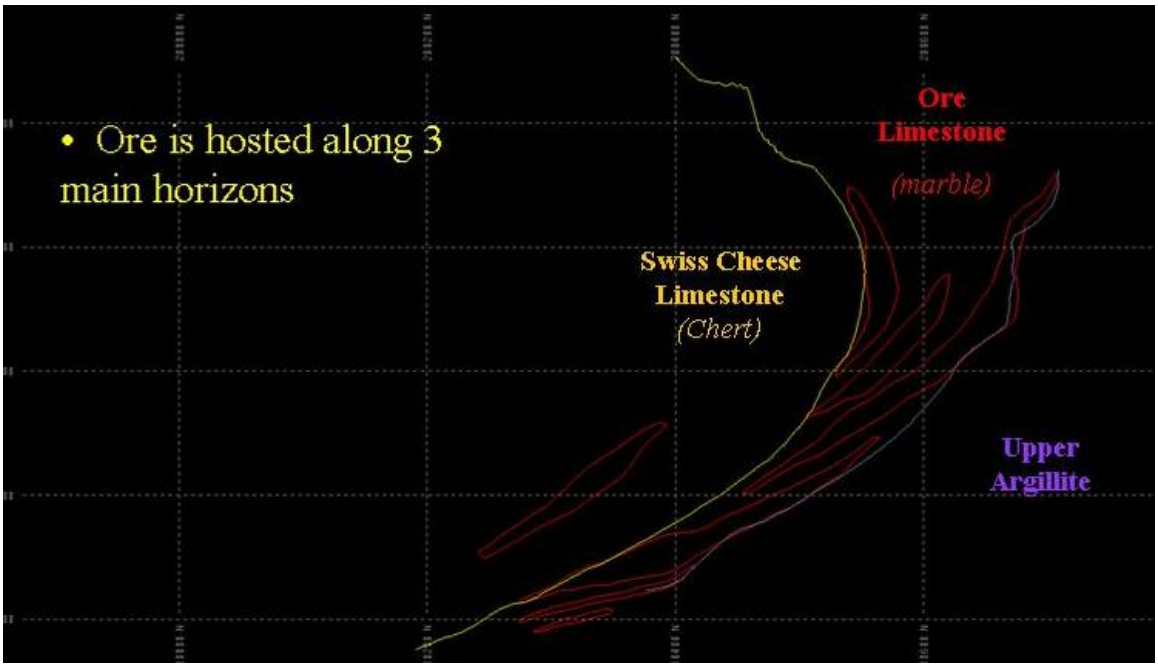


FIGURE 6-3 PROPERTY GEOLOGY

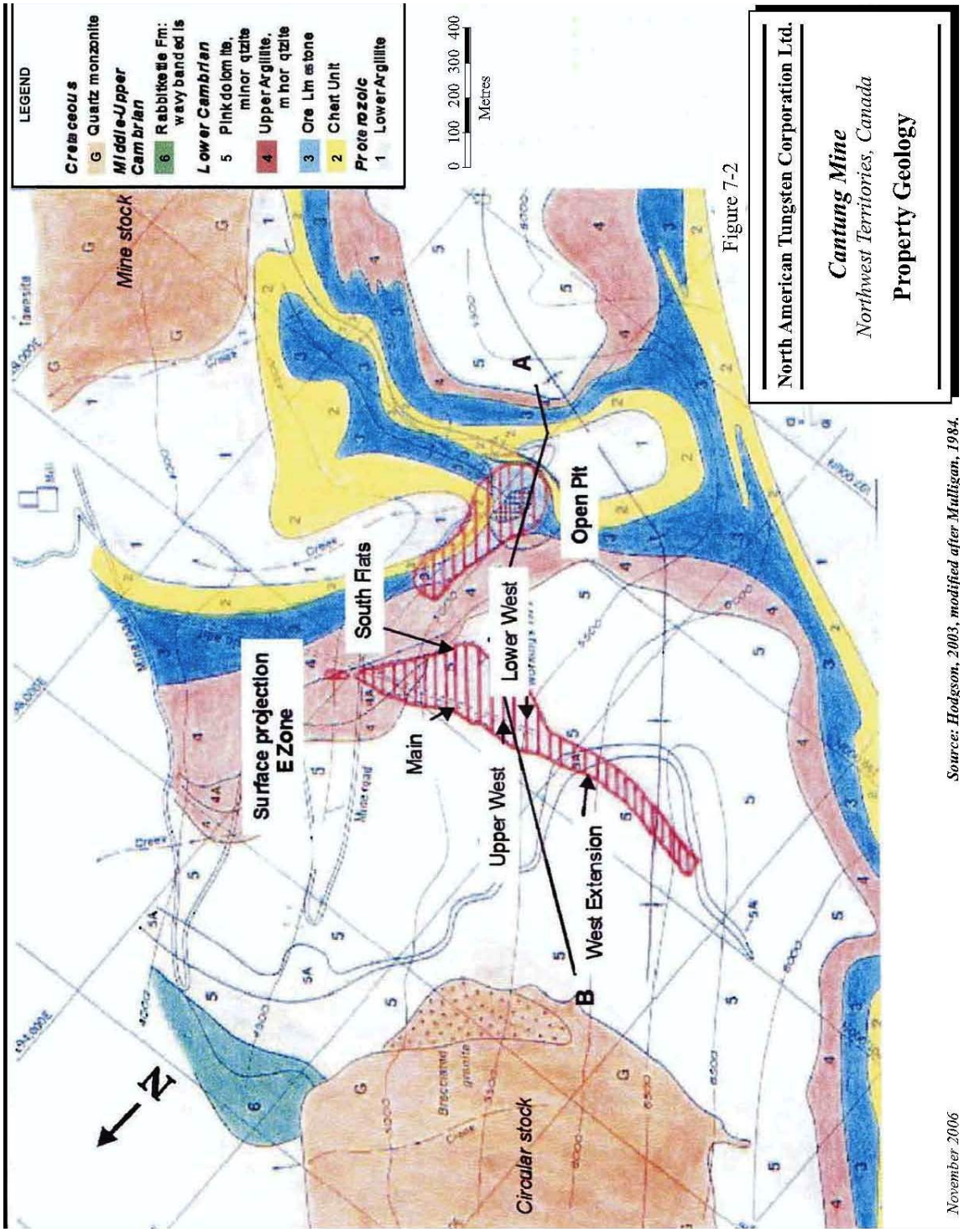


FIGURE 6-4 GENERALIZED CROSS SECTION

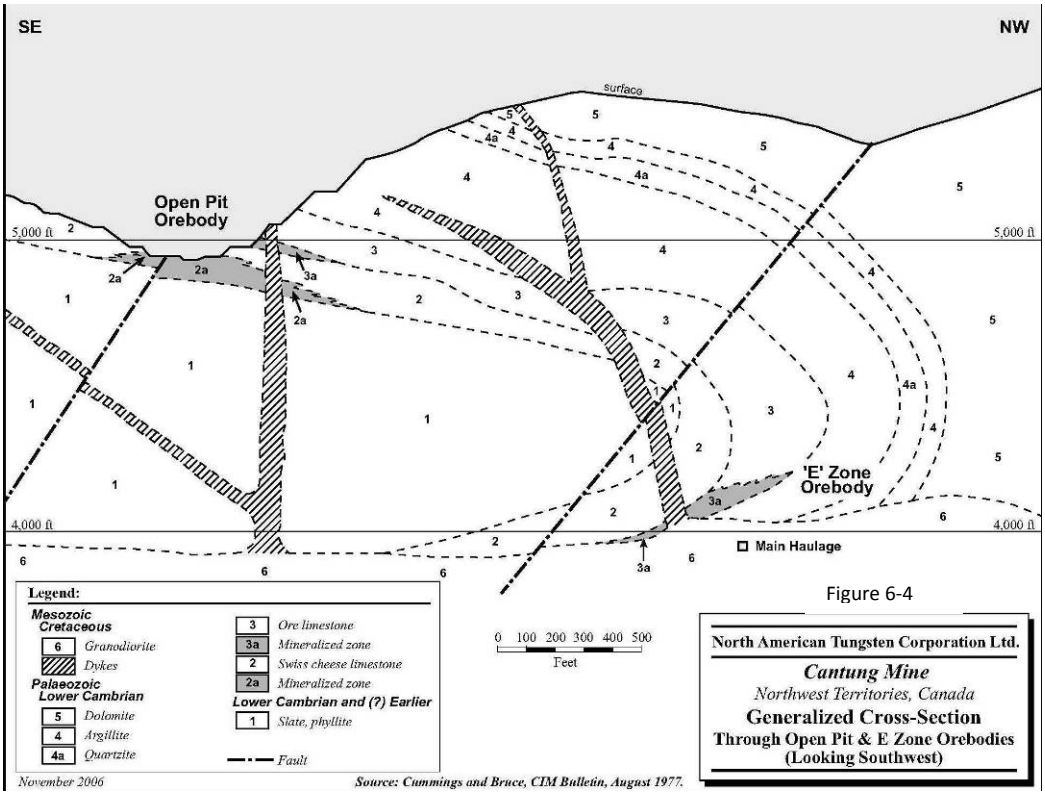


Figure 6-4

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. Further surface drilling was undertaken in 2010 in the area of the Rifle Range, sheet mountain and on several geophysics targets on the property. Results at first pass were not encouraging.

Most of the remaining pillars were drilled to confirm both tonnage and grade. Approximately 3,800 ft of definition diamond drilling occurred during fiscal 2010 with an additional 35,000 ft of 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 1,893 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

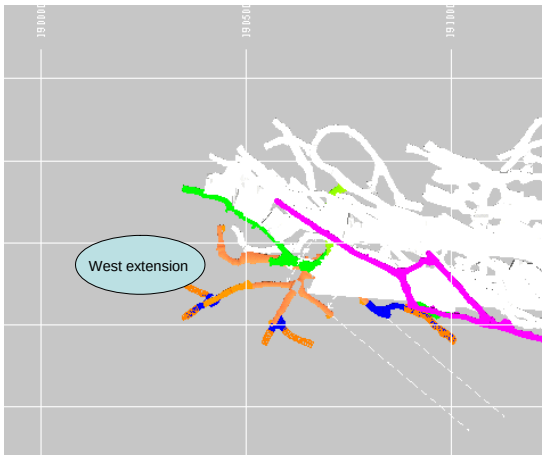
Drilling: 12,000 ft

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)

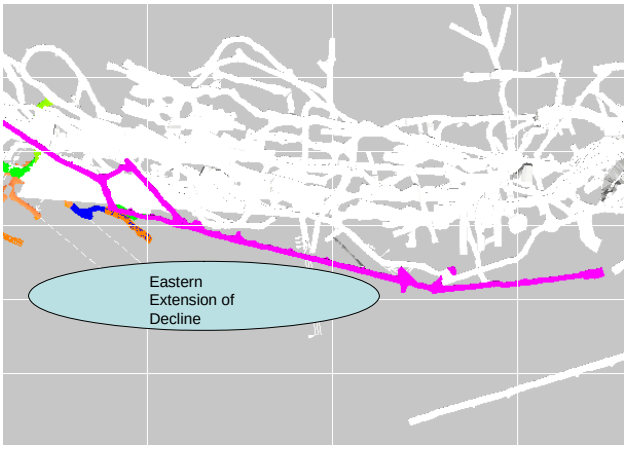
NB: Drills will be pinched for production drilling sporadically.

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: East Extension

Location: Surface drilling north of main 3950 level adit

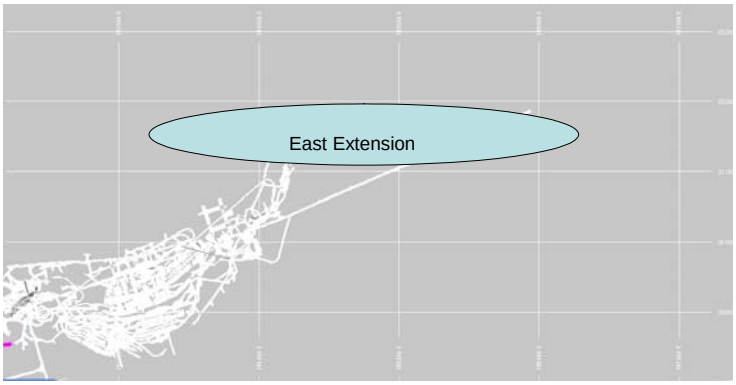
Drilling: This portion of the drill program consists of surface drilling 2250 ft, which is accessible by road.

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 4

Name: Shop to PUG Zone

Location: East end of the E-zone

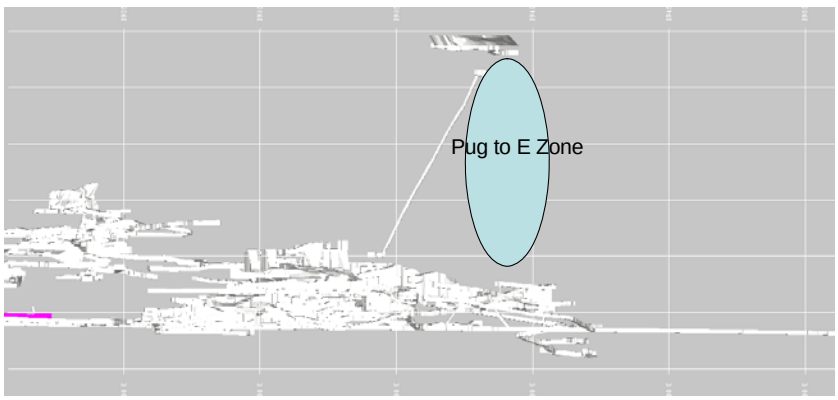
Drilling: Two holes at 600ft drilled from underground.

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 5

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 6

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.

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 through 2009. 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 through 2009. 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

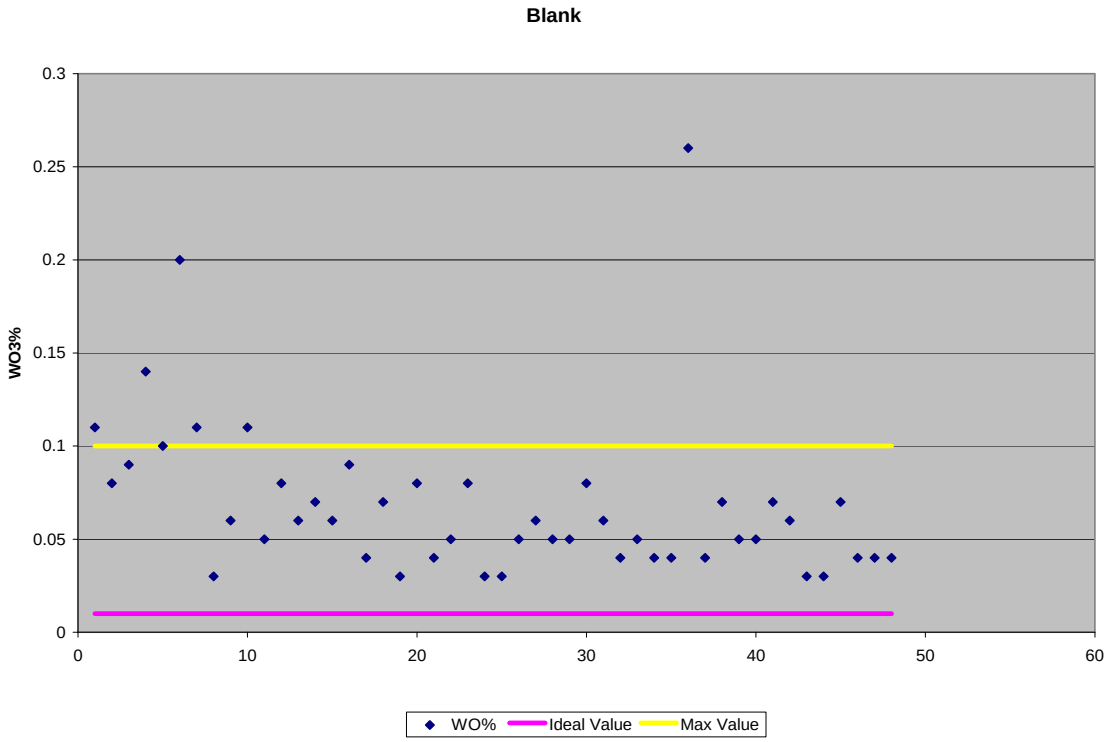
Most drill core samples from the E Zone were assayed at Rossbacher Laboratories, Burnaby, B.C., utilizing hot hydrochloric acid digestion followed by colorimetric finish. The method of sample preparation and analysis was designed by Amax Inc. for application at its Climax, Colorado mine. Rossbacher used 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.

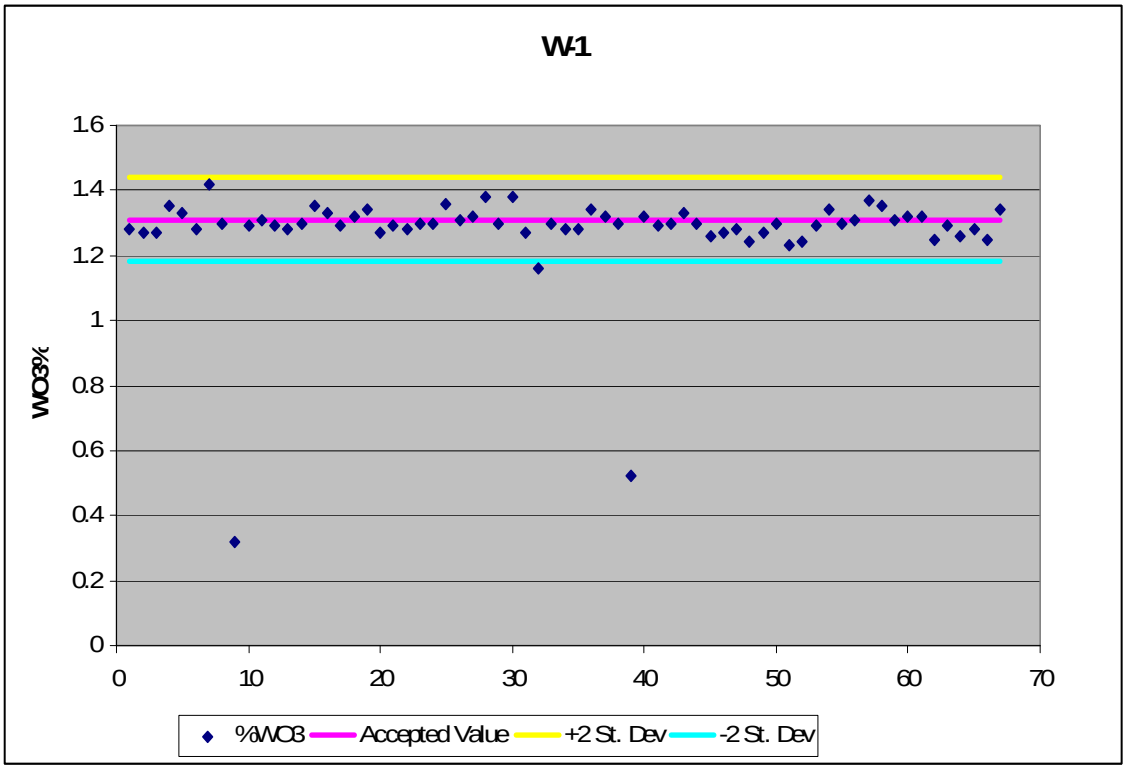
During 2002/2003 operations all mine and mill assays were performed at the Cantung mine laboratory using hot three-acid digestion (HCl, H3PO4, HF) and colorimetric finish. All reagents used were certified reagent grade chemicals, used in conjunction with laboratory-produced distilled water. To each assay 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:

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1.2
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0.6
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0.2
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40
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60
70
%WO3
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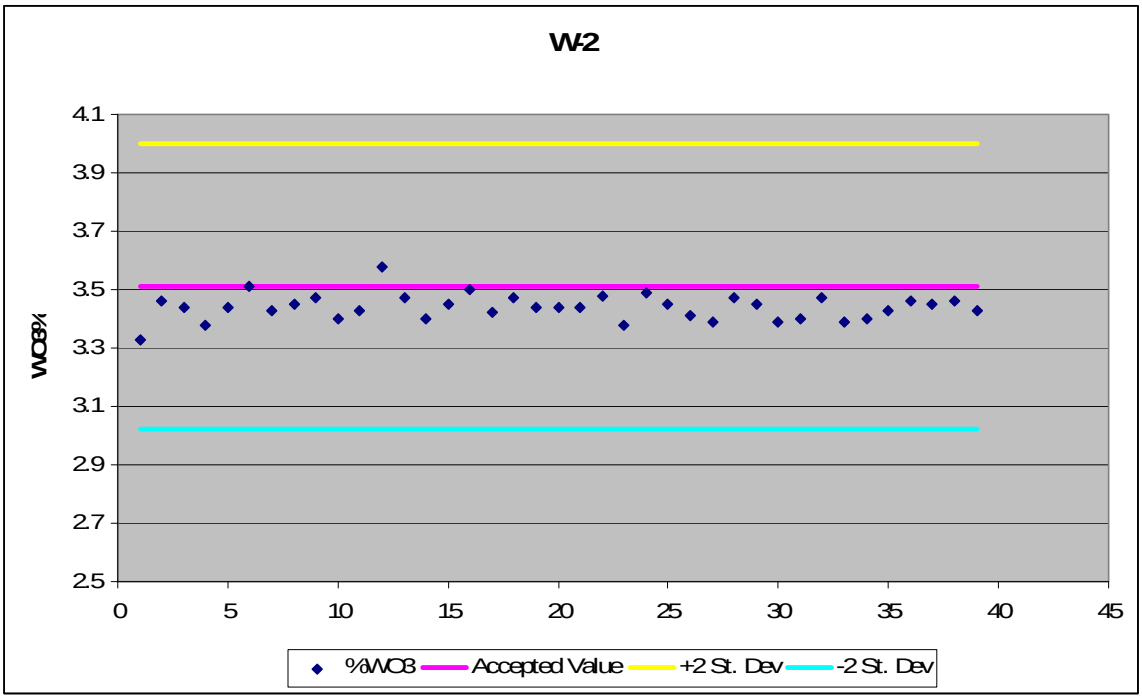
-2 St. Dev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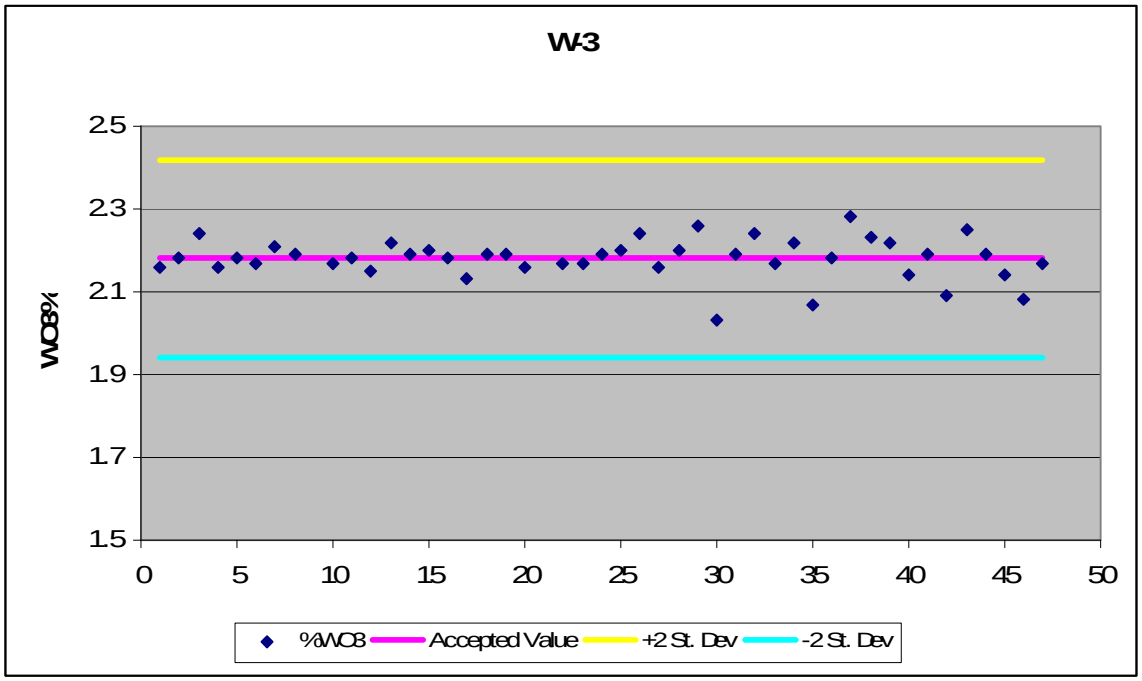
3.7
3.5
3.3
3.1
2.9
2.7
2.5
0
5
10
15
20
25
30
35
40
45
%WO3
Accepted Value
+2 St. Dev
-2 St. Dev



Comparison of Cantung Assay Lab to Global Discovery Lab

Type of Diamond Drilling	# of assays	Cantung % WO3	Discovery %WO3
Definition Drilling	66	2.06	2.14
Exploration Drilling	684	2.78	2.87
Average	750	2.72	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.

During 2002/2003 operations all mine and mill assays were performed at the Cantung mine laboratory using hot three-acid digestion (HCl, H_3PO_4, 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% WO_3, 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% WO_3 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.

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)

LEVEL	blasted tons	reserve grd	adjusted tons	adjusted grade	blasted stu	mucked stu
3660 Total	8,888	1.23	11,566	1.30	10,939	15,012
3700 Total	20,468	1.18	36,656	1.47	24,241	53,869
3740 Total	2,132	2.00	5,235	1.68	4,264	8,815
3800 Total	690	0.91	808	0.95	628	771
3810 Total	34,258	1.01	45,882	1.09	34,612	50,156
3812 Total	5,008	1.11	5,723	0.79	5,541	4,531
3850 Total	8,525	0.96	2,209	1.09	8,184	2,403
3870 Total	10,092	0.91	9,457	0.94	9,187	8,871
3880 Total	42,737	0.88	54,381	0.90	37,723	49,066
3940 Total	135	1.15	106	1.82	155	193
3950 Total	14,924	1.02	28,013	1.31	15,163	36,673
4050 Total	50,773	1.06	60,971	1.09	53,711	66,254
4100 Total	400	1.00	424	0.27	400	114
4125 Total	24,804	1.43	19,886	1.27	35,561	25,268
4170 Total	3,089	1.41	6,542	1.11	4,346	7,232
4200 Total	1,200	0.94	1,206	0.87	1,128	1,054
Mined From Reserves	228,123	1.08	289,066	1.14	245,783	330,281
3610 Total	1,390	1.13	1,376	0.57	1,571	789
3660 Total	500	0.62	859	0.69	310	591
3700 Total	7,062	1.13	9,131	1.18	8,003	10,752
3740 Total	1,135	1.00	1,168	0.63	1,135	736
3810 Total	-	-	536	0.57	-	305
3850 Total	-	-	678	1.25	-	845
3854 Total	-	-	746	1.97	-	1,467
3870 Total	1,964	0.91	7,206	1.00	1,787	7,231
3880 Total	4,968	1.07	7,543	0.81	5,310	6,145
3950 Total	10,975	1.10	12,296	0.96	12,073	11,842
4000 Total	1,266	0.96	938	0.81	1,215	758
4050 Total	10,164	1.20	20,145	0.90	12,243	18,102
4100 Total	4,950	1.04	3,727	1.92	5,156	7,155
4125 Total	10,350	1.40	14,983	1.02	14,490	15,282
4170 Total	14,817	1.26	24,917	1.42	18,682	35,430
4200 Total	400	0.91	631	1.23	364	773
Mined Outside Reserves	69,941	1.18	106,879	1.11	82,338	118,201
Grand Total	298,064	1.10	395,945	1.13	328,122	448,483

Comparison of Reserve/Budget grade to mucked (achieved at Mill 2009) – 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 dry short 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 1,160 tons per day at a recovery rate of 79.5% of WO_3. Final products will be approximately 377 tons per month of gravity concentrate (G1), containing 60% to 70 % WO_3 at 58.3% recovery and approximately 185 tons per month of flotation concentrate containing 45% to 50% WO_3 at 21.2% 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 effluent returning to the mill.

GRINDING, CLASSIFICATION AND TALC FLOTATION

The grinding circuit consists of a 9 foot diameter by 12 foot long rod mill, powered by a 450 hp motor, plus a 7 foot diameter by 10 foot long ball mill powered by a 200 hp motor. The rod mill is fed from two fine ore bins via belt conveyors then discharges ground ore slurry into a sump along with discharge from the ball mill for pumping to vibrating screens. The screen oversize drops by gravity to a pump which then transports the slurry to a cyclone that removes excess water prior to further grinding of the solids in the ball mill. As noted above, ball mill discharge joins rod mill discharge for presentation to the vibrating screens. Water removed by the cyclone is reused for screen feed dilution. Particles larger than the screen openings will circulate through the ball mill until they are reduced in size sufficiently to pass through the screen openings.

Screen undersize also drops by gravity to a pump which then transports the slurry to a set of cyclones that classifies according to particle size. Particles larger than the cyclones cut point drop by gravity to the sands bulk sulfide flotation unit operation. Particles smaller than the cut also drop by gravity to a 38 foot diameter three tray stacked thickener. Thickener underflow at requisite density is pumped to the slimes bulk sulfide flotation unit operation. Thickener overflow water is recycled as process water.

SULPHIDE FLOTATION

Sands Bulk Sulfide Flotation:

Underflow from the size separation cyclones, after conditioning with appropriate promoters, collectors, depressants, and frothers, is directed to flotation cells to remove

sulfide minerals which would be deleterious in the downstream scheelite recovery processes. Concentrates can be directed to a copper separation circuit or rejected to tails depending on copper content. Tailings are pumped to the scheelite gravity recovery circuit.

Overflow from the size separation cyclones, after thickening, is directed to flotation cells to remove sulfide minerals in the same manner as in the sands sulfide flotation operation. Concentrates can be directed in the same manner as well. Tailings are pumped to the scheelite flotation recovery circuit as the particle size is too small for effective gravity recovery.

GRAVITY SEPARATION

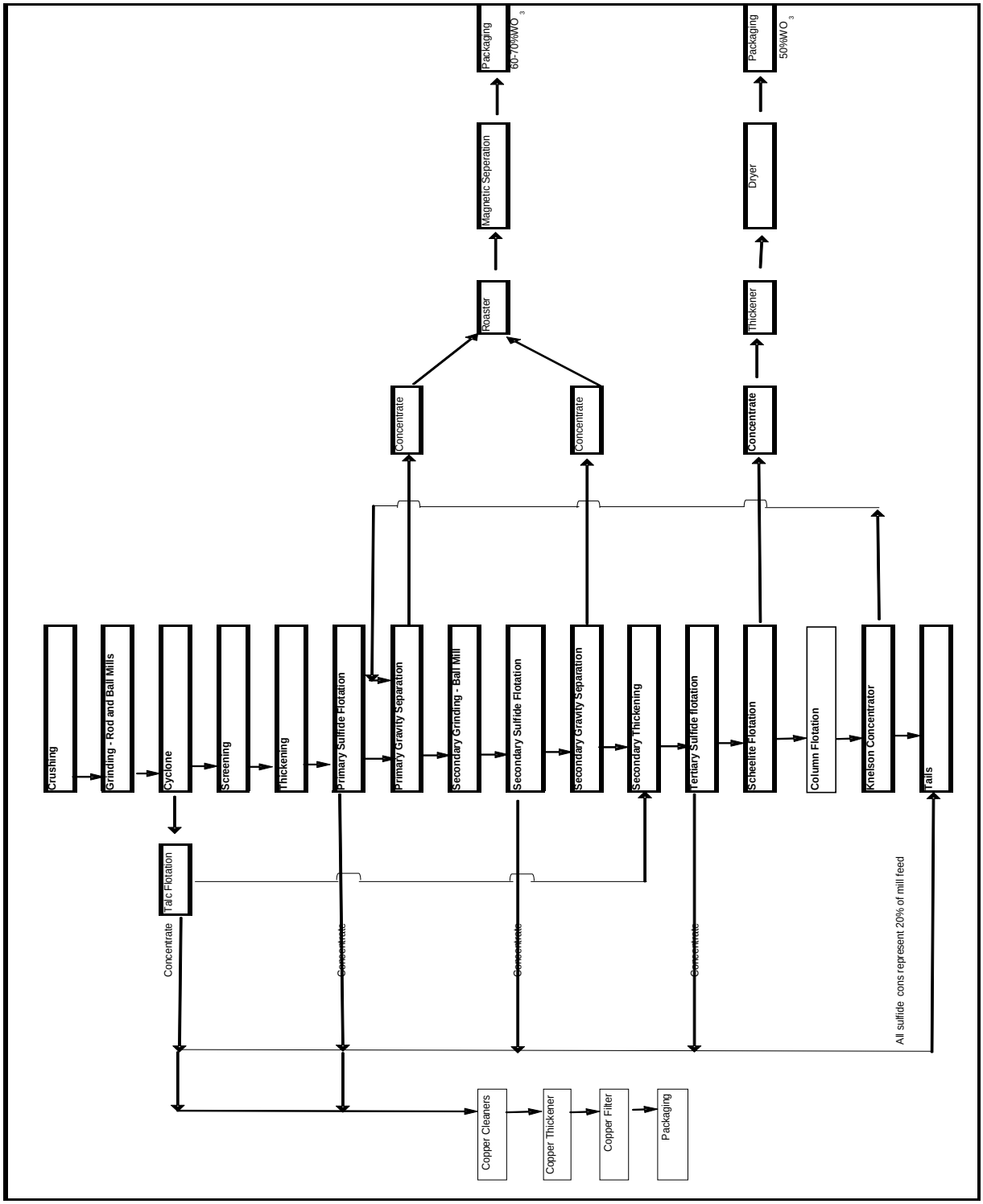
Sands bulk sulfide flotation tails are distributed to triple deck shaking tables for rougher concentration of scheelite. Concentrate from these tables is cleaned on single deck tables then pumped to a final sulfide mineral removal flotation step then to a dewatering classifier before going to the high temperature dryer. Rougher table tails then join tails and middlings from other tables to undergo desliming with a cyclone. The cyclone overflow containing particles too small for effective gravity recovery and excess water goes to the scheelite flotation recovery circuit after thickening.

Cyclone underflow containing particles that remain amenable to gravity separation but are considered to be locked minerals as middlings that require further size reduction to liberate scheelite from gangue is directed by gravity to a 6 foot diameter by 6 foot long ball mill powered by a 125 hp motor. The ball mill discharges to a pump which transports the particles in slurry to another flotation step for removal of liberated sulfide minerals. Concentrate from this flotation step can be directed in the same manner as concentrates from the sands and slimes bulk sulfide flotation operations. Tailings are pumped to triple-deck tables for scavenging of gravity recoverable scheelite. The concentrate from these tables joins the concentrates from the coarse gravity cleaner tables for final sulfide

removal and high temperature drying. Tailings from this fine scheelite gravity recovery operation go to scheelite flotation recovery.

The gravity circuit can be adjusted to produce a range of concentrate grades. Higher grade increases gravity circuit losses which increases the volume of flotation concentrate.

FIGURE15-1 PROCESS FLOW SHEET



SCHEELITE FLOTATION

Flotation feed consists of material that is too fine for gravity separation. This material is first thickened in two parallel 38 foot diameter three tray stacked thickeners. Underflow slurry from the thickeners at requisite density passes through three agitated conditioner tanks where a pH modifier, depressants, collectors and a frother are added. The slurry stream then passes down a bank of six 5 m^3 agitated forced air tank type flotation cells. The first two cells are roughers, the next two can direct concentrate as rougher or scavenger and the last two are scavengers. Rougher concentrate joins with tailings from the column cells and is pumped to the scheelite first cleaner which is a set of naturally aspirated conventional mechanical flotation cells. Scavenger concentrate is returned to the rougher feed along with first cleaner tail by pump. First cleaner concentrate is cleaned again in another set of conventional naturally aspirated mechanical flotation cells. This second cleaner concentrate is directed to one or two column type cells in series for further final cleaning and upgrading as required. Second cleaner tails return to the first cleaner feed. The final concentrate is thickened in a 20 foot diameter thickener, filtered, and dried and bagged for shipment to markets. Dried concentrate is weighed and packed in two ton tote bags. Bagged concentrate is stored in covered areas while awaiting shipment.

DRYING AND MAGNETIC SEPARATION

The gravity concentrate typically contains 60% to 70% WO3. It is dewatered in a spiral classifier before entering the high temperature dryer. The dryer is an oil fired multiple hearth type with rotating rakes to move material from an upper hearth to a lower hearth and finally to discharge. Material discharging from the dryer is transported in two water jacketed screw type conveyors in series which cool the material prior to downstream transport and processing. Discharge from the second screw conveyor is transported vertically in a bucket elevator to a screen that rejects undesirable material which is recycled via the primary crusher. Undersize then reports to the first stage of dry magnetic separation which consists of two roll type separators in parallel. Each unit has three rolls,

one rougher roll that produces a magnetic reject straight away then two scavenger rolls in series that produce a non magnetic final product and a magnetic reject that is passed on the second stage of dry magnetic separation.

The second stage is a unit with a rare earth magnet and three electro magnetic units fixed over a moving belt. A final non magnetic final product joins the first stage non magnetics to be bagged for shipment to markets. The magnetic reject joins the first stage reject and is then returned to main process via the scheelite regrind mill. Dried concentrate is weighed and packed in two ton tote bags. Bagged concentrate is stored in covered areas while awaiting shipment.

CONCENTRATE HANDLING AND STORAGE

Dried concentrate is packed in two ton 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 copper recovery circuit can take all or some of the bulk sulfide concentrates from the sands and slimes bulk sulfide flotation and secondary sulfide flotation cells. The combined bulk sulfide flotation concentrate is first cycloned the separate out material already finer than the requisite optimum particle size. Cyclone underflow containing the material coarser than optimum passes through a 5 foot diameter by 8 foot long ball mill powered by a 150 hp motor. Mill discharge joins the new bulk sulfide concentrate to be cycloned again. Particles larger than optimum are recirculated through the ball mill until they are reduced in size sufficiently to pass the cyclone's cut size gate and pass on to further processing. Sodium sulfite, which is a solid source of sulfur dioxide which is liberated as sulfurous acid (H_2SO_3) when in aqueous solution, is added to the cyclone feed pump box. The sulfurous acid strips the previously added collector species from the

mineral sulfide surfaces and removes any oxide layer on same to polish the surfaces. Lime slurry ($Ca(OH)_2$ in water) is introduced to the cyclone overflow which then passes into and through an agitated conditioner tank. The lime acts as a depressant for the undesirable pyrite and pyrrhotite in the bulk sulfide concentrate but has no effect on the desirable chalcopyrite.

After conditioning, the slurry is passed on to a bank of forced air conventional mechanical flotation cells. A chalcopyrite specific collector is added to the head end of the bank of cells which promotes chalcopyrite recovery to the froth and into the copper separation rougher concentrate. The tail from the separation cells goes to final tails and out. The separation rougher concentrate is pumped to another conditioner for further reagent additions then pumped to a set of forced air conventional mechanical flotation cells which are the first cleaners. The tail from the first cleaners goes by gravity to the cyclone feed pump. The concentrate goes by gravity to yet another conditioner then is pumped to a column cell for the second and final cleaning.

The column tails go to a set of naturally aspirated conventional mechanical flotation cells which are called cleaner scavengers. The tail from the cleaner scavengers goes by gravity to the cyclone feed pump. The concentrate goes by gravity to either the first or second cleaner feed conditioners or it can be split between the two.

Final concentrate is thickened and subsequently dewatered on a belt filter then bagged for shipment. Filtered concentrate is weighed and packed in two ton tote bags. Bagged concentrate is stored in covered areas while awaiting shipment.

TAILINGS DISPOSAL

If sand fill is not being delivered to the mine all tailings are pumped to No. 4 Pond for solid/liquid separation and solids storage. Supernatent from No. 4 Pond is pumped to No. 5 Pond, a polishing pond, from which it passes to the environment by exfiltration.

Sand fill for the mine is produced by first cycloning all tailings through a pack of six by six inch units. Overflow from this cyclone cluster contains material that is too fine to be suitable for uncemented hydraulic fill and is rejected to tailings.

Cyclone underflow is pumped into one of the two chambers on the Zimpro pumps by a centrifugal pump. The pressure from this pump causes the hydraulic oil in the bag in the chamber to be pushed into the Zimpro reservoir and the bag compresses. Once the slurry fill cycle in the Zimpro chamber is complete, the discharge of the centrifugal pump is switched to the other chamber. The Zimpro system then pumps hydraulic oil into the bag in the chamber pressurizing the slurry in the chamber which then moves out past the check valve and on up the high pressure pipeline to its final destination in a mine stope as uncemented sand fill.

The current height of the Tailings Pond 4 dam is 3742.5 feet and the current height of Tailings Pond 5 dam is 3743 feet providing an expected tailings storage capacity of 12 months.

LABORATORY

There is an on-site assay laboratory, 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 and grade is back-calculated daily using mill tails assay and weight (mill feed weight in less concentrate weight out) plus concentrates weights and grades to develop a total WO_3 mass in (total out in tails plus total out in product is total in). Total weight of WO_3 out divided by mill feed weight in is the back-calculated mill feed grade. Recovery

is then total weight of WO_3 in concentrates divided by total calculated WO_3 in. As a check 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.

16 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

MINERAL RESOURCE AND MINERAL RESERVE SUMMARY

Indicated Mineral Resources for the Cantung Mine, as of October 2010 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 Pit Underground Zone (previously referred to as the Open Pit or PUG). The Inferred Mineral Resources are presented in Table 16-2. A cut off grade of 0.5% WO3 was used to reflect changes in market prices.

TABLE 16-1 CANTUNG INDICATED MINERAL RESOURCES

AS OF OCTOBER 2010

North American Tungsten Corporation Ltd. - Cantung Mine

Zone	Tons	Grade (WO_3%)	STU'S
West Extension Below 3700el	344,485	1.49	513,283
West Extension Below 3570el	305,324	1.46	445,773
West Extension	115,601	1.20	138,652
E-Zone	24,183	1.97	47,738
Main Zone Pillars	387,448	1.27	491,461
Central Flats	6,198	1.07	6,646
South Flats	38,990	1.64	64,079
Pit/PUG	1,230,580	0.83	1,021,381
TOTAL Indicated Resources	**2,452,809**	**1.11**	**2,729,013**

Notes:
1. Mineral Resources conform to CIM and NI43-101 requirements.
2. Mineral Resources are estimated at a cutoff grade of 0.5% WO_3 for underground as well as Pit and Pug
3. All Mineral Resources are listed as Indicated
4. Pit/PUG refers to Pit Underground.

TABLE 16-2 CANTUNG INFERRED MINERAL RESOURCES
AS OF OCTOBER 2010
North American Tungsten Corporation Ltd. - Cantung Mine

Zone	Tons	Grade (WO_3%)	STU'S
West Extension Below 3700el	571	0.92	525
West Extension Below 3700el	15,371	1.15	17,677
Pit/PUG	417,323	0.83	346,378
TOTAL Inferred Resources	**433,265**	**0.84**	**364,580**

Notes:
5. Mineral Resources conform to CIM and NI43-101 requirements.
6. Mineral Resources are estimated at a cutoff grade of 0.5% WO_3 for underground as well as Pit and Pug
7. All Mineral Resources are listed as Inferred
8. Pit/PUG refers to Pit Underground.

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 resource material for which there is a mining plan or a conceptual design. Mineral Reserves as of October 2010 for the Cantung Mine are summarized in Table 16-3 below.

TABLE 16-3 CANTUNG PROBABLE MINERAL RESERVE
AS OF OCTOBER 2010
North American Tungsten Corporation Ltd. - Cantung Mine

Zone	Tons	Grade (WO_3%)	STU'S
West Extension 3600 AREA	553,402	1.47	813,650
E Zone Pillars	541,860	1.00	539,701
Pit Underground	598,192	1.05	627,986
TOTAL Probable Reserves	**1,693,454**	**1.17**	**1,981,337**

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
5. The E Zone Pillars include the West Extension, E-Zone, Main Zone Pillars

When production is taken into account, Mineral Reserves have increased since the previous estimate. Increases are due to the inclusion of the Pit Underground (Pit / PUG) ore into the mining reserve and recent exploration and remodelling in the West Extension 3600 area.

ESTIMATION METHODOLOGY

UNDERGROUND MINE

NATCL mine personnel updated the Mineral Resources estimate for the underground mine. The update was carried out using the MineSight™ software which is available commercially. MineSight™ was used to create a 3D block model of the various ore bodies and mine openings generated in AutoCAD/Promine were entered into the project. The mine openings were not included in the resource calculations, but rather were used to limit the material available to be mined. The dimension of the block size used in the model was 10 ft × 10 ft × 10 ft (X × Y × Z).

The model is oriented parallel to the EW and NS grid direction (i.e. not rotated).

PIT UNDERGROUND ZONE

Similar methodology was applied to the Pit area

BLOCK MODEL METHODOLOGY

For the 2010 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 capping if required 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 Distance Cubed weighting, the impact of these

relatively few samples is minimal. Historically capping was not deemed necessary and as such was not employed.

The search parameters used in the reserve estimate are slightly larger than previously employed, to a maximum of 300 ft. The search parameters are detailed in Table 16-4. 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 15 composites in total and applying no limit to the maximum number of drill holes applied to the composites for data interpolation. These requirements were usually satisfied with a search ellipsoid less than 50 feet. Because the ore body is fairly narrow, the N-S search direction is largely theoretical – as the shape of lens tends to control the limits of the search ellipsoid.

The estimate was carried out using a block model constrained by wireframe solid models of the principal lithologic units for the Open Pit and PUG. The block model was constructed using MineSight^{TM} software and the grade was estimated into the blocks using Inverse Distance Cubed weighting. Block size dimensions were 10 ft × 10 ft × 10 ft (X × Y × Z), and the model was oriented parallel to the EW and NS grid direction (i.e. not rotated).

TABLE 16-4 SEARCH PARAMETERS

North American Tungsten Corporation Ltd.-Cantung Mine

Pass	Search Radius (ft)			No. of Composites		
	Major	Semi	Minor	Min.	Max.	Max/hole
1	300	300	300	1	15	0 (no limit)

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

In general, there were relatively minor changes in methodology and the results that followed the 2010 modelling changes were comparable to those derived using previous methods. A number of methods such as IDW2, polygonal, and changing search ellipsoids were also tested. The differences were surprisingly minor and were due no doubt to the general high diamond drill density.

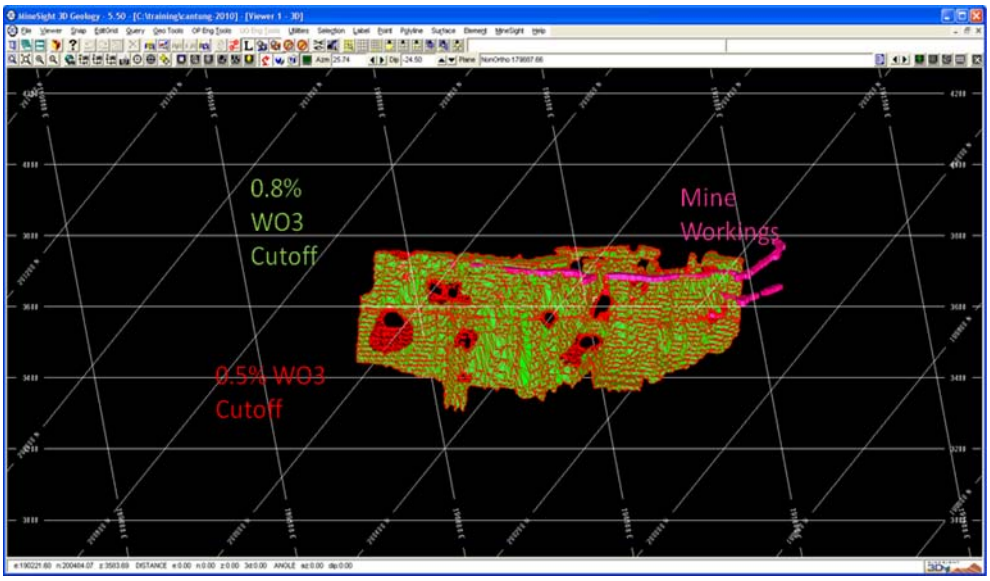
In addition, the grade of waste was calculated in the 3700 area using two analysis methods. One method consisted of including only grade values that were assayed and the second method consisted of incorporating both the assayed and the non-assayed grade values.

CUT-OFF GRADES

A cut-off grade of 0.50% WO_3 was applied to the block model to estimate Mineral Resources for the Pit Underground and the entire E Zone Orebody. For modeling purposes, the 0.5% WO3 grade shell is superimposed on the 0.8% WO3 as presented in Figure 16-1.

FIGURE 16-1 LONG SECTION OF AREA BELOW 3700 SHOWING THE 0.8% WO_3 GRADE

Shell Superimposed on the 0.5% WO3 Grade
SHELL



RESOURCE CLASSIFICATION

The Indicated Mineral Resources for the underground mine and Pit/PUG classified as follows:

- Blocks outlined that are within a 100 ft radius of a diamond drill hole.
- Material which exceeds these limits was reported as inferred. Because of the density of drilling there is very little inferred

The Open Pit Mineral Resources are classified as follows:

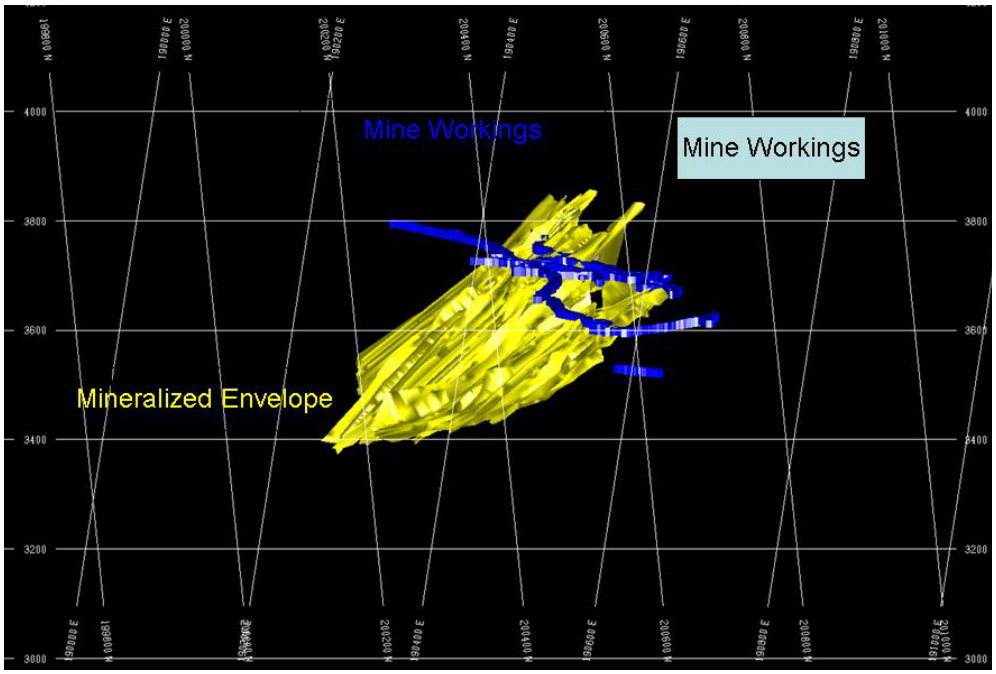
- Blocks outlined that are within a 100 ft radius of a diamond drill hole.

CHANGES IN MINERAL RESOURCES

WEST EXTENSION 3600 AREA

There were several significant changes to the Mineral Resources as a result of the recent modelling and diamond drill activity. The West Extension 3600 area was remodelled in 2010 and the lens code was manually edited versus the previous practice of "spearing" the solids. In practice it has been found that it is difficult to snap to diamond drill holes in true 3D as the polylines and resulting solids/wireframes become contorted. As a result, the usual method is to snap to holes in 2D. This method has proven to work well if the hole is approximately in the plane of the section and located close to the section, as this produces a relatively thick ore interval zone and the hole is approximately perpendicular to the ore zone. However, if the drill hole is following the plunge or dip of the ore or is oblique to the section then the method of using the computer to "spear" the drill holes does not work well. Due to the inaccuracy associated with "spearing" the solids, the model was based on a geologically interpreted wireframe (Figure 16-2). The wireframe allowed for better section interpretation and extrapolation. The lens (ore) codes were precisely tagged with the ore lens which ensured that the proper assay intervals were used.

FIGURE 16-2 NON-ORTHOGONAL CROSS SECTION SHOWING MINERALIZED ENVELOPE



In addition, drill holes were updated with missing assays and the Inferred category has been added to the Mineral Resources (Table 16-2) for the West Extension 3600 area.

In the West Extension 3600 area, the change in modelling methods, the addition of new assays, and the addition of new drill holes had a net effect of increasing the overall grade by approximately 0.10% WO_3. More importantly, it "converted" zones that were improperly "tagged" into ore. This along with the addition of new drill holes increased the overall resource tonnage by 200,000 tons in the area below 3700 Level. By lowering the cutoff to 0.5% WO3 resulted in a further gain of approximately 70,000 tons at 0.71% WO_3 when compared to the most recent 0.8% resource cutoff.

PIT UNDERGROUND

There were several significant changes to the mineral resources as a result of the recent modelling. The Pit Underground was remodelled to distinguish between the Swiss

Cheese Limestone and the Ore Limestone. A majority of the remaining mineralization is in the Swiss Cheese Limestone, while most of the higher grade Ore Limestone has previously been mined. These grades were not interpolated across the lithological boundaries and as a result, a majority of the higher grade ore limestone was not included in the interpolation (Figure 16-4) of the remaining ore. In addition, drill holes were updated with missing assays and the Inferred category has been added to the Mineral Resources (Table 16-2) for the Pit Underground area.

The creation of two wireframe model solids for the Pit Underground resulted in an overall decrease in tonnage and grade. This is due to elimination of much of the previously mined high grade Ore Limestone based on past ore interpolation. More accurately, mineralization occurring in the Swiss Cheese Limestone unit has been utilized for areas within that unit (Figure 16-4) as opposed to the previously employed methods that involved interpolation since the interpolation does not cross geological/lithological boundaries. In addition, the 3D block model was trimmed to the Pit Underground surfaces (Figure 16-5). A 0.5% WO_3 grade shell was generated for the area and a subsequently resources were calculated from the “shell”. A breakdown of the Indicated Mineral Resource results and Inferred Mineral Resource results for the Pit Underground area are tabulated in Table 16-1 and Table 16-2 respectively.

FIGURE 16-3 LONG SECTION SHOWING THE 0.8% WO3 GRADE

shell Superimposed on the 0.5% WO3 Grade SHELL

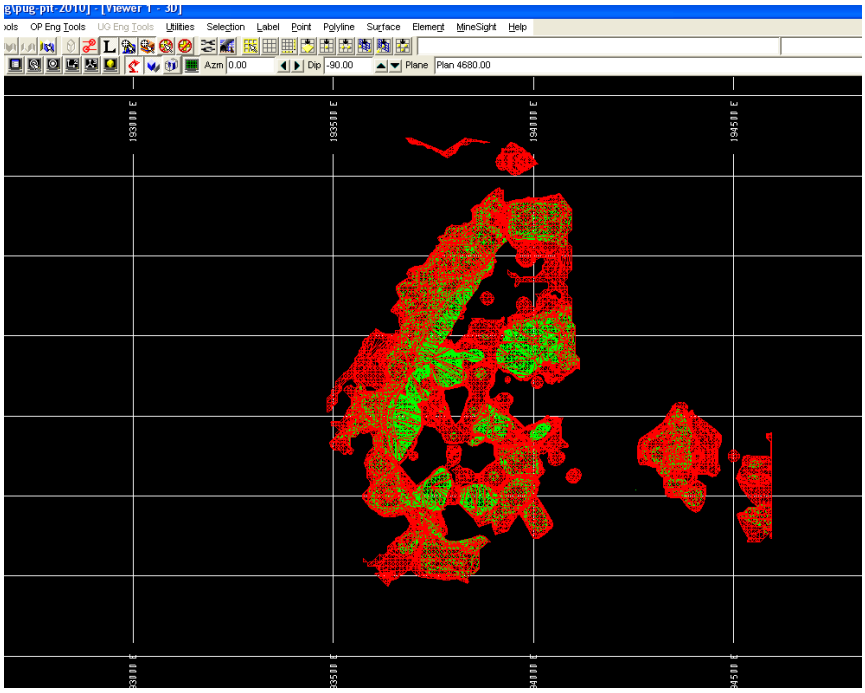


FIGURE 16-4 CROSS SECTION SHOWING LITHOLOGIES IN PIT UNDERGROUND

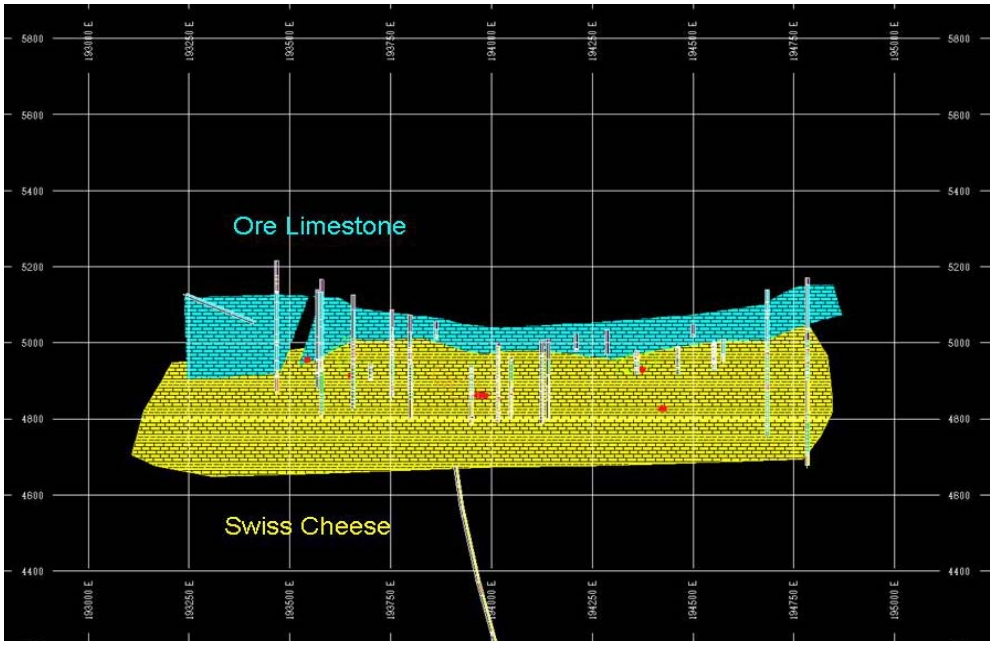


FIGURE 16-5 BLOCK MODEL TRIMMED TO PIT UNDERGROUND MINERAL RESOURCES

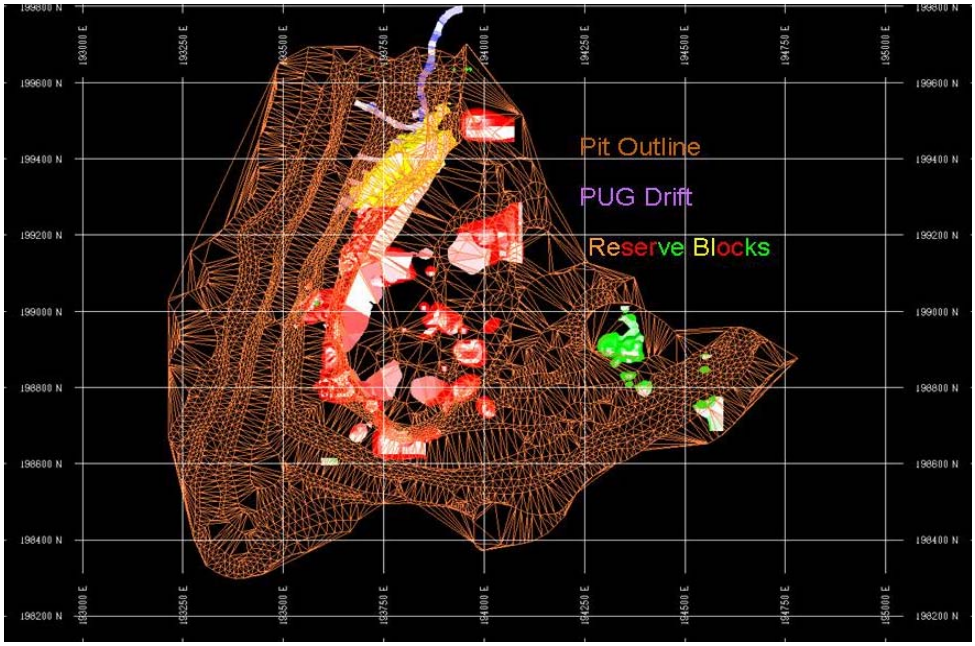
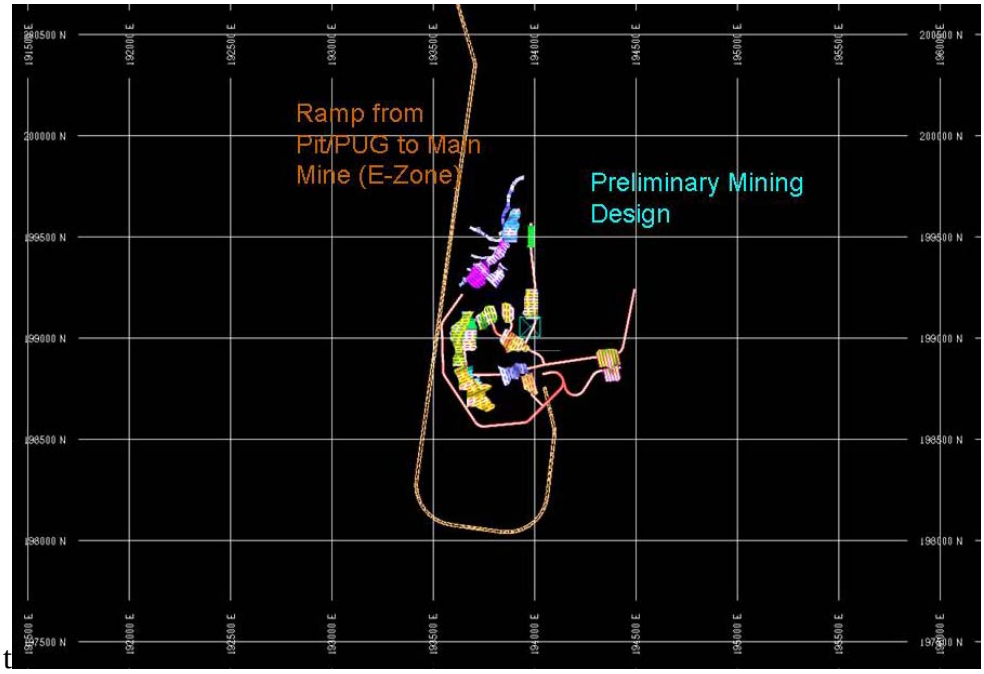


FIGURE 16-6 PRELIMINARY MINE DESIGN FOR PIT/PUG



COMPARISON TO OCTOBER 2009 RESOURCES

The October 2010 Indicated Mineral Resources increased by 950,000 tons at a back calculated grade of 0.86% WO_3 in comparison to the October 2009 Indicated Mineral Resources and as produced in the 2009 Cantung Technical NI 43-101 Report. A comparison of Indicated Mineral Resources are presented in Table 16-5. The increase in tonnage and grade are attributable to:

1) remodelling of the West Extension 3600 Area as the orientation of the diamond drilling created difficulties in correctly identifying the mineralized zones. When drill hole data was manually edited, the grade in specific areas increased to allow inclusion as an Indicated Mineral Resource. It is important to note that the overall volume of the mineralized zone did not increase dramatically; rather, the volume of both the 0.8% WO_3 grade shell subsequently the 0.5% WO_3 grade shell increased (180,000 and 70,000 tons respectively for a total of 250,000 tons).
2) The remodelling and inclusion of 0.5% WO3 in the resource for the Pit/PUG (approximately 800,000 tons)
3) Re examination of the model resulted in a loss of approximately 125,000 tons. Several resource areas were removed due to doubtful ability to extract resource based on recent mining in the areas.

TABLE 16-5 COMPARISON OF OCTOBER 2009 TO OCTOBER 2010 RESOURCE

	Oct-10	Oct-09		
Zone	***Tons***	***Tons***	***change***	
West Extension Below	***649,809***	***379,763***	270,046	increase due to modeling and lower cutoff
West Extensio	***115,601***	***132,597***	-16,996	sterilization of ore
E-Zone	***24,183***	***24,183***	0	
Main Zone Pill	***387,448***	***414,090***	-26,642	ore sterilized after remodeling
Central Flat	***6,198***	***29,023***	-22,825	ore removed from resource due to mine design
South Flats	***38,990***	***40,255***	-1,265	sterilization of ore
Pit/PUG	***1,230,580***	***479,118***	751,462	increase due to modeling and lower cutoff
stockpile	***0***	***6,447***	-6,447	mining loss
	2,452,809	***1,505,476***	947,333	
mined	***228,123***		228,123	portion mined from reserves in 2009
			1,175,456	net gain

MINERAL RESERVES

The Mineral Reserve estimate for the Cantung Mine is Provided above in Table 16-6 and reproduced herein.

TABLE 16-6 CANTUNG PROBABLE MINERAL RESERVE

AS OF OCTOBER, 2010

North American Tungsten Corporation Ltd. - Cantung Mine

Zone	Tons	Grade(WO3%	STU'S
West Extension 3600 AREA	553,402	1.47	813,650
E Zone Pillars	541,860	1.00	539,701
Pit Underground	598,192	1.05	627,986
TOTAL Probable Reserves	**1,693,454**	**1.17**	**1,981,337**

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.
5. The E Zone Pillars include the West Extension, E-Zone, Main Zone Pillars

Engineering work including a mill upgrades, mine planning, and design of an underground access from the existing mine to the Pit has allowed resources in the Pit Underground to be incorporated into the mining reserves at Cantung this year.

Also of major significance to mining reserves this year is the future plans of inclusion of cemented backfill into the mining method. This will allow lower risk recovery of the remaining pillars in the Main Zone & West Extension as well as allow very high mining recovery in the new West Extension 3600 area with minimal external dilution.

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 experience of mine operations and good engineering practice. External dilution was added at zero grade, while internal or planned dilution was added at modeled grades which has been incorporated into the reserve calculations. Mining recovery has been estimated based on ground conditions, mining sequences, mining methods, and ore body geometry. The ore blocks used to determine the

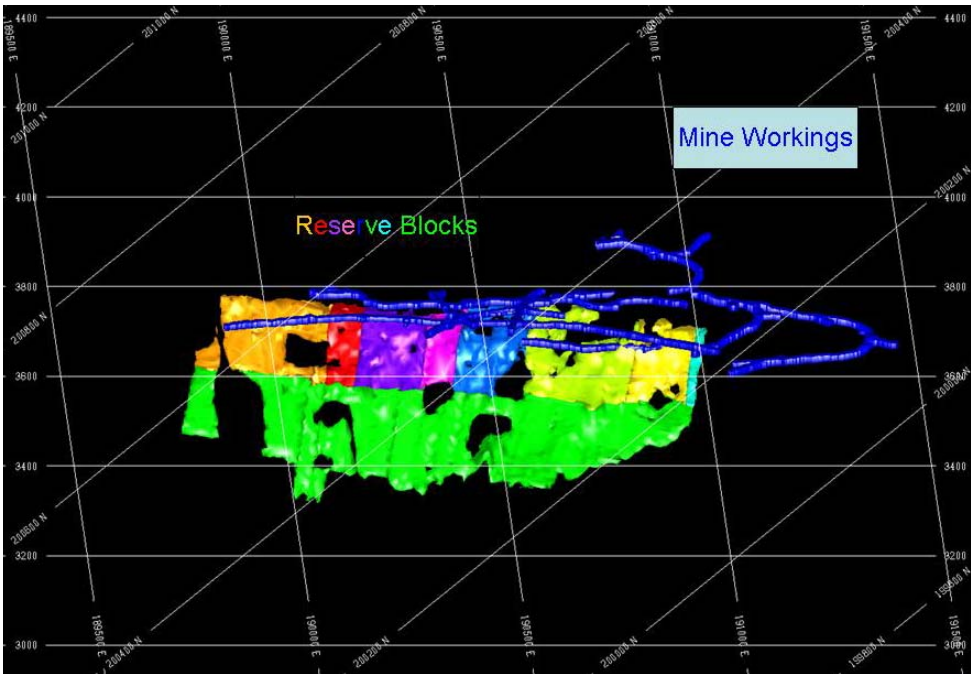
WEST EXTENSION 3600 AREA

The West Extension 3600 Area comprises the undisturbed area below 3700 level in the West Extension. Exploration Drilling and Geological Modeling has increased both the size and grade of the deposit in this area. This zone has become a significant part of the ore reserves at Cantung representing 41% of the Tungsten reserves with 33% of the reserve Tonnage.

Tons and grade were determined through the use of dilution and recovery factors applied to the 0.8% cutoff. External Dilution of 10% has been estimated due to the relatively massive size of the orebody. As mining will be taken in longitudinal stopes, external dilution will only occur from the lower fill wall and the back. Back spans and stope

lengths have been conservatively designed and are expected to be stable. Extraction percentages are estimated to average 90% to account for exclusion of areas of the orebody which are modeled to have poor grade continuity.

FIGURE 16-7 LONG SECTION SHOWING ORE BLOCKS USED IN RESERVES



E ZONE PILLARS

For the 2010 reserve calculation, the remaining pillars at Cantung have been reported in a single category. Modeling of the old workings is now virtually complete and it is believed that all substantial/minable pillars have been identified. In all cases these pillars are intended to be mined using longhole methods with remote mucking. Detailed consideration to the mining of each pillar has been undertaken with consideration to induced ground stresses, ground stability, and drilling and extraction drift locations. The future addition of cemented backfill will decrease the risk of these final pillar extractions dramatically.

Mining recovery and dilution have been estimated on a pillar by pillar basis; overall, an average mining recovery in the E Zone Pillars is estimated at 83% while the external and planned dilution is estimated as 20%.

PIT UNDERGROUND

The resources present in the walls and floor of the historic Cantung Open Pit have been known since the completion of mining in 1973. This resource is beyond the limits of the final pit walls and thus must be mined from underground. Due to the inability to access this area from surface during the long winter at Cantung and the lower than average grade of this area, the Pit UG area has been excluded from mining plans and reserves until this year.

New mining plans have been prepared to access the PUG resource via a 4,300' long incline from the upper levels of the Cantung Mine commencing in March 2011. This incline will allow year round mining of the ore from the PUG. The orebody in the PUG is generally in discrete massive pods or lenses, with individual stopes ranging up to 160,000 tons in size. Relatively low mining costs are expected in the PUG due to a combination of insignificant backfilling requirements and high production rates. To further increase economics, a mill expansion from 1,126tpd to 1,300tpd will be implemented by October 2011 and the increased tonnage will provide larger scale mining in the PUG.

Mining recovery and dilution have been estimated on a stope by stope basis. Blocks which will break through into the pit floor have been designed without pillars. Blocks which break though the pit wall and large span blocks with crown pillars to surface have been designed to leave permanent pillars for stability. Overall mining recovery is estimated at 92%. Stope reserve numbers include lower grade planned dilution to account for minable shapes though longhole mining. Due to the large size of mining blocks and zero back dilution in most cases, external dilution is expected to be low and is estimated at 5%.

It should be noted that a significant inferred resource, which has been excluded from Mine Reserves, is contained on the peripheries of the mining blocks. This inferred resource of 417,323 tons @ 0.83% WO_3 would have substantial impact to revenues if it is upgraded in the future to an indicated category.

CLASSIFICATION

All Mineral Resources which have been converted to Mineral Reserves are classified in the Indicated category. Accordingly, all Mineral Reserves have been assigned to the Probable category. Resources currently classified as inferred have been excluded from the Mine Reserves. 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 current Cantung Mine reserves comprise of three main areas, E Zone Pillar Recovery of remnants from historical mining, the recently defined West Extension 3600 Area, and the remaining ore in the historic Pit UG wall and floor. The production rate for 2010 is expected to be the 1112tpd with a planned increase to 1200tpd in 2011. All mining at Cantung is through underground mining techniques using longhole drilling, remote mucking, and cemented backfill where required.

MINING METHODS

In the recent past, the mine used a variety of mining methods including room and pillar, cut and fill, and longhole stoping.

Currently, longhole methods are planned for virtually all of the remaining reserves, both for pillar recovery and for primary mining in the 3600 and PUG areas. The addition of cemented backfill and the transition from remnant mining to undisturbed ore bodies over 2011 will have a significant impact in productivity and costs at Cantung.

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:

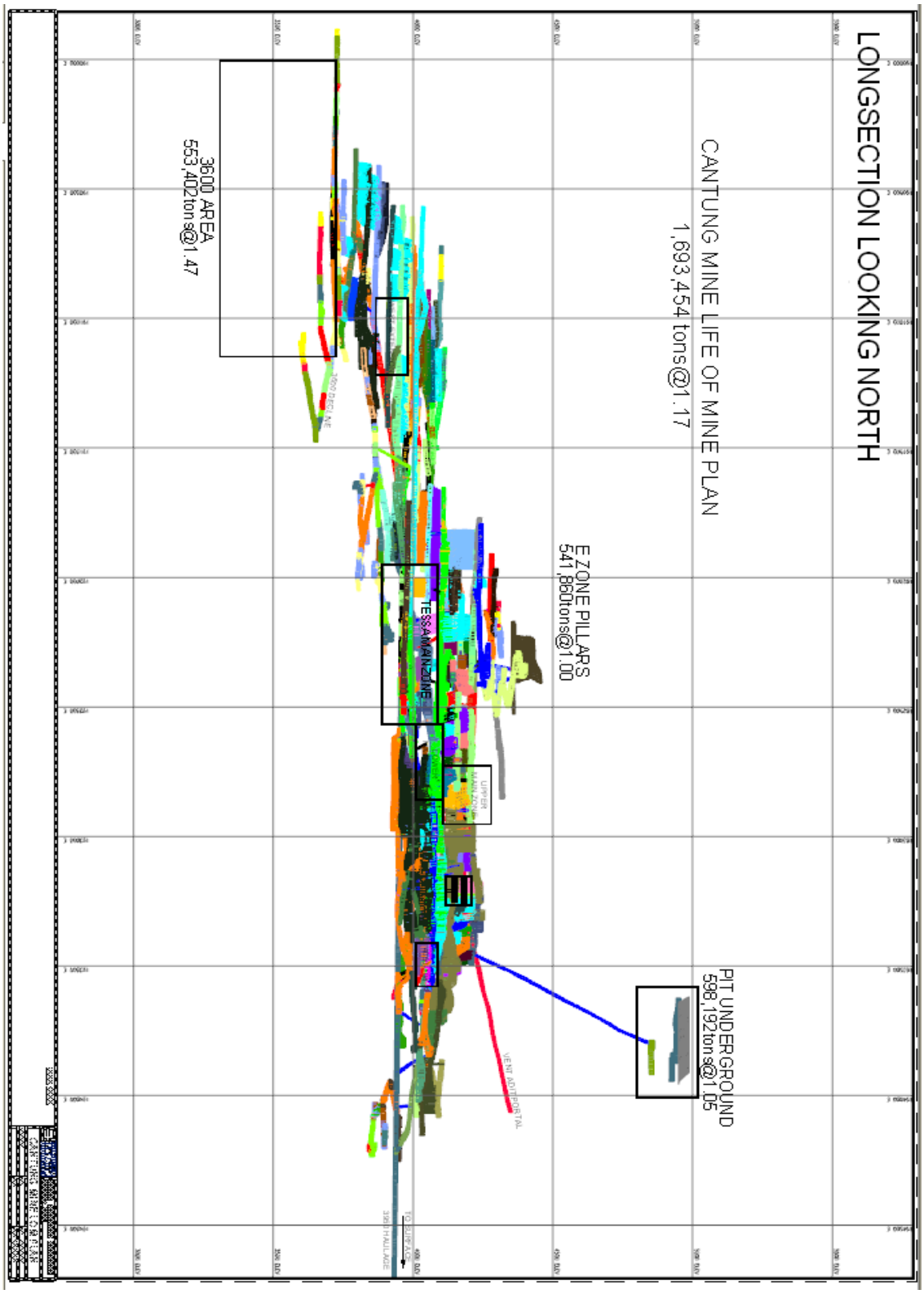
- Address the induced stress deterioration in the West Extension through seismic support (rebar, straps, chainlink) along with developing a 3D model to minimize adverse geometries/mine sequences.
- The use of Shotcrete where weak rock mass/adverse faulting are encountered.
- Ground control standards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

- Pit Underground
- West Extension 3600 Area
- E Zone Pillars

FIGURE 17-1 CANTUNG MINE RESERVES



RESERVES

PIT UNDERGROUND

The historic open pit 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 inability to push the pit wall further into the mountain has resulted in significant mineralization being left below the pit floor and in the pit wall.

To accommodate year round mining in this area a 4,600', 15% grade incline is planned to be driven from the 4200 level of the Cantung Mine to the PUG orebody. This development is planned to commence by March 2011 and be completed by April 2012. Mining will commence in June 2012.

Mining will create breakthroughs in the pit floor and in the pit wall. Permanent Pillars will be left in some areas to provide stability and no cemented fill is required for the mine plan.

Ground conditions are expected to be excellent and ground stress minimal due to the proximity to surface. Highly productive, large diameter longhole drilling is anticipated as well as efficient hauling to the #2 orepass with large capacity trucks.

FIGURE 17-2 PIT UNDERGROUND PLANNED INCLINE

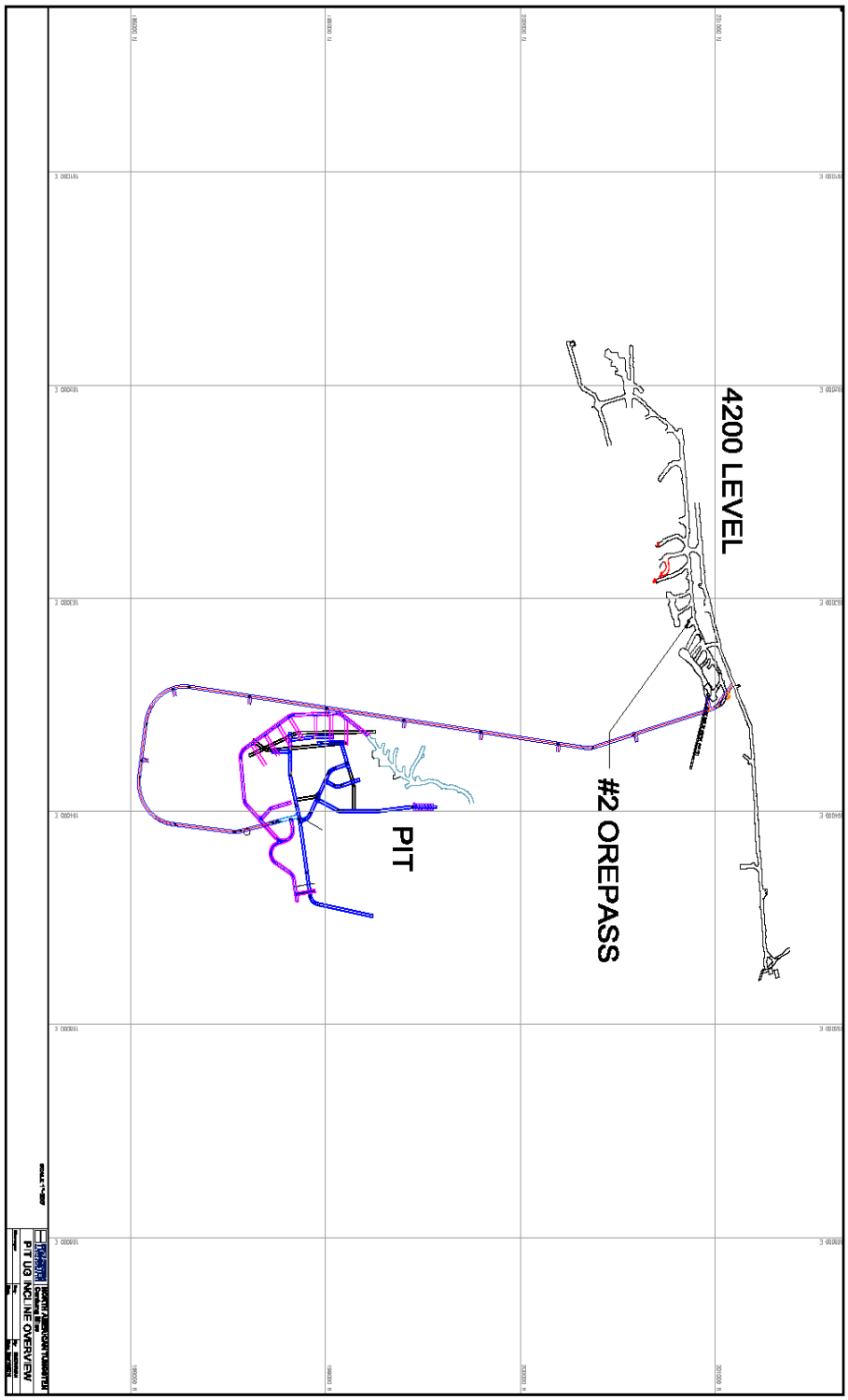


FIGURE 17-3 PIT UNDERGROUND OVERVIEW

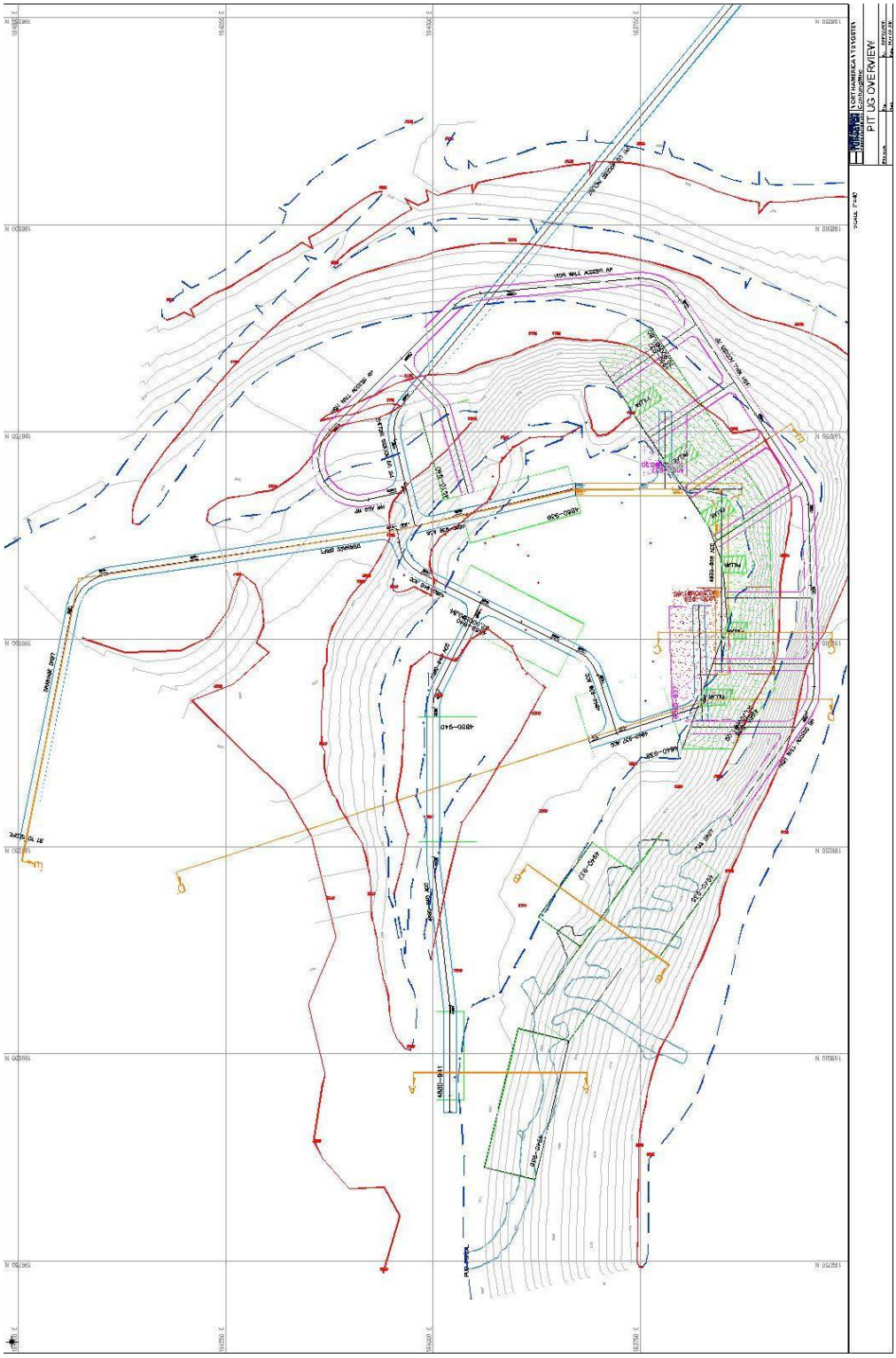
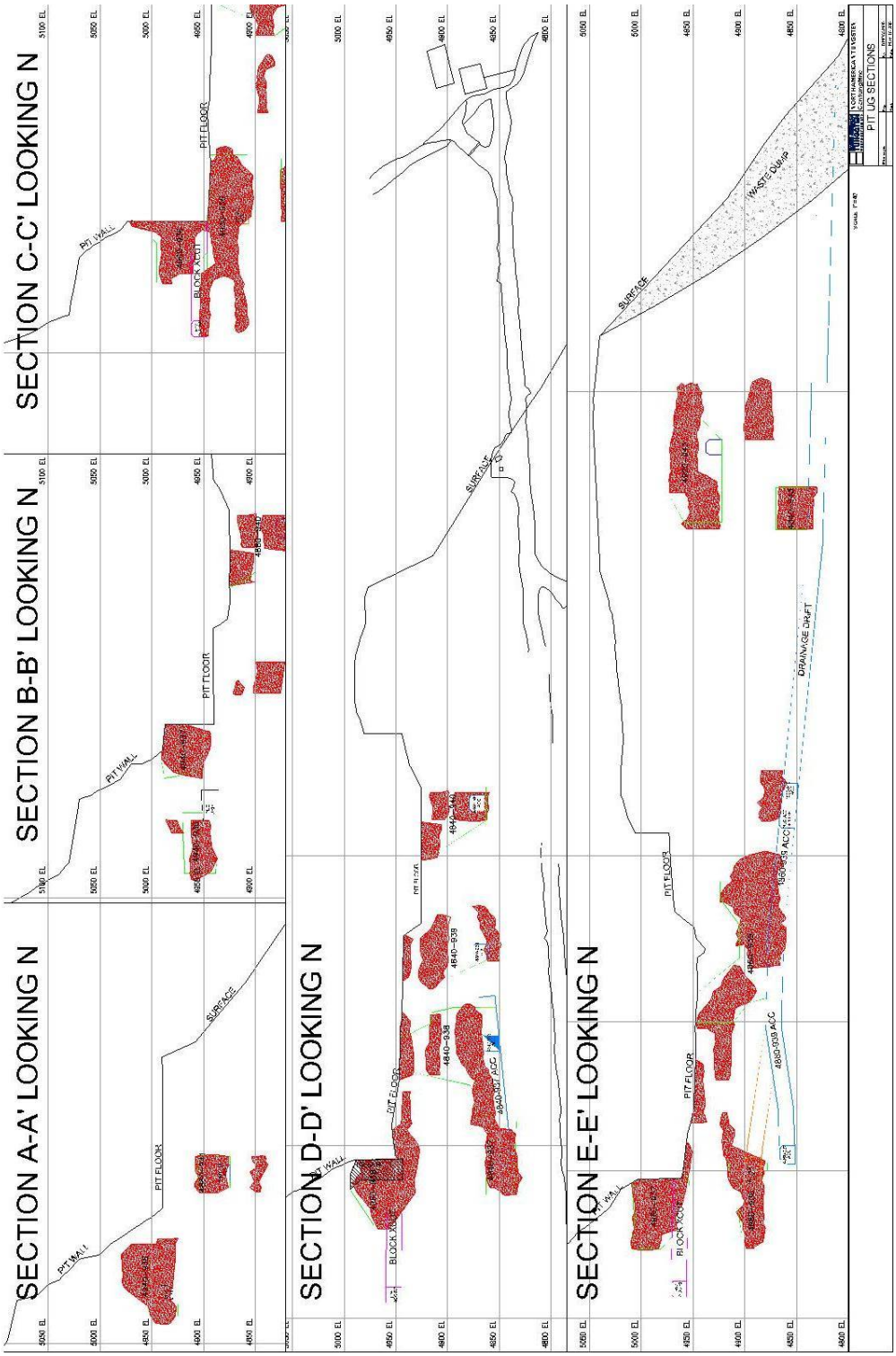


FIGURE 17-4 PIT UNDERGROUND SECTIONS



3600 AREA WEST EXTENSION

The 3600 zone ore body is composed of several large ore bodies approximately 30’ true width lying at a dip of 30 to 45 degrees. It is planned to mine these bodies independently from each other via separate accesses driven from a common decline. The 3600 ore body is a high value resource with approximately 1.5x the grade of the other reserve zones. Maximizing mining recovery with minimal external dilution was a priority when selecting the mining method.

The ore body has been divided into longitudinal blocks with hangwall spans limited to 60’ or less and strike lengths limited to 150’ or less. These dimensions are estimated to result in a stable hanging wall with minimal sloughing. Mined blocks will be filled with cemented backfill before mining of the adjacent block. Mining will take place from the lowest blocks to the highest so that the exposed fill wall is on the low side of the stope. This will greatly increase stability of the fill and decrease fill dilution.

Extraction drifts will be driven on engineering control in the immediate footwall of the ore body to maximize ore recovery and drill productivity. Infill diamond drilling and excellent geological modelling is required to minimize planned dilution while maximizing ore recovery. The extraction drifts are likely to change from ore to waste on a round by round basis, as a result significant ore production from these extraction drifts is not anticipated.

Development is planned to commence in October of 2010 and production from this area will begin in February 2011.

FIGURE 17-5 3600 AREA OVERVIEW

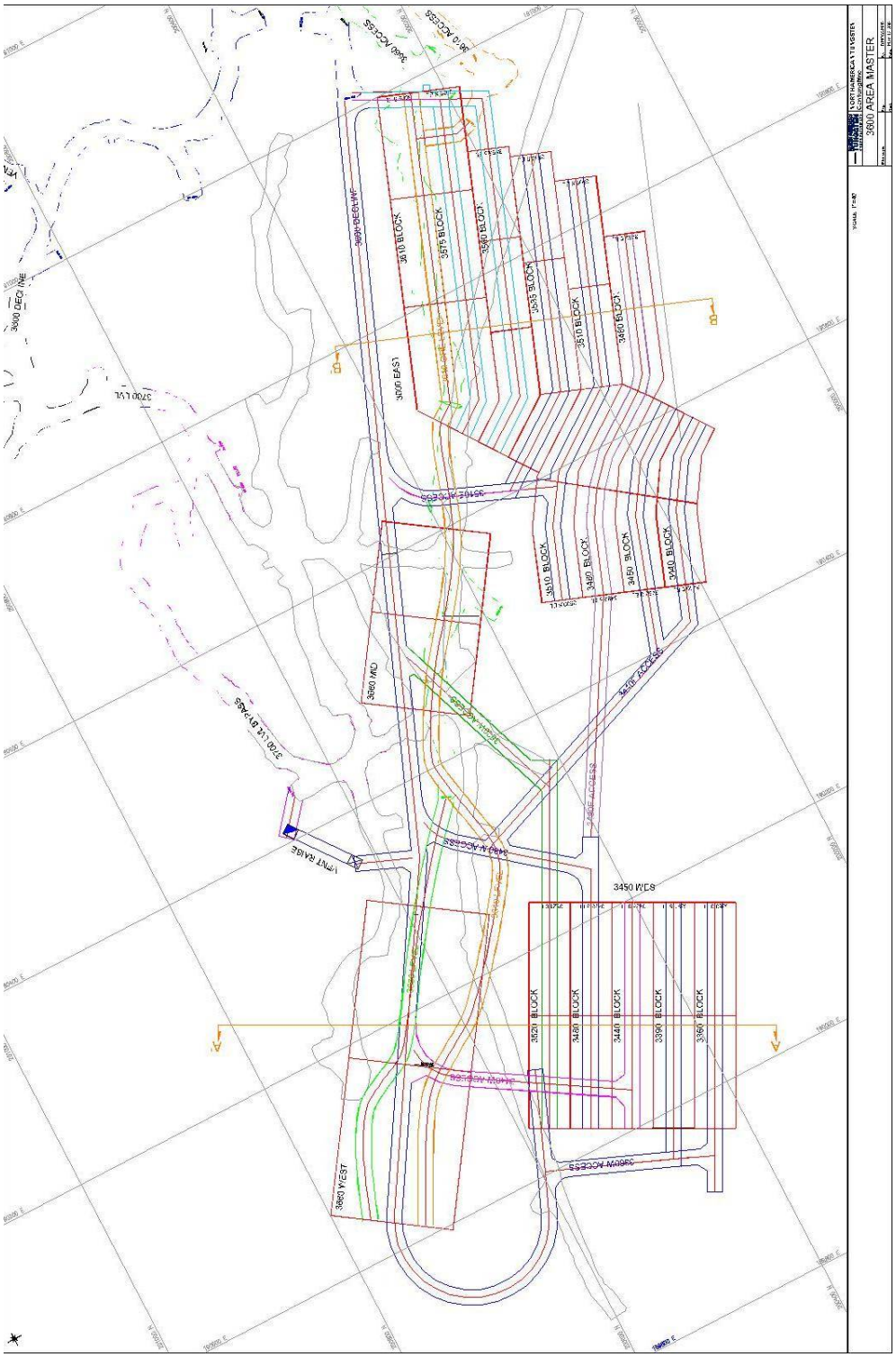
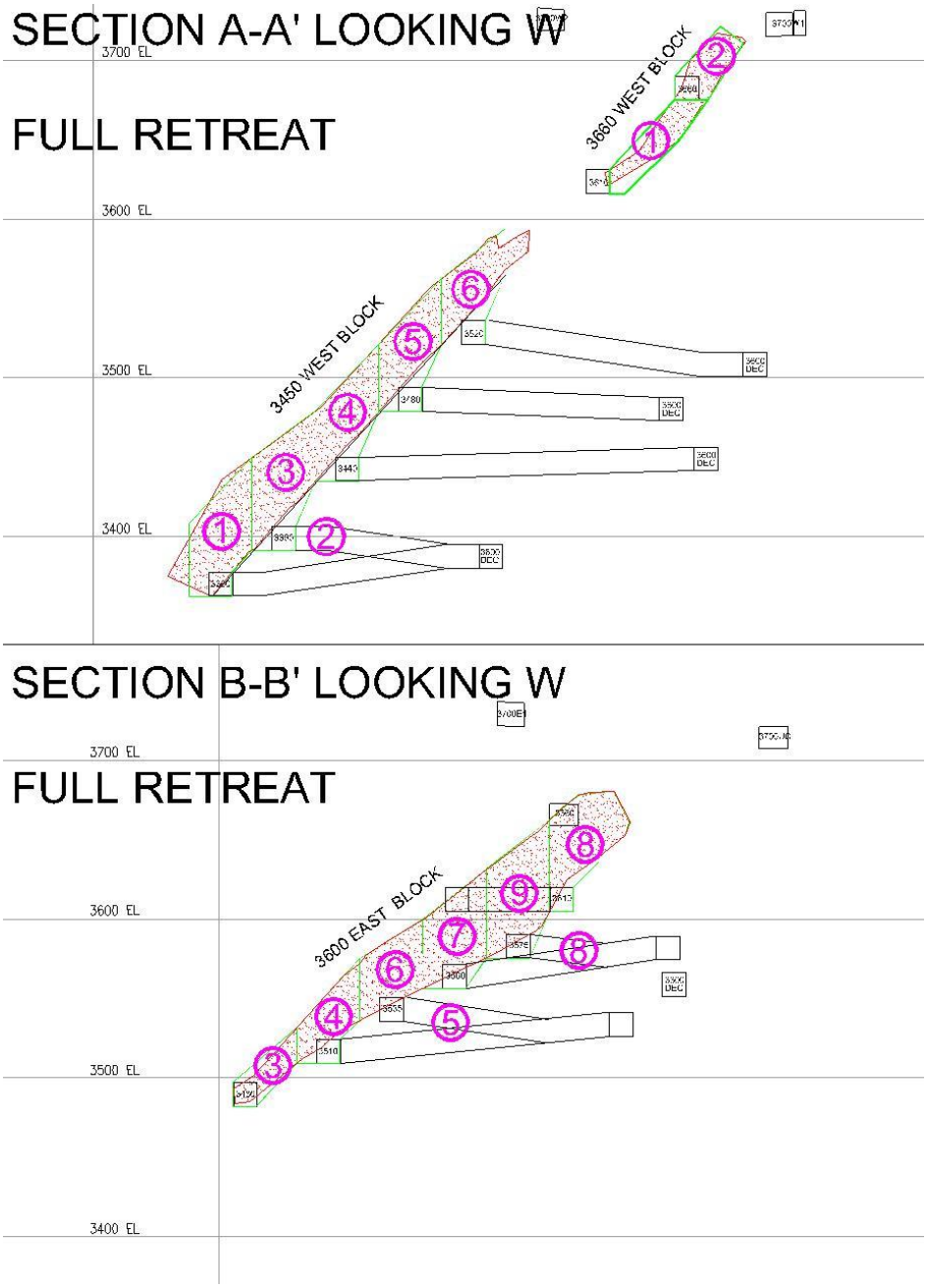


FIGURE 17-6 3600 AREA SECTIONS



E ZONE PILLARS

The E Zone pillars remnants consist of pillars of different shapes and types left in the historic central portion of the mined out E-zone. Some additional sill pillars in the West Extension remaining from the more recent cut & fill mining are also included. The E Zone Pillars are further broken down into independent areas which have defined mining sequences. The detailed mining reserves for the E Zone Pillars are presented in the following table;

E Zone Pillars

Probable Mining Reserves

Area	Tons	Grade(WO3%)	STU's
West Extension	107,411	0.85	91,407
Lower Main Zone	54,065	0.99	53,524
Upper Main Zone	124,795	0.91	113,563
Salvage Main Zone	255,589	1.10	282,221
Total ***Probable Reserves***	541,860	1.00	540,716

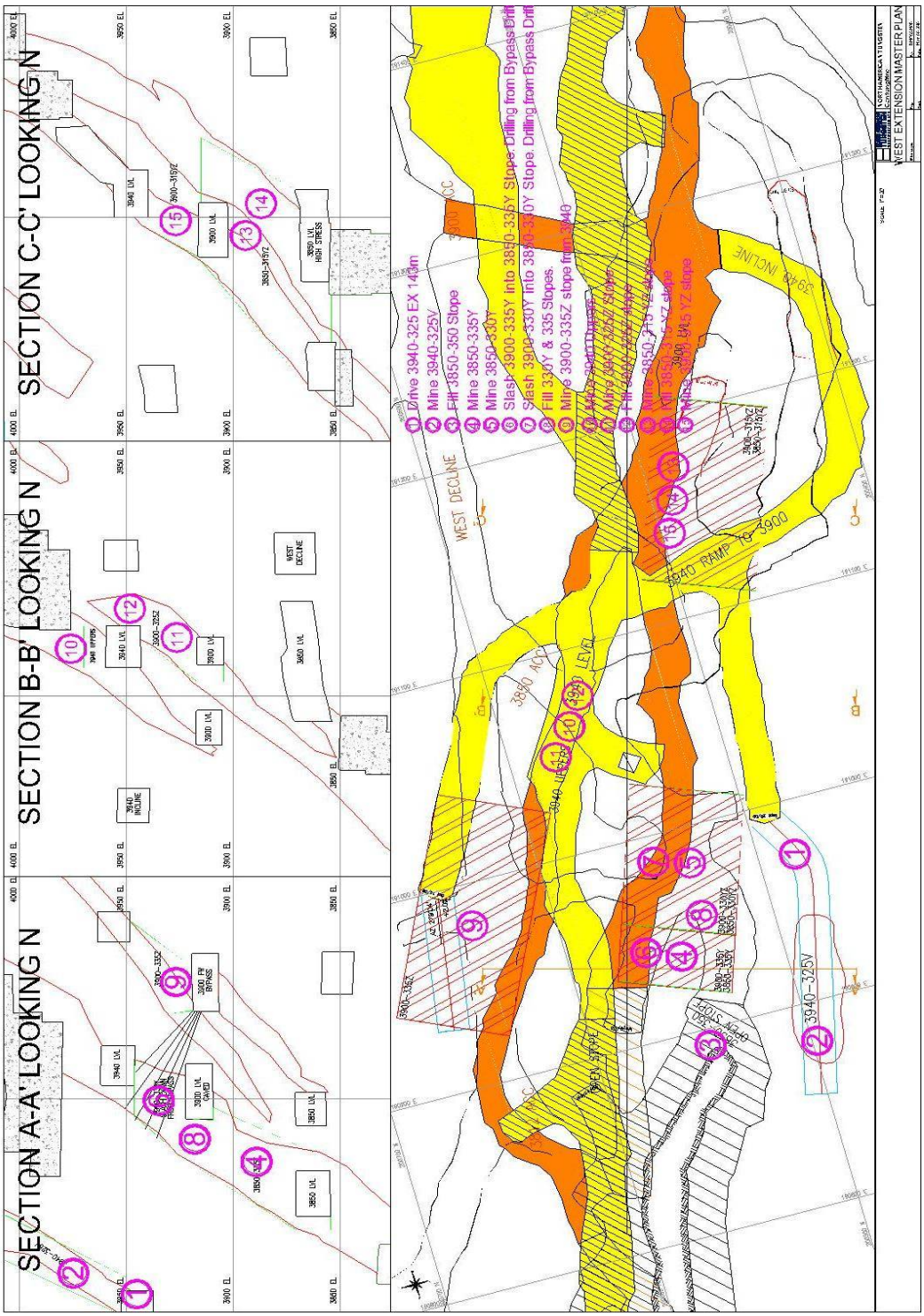
1. Tessa Main Zone and 4050 108 included in Salvage Main Zone

WEST EXTENSION

The West Extension is located at the end of the 3950 haulage drift level and extends laterally 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.

Most of the West Extension above 3700 level has been mined. A sill pillar between 3850 and 3940 levels remains and contains all of the mining reserves for this area. Longhole Mining on retreat with cemented backfill is planned to be used for extraction of this sill pillar.

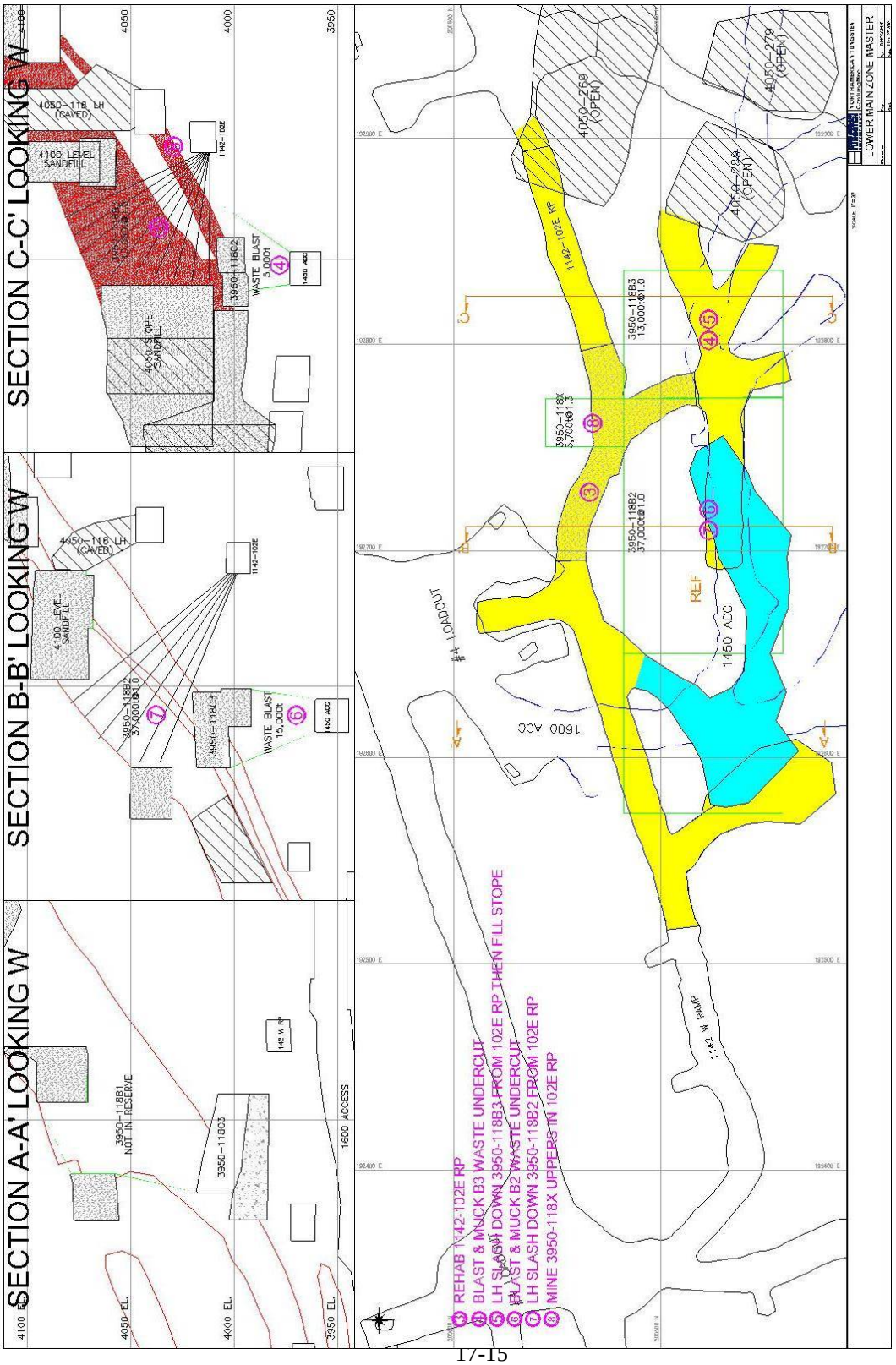
FIGURE 17-7 WEST EXTENSION AREA MINE PLAN



LOWER MAIN ZONE

The Lower Main Zone is the continuation of a rib pillar retreat which has been ongoing since 2008, with the most recent stope (4050-289) successfully mined last year. The remaining stopes are complicated by a caved drift which separates the extraction level from the ore zone. A waste stope is to be blasted and removed below this drift while ore is slashed down from a parallel drift in the footwall. Rehab of this drill drift is required before drilling may commence.

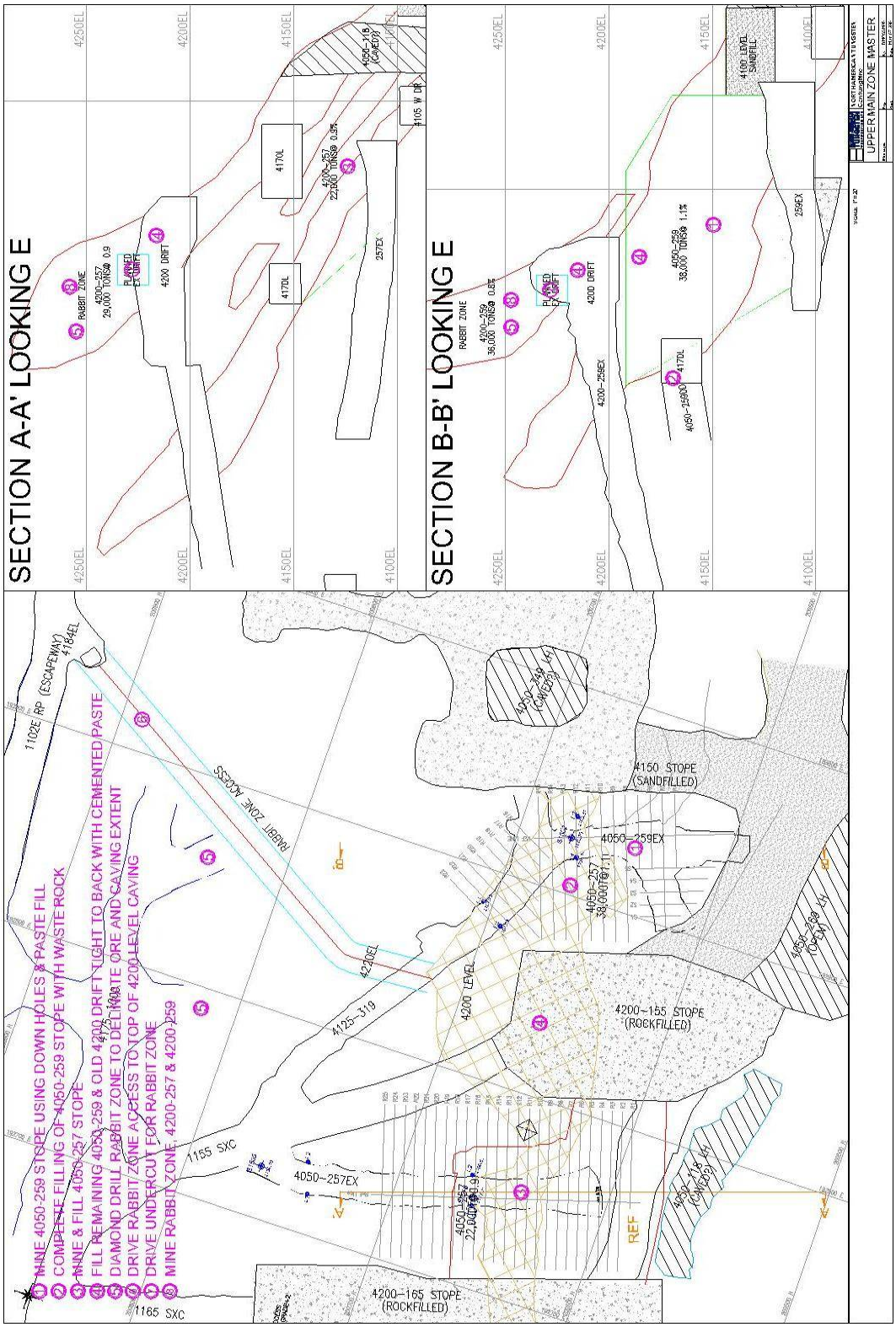
FIGURE 17-8 LOWER MAIN ZONE MINE PLAN



UPPER MAIN ZONE

The Upper Main Zone requires the extraction of 2 large post pillars post pillars separated by a historic rock filled stope. The development for these blocks is partially completed. Due to the unconsolidated nature of the fill in the adjacent stopes, small rib pillars between these stopes and the pillar to be mined will be left in place, and the pillar mining will take place in stages where portions of each pillar will be mined then filled with cemented backfill to increase stability of both the back and the surrounding waste fill.

FIGURE 17-9 UPPER MAIN ZONE MINE PLAN

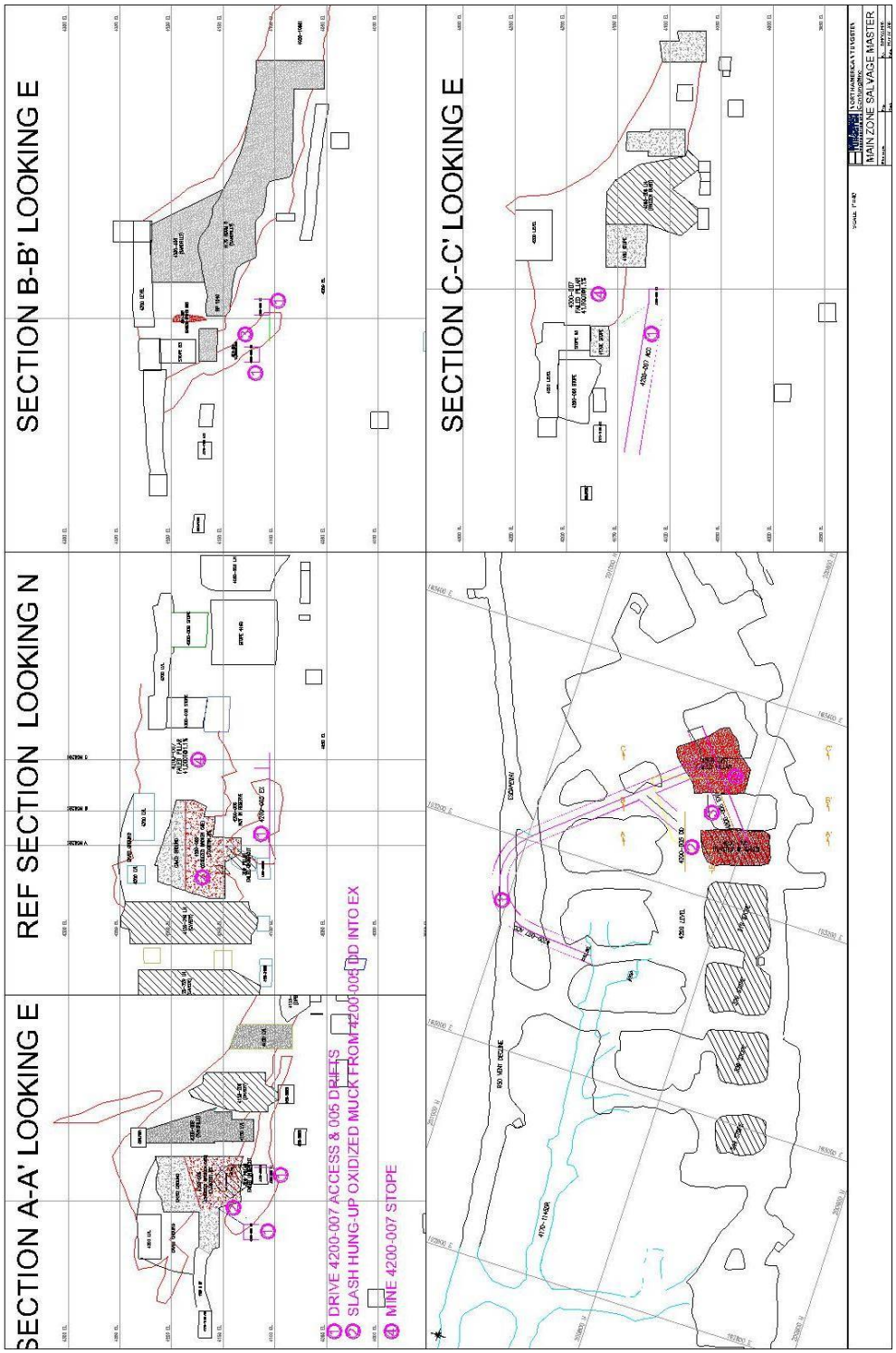


SALVAGE MAIN ZONE

The Salvage Main Zone is in an area of ground failure in the 1980's era. At that time a longhole stope, 4200-005 was blasted and mucking was in progress when the adjacent pillar 4200-007 failed, causing the back of 4200-005 to fail and cover the broken ore. A recent attempt to retrieve this broken ore from below was unsuccessful as the broken ore had oxidized and cemented together. As a suitable platform to drill and blast the broken ore was not in place it could not be knocked down at that time.

A new plan is in place to drive a decline ramp into the footwall of this area, to provide a drilling platform and an extraction drift. Both the broken ore in 4200-005 stope and the failed pillar 4200-007 will be retrieved.

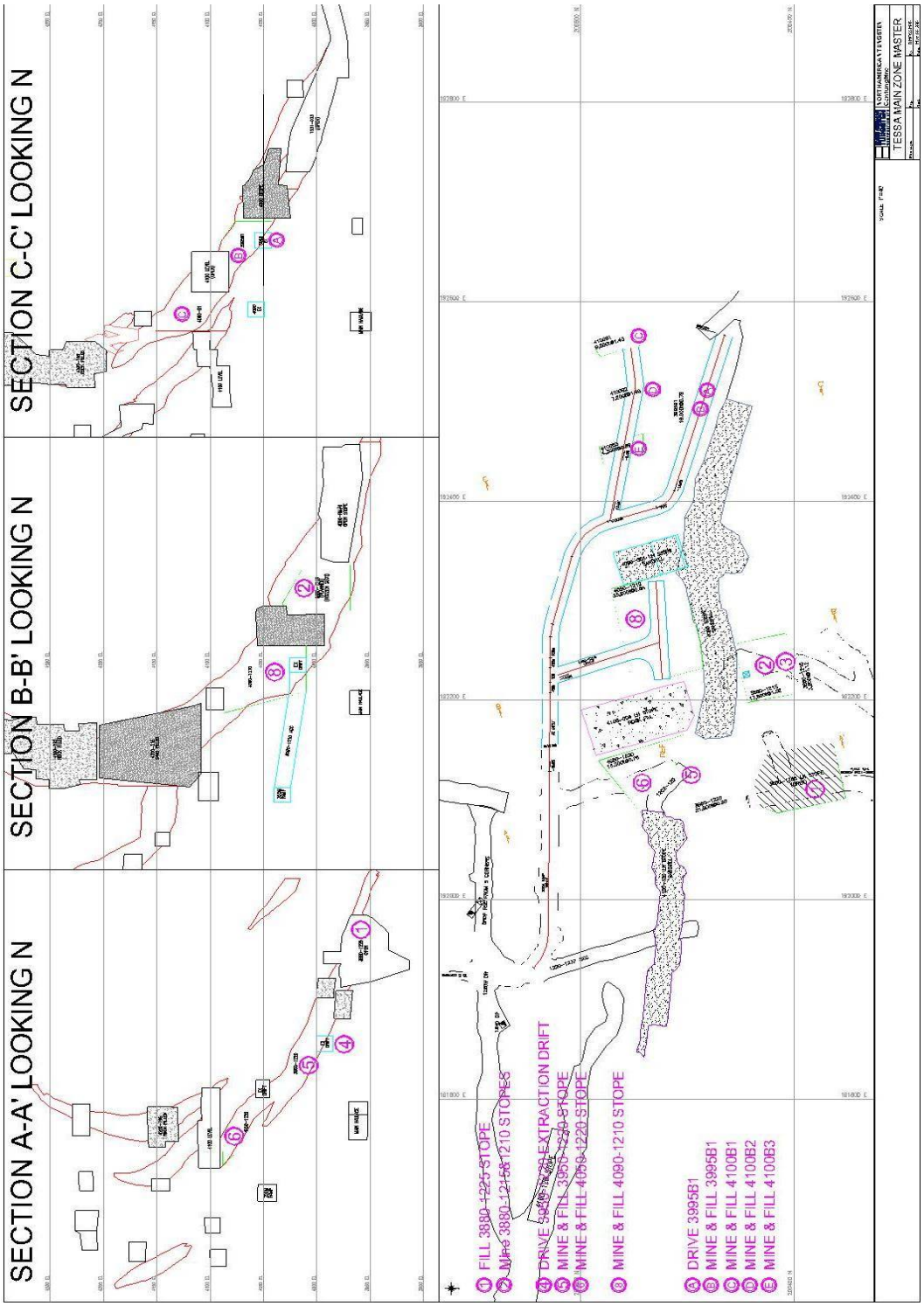
FIGURE 17-10 SALVAGE MAIN ZONE MINE PLAN



TESSA MAIN ZONE

The Tessa Main Zone consists of 6 post pillars and 1 rib pillar which are separated from each other by historic stopes filled with uncemented rock & sand fill. The development for these blocks is partially complete with an access ramp in the footwall. Due to the unconsolidated nature of the fill in the adjacent stopes, small rib pillars between these stopes and the pillars to be mined will be left in place. Pillar mining will take place in stages where portions of each pillar will be mined then filled with cemented backfill to increase stability of both the back and the surrounding waste fill.

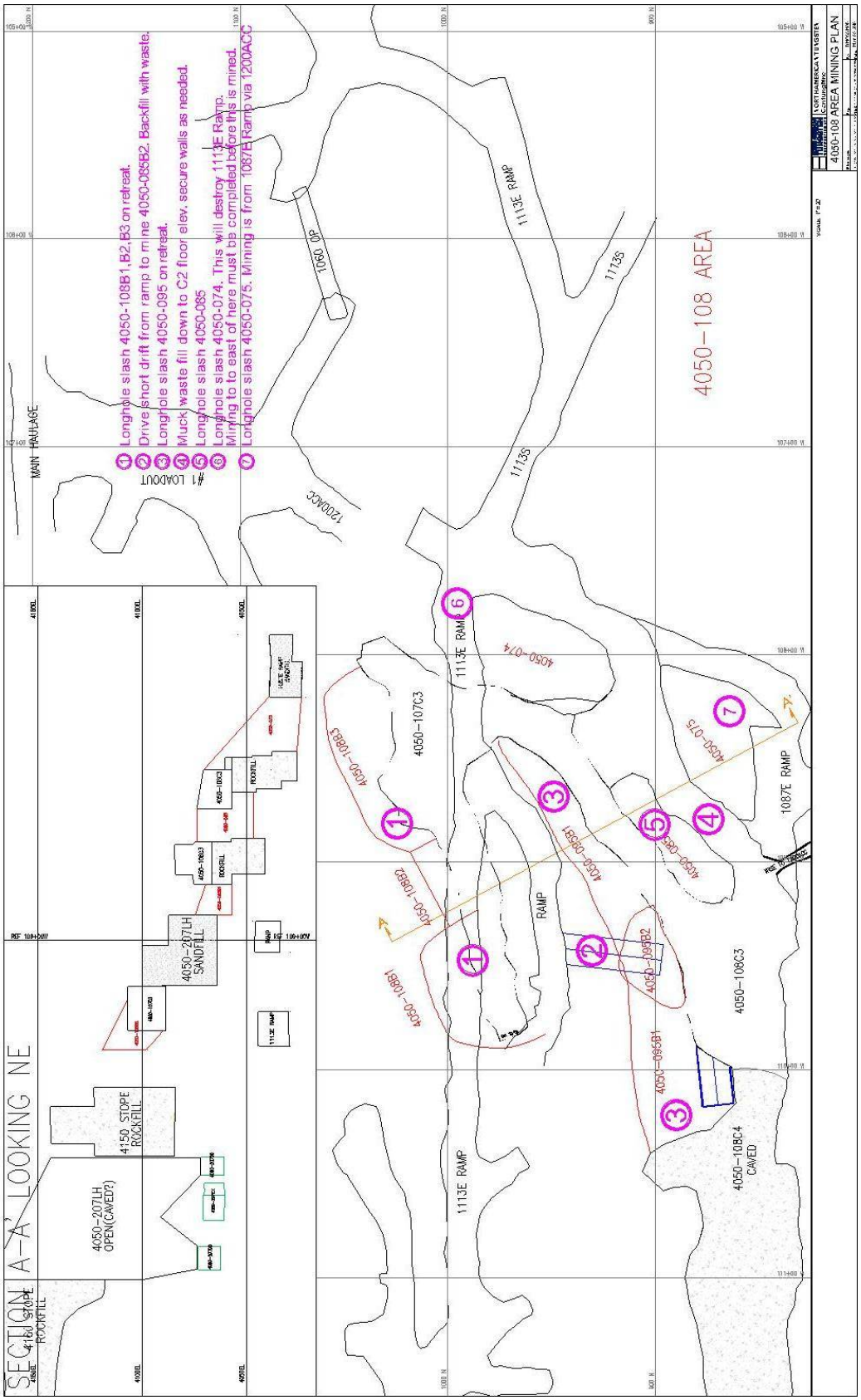
FIGURE 17-11 TESSA MAIN ZONE



4050-108 AREA

The 4050-108 consists of a number of high grade rib pillars which will be slashed on retreat. The area has been cablebolted and screened and is ready for production. Cemented backfill will be used to limit spans created by mining.

FIGURE 17-12 4050-108 AREA MINE PLAN



LIFE OF MINE PRODUCTION SCHEDULE

The mine production schedule is based on providing ore primarily from the E zone Pillars in the 2011 fiscal year while developing the 3600 Zone and the Pit Underground Zone. In 2011 ore will be delivered to the processing facilities at an average rate of 1,090 tons per day with a 12 month year. In 2012 and 2013 fiscal years ore will be delivered to the processing facilities at an average rate of 1,200 tons per day with production from all three zones in the mine. The E zone pillars will be depleted by the end of 2012 and production will shift entirely to the lower cost 3600 & PUG Zones in 2013 - 2014.

Table 17-1 shows the production ore tonnes for each zone and the relative grades.

TABLE 17-1 PRODUCTION TONS BY ZONE

Life of Mine Production Schedule												
Area	2011			2012			2013			2014		
	Tons	Grade	Stu's	Tons	Grade	Stu's	Tons	Grade	Stu's	Tons	Grade	Stu's
West Extension 3600	70,403	1.47	103,492	140,087	1.47	205,928	229,316	1.47	337,095	113,596	1.48	168,122
E Zone Pillars	327,355	1.06	346,996	214,505	1.00	214,505						
Pit Underground				83,408	1.05	87,578	208,684	1.05	219,118	306,100	1.05	321,405
Total	397,758	1.13	450,489	438,000	1.16	508,011	438,000	1.27	556,213	419,696	1.17	489,527

A comprehensive project schedule has been completed with realistic productivities and resource levelling to ensure that production rates can be maintained. If professional mining practices are maintained at Cantung, achievement of these production numbers is readily achievable. The Life of Mine is scheduled from October 2010 to September 2014, 4.0 years of mining. No production was included in September 2010 to account for the re-commissioning of the Cantung Mine this year.

Critical Milestones in the Life of Mine Plan are as follows;

1) Collaring of the PUG Incline – March 1st 2011
2) Completion of the PUG Incline – March 21st 2012
3) Completion of the 3600 Waste Development – Aug 13th 2011

The Life of Mine Plan includes substantial mine development in 2010 with declining advance until development of current reserves is completed in 2012. The development team at Cantung achieved a linear advance of 11,104 ft in 2009 or 925ft per month, but will be tasked with mine rehabilitation jobs in the initial months of 2010. In consideration of this company miners are estimated to complete 5,300 ft of development in 2011 fiscal year. It is anticipated that 2011 and 2012 fiscal year development would be augmented by an outside contractor to ensure timely completion.

Life of Mine Development Advance

	2011	2012	2013	TOTAL
E Zone Pillars	3.556	1,500		5,056
Pit Underground	3,078	3,783	2,311	9,172
3600 Decline	7,375	1.491		8,866
	14,009	**6,774**	**2,311**	**23,094**

The addition of cemented fill in the mining sequence at Cantung will be a significant change over previous years. The use of cemented fill at Cantung is necessary for economic extraction of ore in the E Zone Pillars and the 3600 Zone. Life of Mine Requirements for cemented fill, cement, and fly ash as displayed below. Preliminary testing has determined that the Cantung tailing can be made into a suitable paste tailing fill. Testing has determined that a 3% binder containing 90% Blast Furnace Slag and 10% Regular Portland Cement could provide compressive strengths over 1.6MPa. Binder materials have been preliminarily estimated at 2.7% Blast Furnace Slag and 0.3% Regular Portland Cement. Any costs of fill placement not required for mining purposes have been ignored. It may be advantageous to place fill in historic stopes outside of active mining areas in order to lengthen the life of the surface tailings facility.

Study was undertaken this year to determine the volume of tailings which could be placed into the old workings at Cantung to decrease the requirements for surface tailings impoundment. The following table displays an estimate of available storage in the old workings.

	Tertiary Fill areas	
	Volume (ft3)	**Backfill Cap (T)**
4050 East Area	1,721,000	96,376
4300 Area	1,943,538	108,838
Central Flats +	1,966,951	110,149
Misc Drifting	1,449,444	81,169
	7,080,933	396,532

It is estimated that 80% of the secondary stopes in the current mine plan could also be filled to reduce surface tailings disposal. This would include filling mined stopes in the PUG. The following table summarizes the overall Life of Mine possibilities of disposing tailings underground.

Life of Mine Tailings Disposal (Tons)

	2010	**2011**	**2012**	**2013**	**TOTAL**
Primary Fill (T)	185,000	214,825	105,315	105,405	610,545
Secondary Fill(T)	20,990	57,068	144,676	47,498	270,231
Tertiary Fill(T)	103,104	146,714	146,714	0	396,532
Total Tailing UG	309,094	418,607	396,705	152,903	1,277,308
Tailings to Surface	68,116	92,393	114,295	141,342	416,146
Tailings UG %	82%	82%	78%	52%	75%

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. 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
966H Loader (Cat)	1
26 Ton Truck (EJC 426)	1
50 Ton Truck (Cat AD45)	1
30 Ton Truck (EJC430)	2
2 Boom Jumbo (Tamrock)	2
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 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	3
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

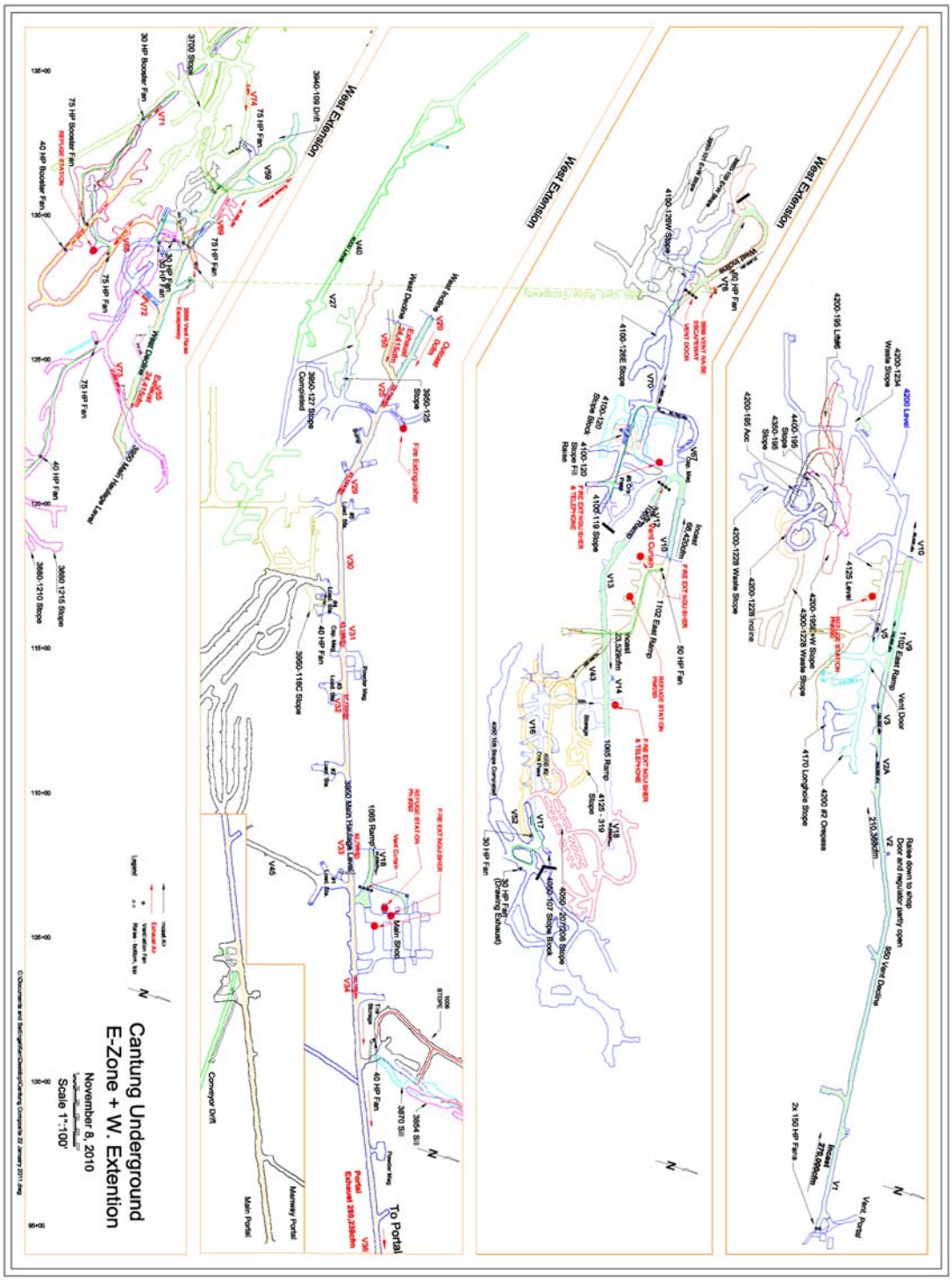
Two intake fans, installed in parallel, deliver 270,000 cfm of fresh air to the mine. These fans are located at the 4350 level adit on surface. The installation includes a set of propane burners for heating the air in winter to prevent freezing of the intake drift. The air heaters are equipped with 16 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 17-13.

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 17-13 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 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 process water 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 aircraft on each Wednesday's crew rotation. The charter pick up points are Vancouver, Campbell River, Prince George, Kamloops & 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 2010, the operation had 233 budgeted employees. The budgeted manpower number for fiscal year 2010/2011 is set at 204. Current manpower levels, as of October 1, 2010 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
Administration Department	4	12	16	16
Surface Department	28	6	31	34
Mine Department	70	22	83	92
Mill Department	42	16	53	58
Environment Department		4	4	4
Total	**144**	**60**	**187**	**204**

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.E.O. The General Mine Manager's direct reports are the Mine Superintendent, Safety Superintendent, Chief Engineer, 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.

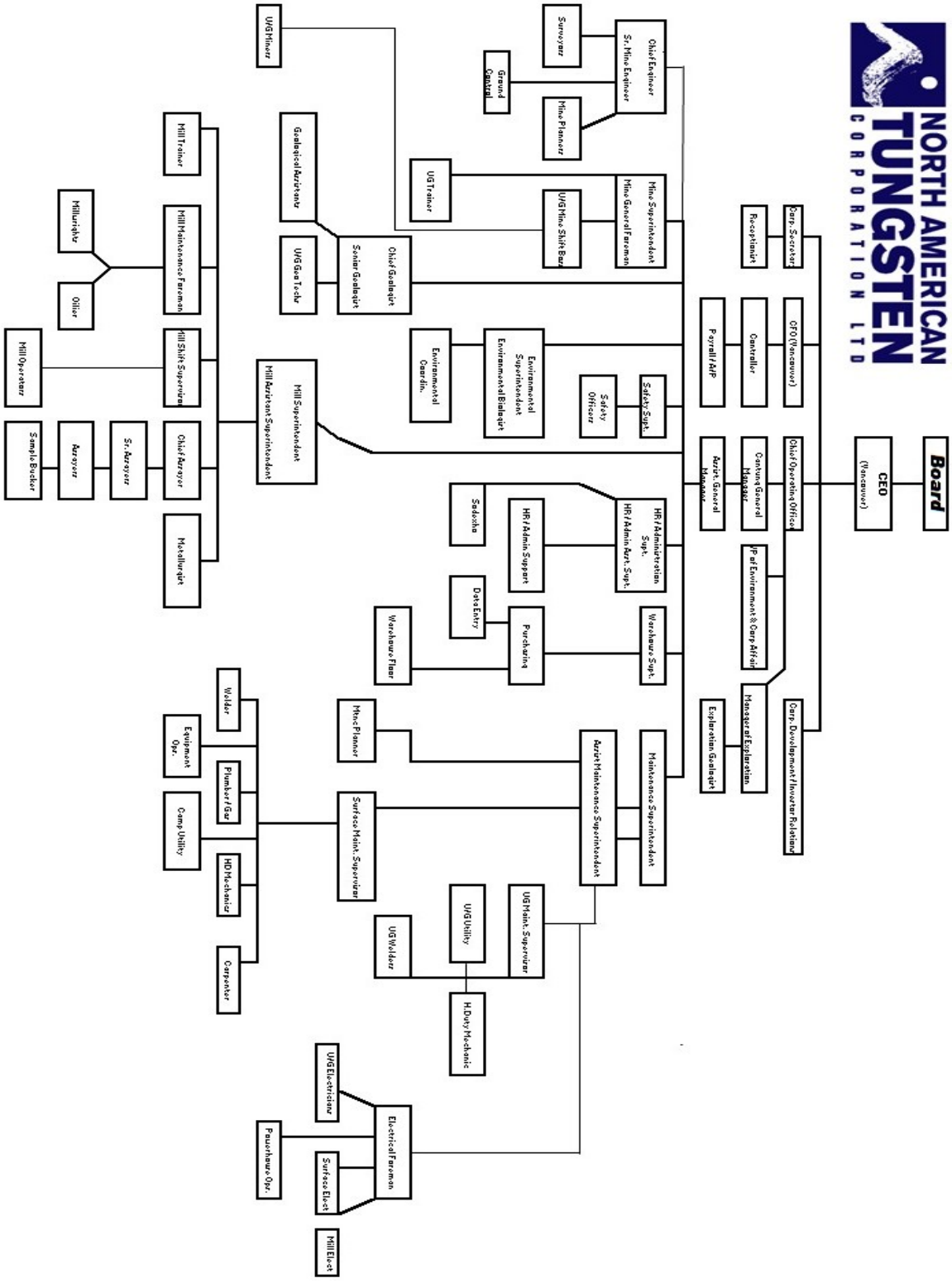
The Warehouse Superintendent is responsible for the overall management, direction and co-ordination of all warehouse operations and functions, including but not limited to; overseeing the purchasing, warehousing, and logistics. Specifically, Warehouse Superintendent is responsible for freight and concentrate 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, Environmental Superintendent 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 Safety Superintendent 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. Reporting to the Safety Superintendent are the Site Safety Officers.

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

FIGURE 17-14 ORGANIZATIONAL CHART



ENVIRONMENTAL CONSIDERATIONS

The NATCL Cantung Mine is in compliance on all surveillance networks monitoring and reporting and is working very closely with Regulators to schedule required research and associated reports.

PERMITS

On January 29, 2009 the Company received notification from the Mackenzie Valley Land and Water Board ("MVLWB") of the renewal of the Company's type "A" Water License ("license"). The license was approved for a period of five (5) years commencing January 30, 2009 and expiring January 29, 2014.

The security deposit required under the Company's license is $11,677,839 (includes the August 2010 security amount reduction of $1,422,161 received from the MVLWB), of which the Company has posted $4.1 million in cash and $7.6 million in the form of secured promissory notes pursuant to the Reclamation Security Agreement ("RSA"). The RSA further provides for:

- the Company to post $100,000 in cash on the 1st of September, 1st of December, 1st of March, and 1st of June (1st payment made on the 1st of September), to reduce the amounts pledged under the promissory notes;
- the cash components payable to DIAND to increase under certain events.

Any security amounts owing under the license and monies owed by way of secured promissory notes are secured by a Security Agreement charging specific assets.

Any funds in excess of ultimate reclamation costs will be returned to the Company.

Subsequent to the year end the Company posted $100,000 of cash and reduced the posted secured promissory notes by $100,000. (Total amount posted as of December 1, 2010 - $4.2 million in cash and $7.5 million in the form of secured promissory notes).

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 and March 31, 2010. In further discussions with the MVLWB it has been agreed that the Closure and Reclamation Plan that is required in 2011 will include work plans that will provide the information and research requirements for the final closure plan that is not required until March 2013 (based on current Mine Life). For all intents and purposes this next CRP will be the basis for which the Final Reclamation Plan will be developed.

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 third party 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 17-7 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	3.8
Brodie Consulting	June 2008	INAC	13.1
NATC	Mar 2009	NATC	4.2
NATC	Mar 2010	NATC	4.3

OPERATIONAL CONSIDERATIONS

In August, 2010 construction of a new lift for the current Tailings Impoundment 4 and 5 were started. Construction was completed in October, 2010 just ahead of production start up for the re-opening of the mine. The construction provided one year's storage capacity to the Tailings Storage Facilities. Additional storage capacity is currently in the design stages and construction for an additional 2 years of capacity is scheduled to begin in June 2011, pending approval of designs and water and tailings management plans.

Additional design work is being conducted at this time for a longer term tailings storage facility that could provide an additional 10 years of storage capacity to the operations at Cantung Mine.

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 including mine development costs for the remainder of the mine life are estimated to be $42.9 million. Closure costs, and salvage value were not included in capital costs.

TABLE 17-8 SUMMARY OF CAPITAL COSTS
North American Tungsten Corporation Ltd.-Cantung Mine

	COST (C$ '000)
ACTIVITIES	Life Of Mine
Mine	13,042
Mill	2,082
Power/Equipment	4,730
Tailings/Environmental	7,409
Other	1,609
Mine Development	13,995
TOTAL	**42,867**

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. Mine operating costs for fiscal 2011-2014 are forecast to be $149 per ton milled.

TABLE 17-9 SUMMARY OF OPERATING COSTS
North American Tungsten Corporation Ltd.-Cantung Mine
2011-2014 Forecast

ACTIVITIES	UNIT COST (C$/ton)
Mining	60
Milling	24
Surface	30
Administration	35
TOTAL	**149**

The total estimated unit cost for the project $149.00 per ton milled, including head office costs. This cost is based on processing 1,160 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 $5.2 million.

MINE

The estimated cost of mining at $60 per ton milled is higher in comparison with the costs attained during previous years, due to higher rates for labour, mine development and consumables such as explosives and ground support.

MILL

The milling cost is estimated to be $24.00 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 $30.00 (surface plus power) per ton milled. Costs are reflective of the installation on new generators and lower power generating costs.

ADMINISTRATION

The administration unit cost is estimated to be $35.00 (site administration, catering, employee transportation) per ton milled. Head office costs are estimated to be $10.00 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

NATCL sells its gravity and flotation grade products at prices based on a discount to the London Metal Bulletin ("MB") market values for ammonium paratungstate (APT). Concentrates may be blended in various configurations to maximize revenue.

Forecast production volumes from the Cantung mine have been substantially pre-sold for fiscal 2011 and 2012. Advance payments from certain customers totaling nearly $8 million assisted in funding the re-start process. By contrast, the Company suspended production at Cantung in October 2009, by when the book value of unsold product inventories was in the $10 million region.

Customers for the Cantung products include North American, European, and Chinese APT and W powder producers.

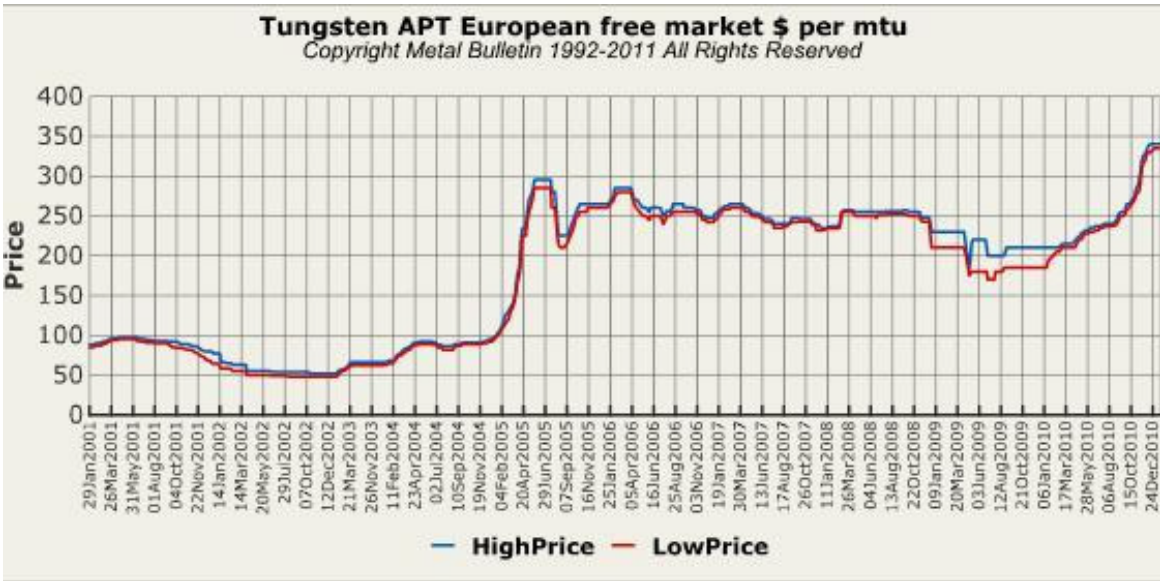
North American Tungsten's ("the Company") competitors are the tungsten producers within China, the Beralt mine in Portugal, and, on a smaller scale, producers within

Russia, Africa, South America, Thailand, and Vietnam. Although China is unable to export concentrate, the Company must compete against Chinese mines to supply to APT producers within China.

PRICING

The MB European quotation for APT (from which concentrate prices are derived by varying formulae) has risen to US$342.50/MTU based on a range of (US$340-345). That average has risen 84% from a monthly low of US$186.50/MTU in July 2009. The September 2010 closing average price was US$250.22/MTU.

FIGURE 17-15 TEN YEAR AVERAGE TUNGSTEN PRICES



In the cash flow, revenue is based on a G1 gravity product price of US$262/mtu and the forecast price for flotation concentrates is US$244/mtu over the life of the mine. The foreign exchange rate of $US to $ CDN is 1.00 to 1.00.

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 1-2 has been generated from the life of mine operational data, and capital and operating cost data. The Cash Flow starts on October 2010 (the Cantung Mill Re-commissioning date), and is organized by the Company's fiscal year, which runs from October to September. A summary of the key criteria is provided below.

ECONOMIC CRITERIA

PHYSICALS

- Mine life: 4.0 years
- Total mill feed: 1,693,454 tons at a grade of 1.17% WO_3
- Operations 365 days per year
- Mill throughput is expected to average 1,160 tons per day over the mine life.
- Metric tonne units produced 1,430,000
- Metallurgy as per recent mill performance:

- Tungsten recovery 79.5%
- Gravity concentrate (G1)
  - Grade 65%
  - Distribution 73%
  - Recovery relative to mill feed 58.3%
- Flotation concentrate
  - Grade 45%
  - Distribution 27%
  - Recovery relative to mill feed 21.2%

REVENUE

- Tungsten selling price over entire life of mine
  - US$262/MTU for G1 product
  - US$244/MTU for flotation products
- Revenue recognized at the time of production
- Exchange rate US$1: $C1.00
- Teck Resources Ltd. royalty of 1%
- Insurance, Freight & Marketing charges of $6.52/mtu
- Moisture content < 1% (Flotation product)

COSTS

- Sustaining capital: $28.9 million
- Mine Development $14.0 million
- The average operating cost over the mine life, including head office cost, is estimated to be $149 per ton milled based on mine operating costs of $233.1 million and head office costs of $18.8 million over the four year mine life.

CASH FLOW MODEL

Considering the Project on a stand-alone basis, the undiscounted pre-tax cash flows are forecast to be CDN$59.7 million over the mine life. Significant capital in the form of equipment and mine development expenditures are required in 2011. Cash flow is anticipated to be positive over the course of the mine life.

The site Unit Cost of Production is CDN$163 per MTU of WO_3. Net Present Value (NPV) at a 6% discount rate, pre-income tax is $52.0 million.

Revenues per unit for 2011 are based on an average Metal Bulletin ("MB") APT price of $US 309/mtu increasing to $US 325/mtu in years 2012-2014. The current average MB APT price is $US 342.50/mtu from a range of $US 340/mtu to $US 345/mtu.

Mine operating costs are adjusted for inflation at a rate of 3% per annum over the base year. The mine life is projected to be 4 years.

PROJECT SENSITIVITY

Figure 17-16 shows the project sensitivity to the following factors:

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

FIGURE 17-16 SENSITIVITY ANALYSIS

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

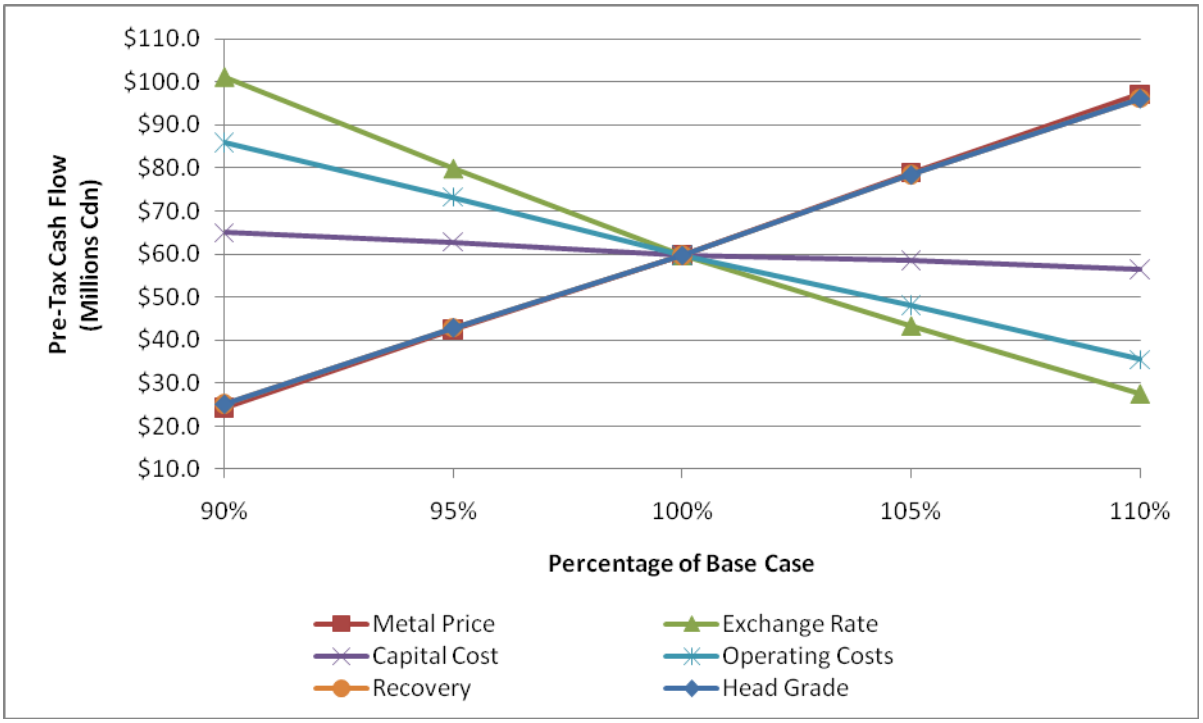


TABLE 17-10 SENSITIVITY ANALYSES

North American Tungsten Corporation Ltd.-Cantung Mine

	-10%	-5%	Base Case	+5%	+10%
Head Grade %	1.05	1.11	1.17	1.23	1.29
Pre-tax Cash Flow (million)	$ 24.2	$ 42.0	$ 59.7	$ 77.5	$ 95.3
Metal Price (US$/MTU)	$ 231.7	$ 244.5	$ 257.4	$ 270.3	$ 283.2
Pre-tax Cash Flow (million)	$ 23.3	$ 41.5	$ 59.7	$ 77.9	$ 96.2
Exchange Rate (C$/US$)	$ 0.90	$ 0.95	$ 1.00	$ 1.05	$ 1.10
Pre-tax Cash Flow (million)	$ 100.2	$ 78.9	$ 59.7	$ 42.4	$ 26.6
Capital Cost (million)	$ 38.5	$ 40.6	$ 42.9	$ 44.9	$ 47.0
Pre-tax Cash Flow (million)	$ 64.0	$ 61.9	$ 59.7	$ 57.6	$ 55.4
Operating Costs (million)	$ 226.7	$ 239.3	$ 251.9	$ 264.5	$ 277.0
Pre-tax Cash Flow (million)	$ 84.9	$ 72.3	$ 59.7	$ 47.1	$ 34.5
Recovery (%)	71.6	75.5	79.5	83.5	87.5
Pre-tax Cash Flow (million)	$ 24.2	$ 42.0	$ 59.7	$ 77.5	$ 95.3

18 INTERPRETATION AND CONCLUSIONS

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 gravity concentrate price scenario of US$262/MTU and US$244/MTU for flotation concentrates 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, 2009. 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.

Based on the new mine plan, the Mineral Resources in the Open Pit/PUG Zone have now been placed into the reserves. Past open pit and PUG designs proposed production in the order of more than one year of mill feed. The new mine plan has production from the PUG Zone in its second year of its Life of Mine Plan.

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.

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20 SIGNATURE PAGE

This report titled "Technical Report on the Cantung Mine, Northwest Territories, Canada" and dated January 31st, 2011, was prepared by and signed by the following authors:

"signed"

Dated at Vancouver, BC
January 31st , 2011

Finley J. Bakker, P. Geo.
Consulting Geologist

"signed"

Dated at Vancouver, BC
January 31st , 2011

Kevin Fitzpatrick, P. Eng.
Professional Mining Engineer

KEVIN FITZPATRICK

I, Kevin Fitzpatrick, 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 January 31, 2011 do hereby certify that:

I am the Chief Mine Engineer 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 Arizona, in 1985 with a Bachelor of Science degree in Mining Engineering and of the British Columbia Institute of Technology in 1979 with a Diploma in Mining Technology.

2. I am registered as a Professional Engineer in the Province of British Columbia (License # 16531), residing at 83 Citadel Grove NW, Calgary, Alberta. I have worked as a mining engineer for a total of 24 years since my graduation in 1985. My relevant experience for the purpose of the Technical Report is:

    - Mine operational experience at 10 different mines holding various positions ranging from miner, surveyor, mine engineer to mine manager.
    - Mineral exploration experience as a diamond driller and project manager.
    - Provided mine designs, feasibility studies, and reserve calculation services for operating mines and advanced exploration projects.
    - Mine Manager of two underground and one open pit mine, including two start ups.

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 am currently employed at the Cantung Mine, as Chief Engineer.

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

6. I have had no prior involvement with the property that is the subject of the Technical Report.

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 31st day of January 2011

"signed"

Kevin Fitzpatrick, P. Eng.

FINLEY J. BAKKER

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

1. I am a Professional Geoscientist residing at 4798 Andy Road, Campbell River, BC V9H 1C6

2. I was Chief Geologist, working at the Cantung Mine until June 2010
   North American Tungsten Ltd
   #1640 - 1188 West Georgia Street
   Vancouver, BC V6E 4A2
   Ph: (604)684-5300

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

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

5. I have worked as a geologist for a total of 31 years since my graduation from university.

6. 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 four Mines
   20 months total experience at the Cantung Mine
   Have undertaken Resource calculations for 28 years
   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.

7. 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 January 31, 2011.

8. 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 June 2010.

9. 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.

10. I am independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101.

11. 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 31st day of January 2011

"signed"

Finley J. Bakker, P. Geo.